

## **NOTICE FROM THE IAC BOARD ETHICS & SOCIAL SUB-COMMITTEE**

The IAC Ethics & Social Sub-Committee wishes to draw your attention to the following:

### **1. Non-Compliance with Laws and Regulations (NOCLAR)**

The International Ethics Standards Board for Accountants (IESBA) on 15 July 2017 released the NOCLAR standard, which sets out a framework as to what actions public accountants and auditors need to take when becoming aware of potential illegal acts, i.e. non-compliance of laws and regulations committed by a client or employer.

“The standard applies to all categories of professional accountants, including auditors, other professional accountants in public practice, and professional accountants in organizations, including those in businesses, government, education, and the not-for-profit sector. It addresses breaches of laws and regulations that deal with matters such as fraud, corruption and bribery, money laundering, tax payments, financial products and services, environmental protection, and public health and safety.

Among other matters, the new standard provides a clear pathway for auditors and other professional accountants to disclose potential non-compliance situations to appropriate public authorities in certain situations without being constrained by the ethical duty of confidentiality. It also places renewed emphasis on the role of senior-level accountants in business in promoting a culture of compliance with laws and regulations and prevention of non-compliance within their organizations (IESBA, 2017)”.

For more information on NOCLAR, please visit <http://www.ifac.org/publications-resources/responding-non-compliance-laws-and-regulations>.

The aforementioned standard is in line with South African legislation and members are accordingly urged to acquaint themselves therewith.

### **2. IAC Code of Ethics**

The Ethics and Social Sub-Committee is currently reviewing the IAC’s own ethics compliance, both as it relates to the organisation and its members. This includes the current member’s Code of Ethics, a copy of which is attached for your information. We would like to invite members to make contributions as to how the code could be strengthened.

Kind regards,

**DW SWANEPOEL**  
**CHAIRPERSON: ETHICS & SOCIAL SUB-COMMITTEE**