



**The Institute of  
Chartered Accountants  
of Pakistan**

Circular No. 01 /2011



September 09, 2011

**ALL MEMBERS OF THE INSTITUTE**

Dear Member

**EXPOSURE DRAFT OF THE REVISED CODE OF ETHICS FOR CHARTERED ACCOUNTANTS**

The Professional Standards & Technical Advisory Committee of the Institute in its 64th meeting held on August 01, 2011 has approved and decided to expose the Draft 'Revised Code of Ethics for Chartered Accountants' (The Revised Code) to the members of the Institute for comments before its implementation.

**Background**

In July 2009, the International Ethics Standards Board for Accountants (IESBA) has issued a revised Code of Ethics for Professional Accountants, clarifying requirements for all professional accountants and significantly strengthening the independence requirements of auditors.

The revised Code establishes a conceptual framework for all professional accountants to ensure compliance with the five fundamental principles of professional ethics. These principles are integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Under the framework, all professional accountants are required to identify threats to these fundamental principles and if there are threats, then to apply safeguards to ensure that the principles are not compromised. The framework applies to all professional accountants, including those in public practice and those in business, industry and government.

The revised Code maintains the principles based approach supplemented by detailed requirements where necessary, resulting in a Code that is robust but also sufficiently flexible to address the wide ranging circumstances encountered by Chartered Accountants.

In order to adopt the Revised Code, the relevant Committee of the Institute took up the review of this Code and after an exhaustive study, the IESBA Code has been adopted subject to some changes. It may be noted that the changes made in the revised ICAP Code are not in conflict with the requirements of the IESBA Code rather some of the requirements of the revised ICAP Code are more stringent than those of the IESBA Code.

The revised ICAP Code (clean as well as a marked version) can be downloaded from the Institute's website from the following link:

[http://www.icap.org.pk/userfiles/file/TechnicalDepart/Expo\\_clean\\_final.pdf](http://www.icap.org.pk/userfiles/file/TechnicalDepart/Expo_clean_final.pdf)  
[http://www.icap.org.pk/userfiles/file/TechnicalDepart/expo\\_marked\\_copy.pdf](http://www.icap.org.pk/userfiles/file/TechnicalDepart/expo_marked_copy.pdf)

Members of the Institute are requested to send their valued comments on the revised ICAP Code to the Directorate of Technical Services at [dtcomments@icap.org.pk](mailto:dtcomments@icap.org.pk) by **October 10, 2011**. Though general comments are welcome, it would be helpful if the comments include specific paragraph or section references; a clear description of the issue(s) being highlighted and provide alternative provisions supported by rationale for the suggested change.

Yours truly

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Director Technical Services

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