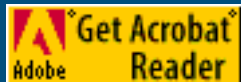


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- About IFAC
- Media Center
- Exposure Drafts
- Compliance Program
- Standards and Guidance
- IFAC Boards and Committees
- IFAC Task Forces
- Forum of Firms
- Articles and Speech Library
- Bookstore
- Publication Policies
- Jobs at IFAC

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### IFAC Seeks Comments on Proposed Preface to New Management Accounting Guidance and Releases Guidance on Developing Codes of Conduct

(New York/June 12, 2007) -- Professional accountants in business worldwide will get added assistance from the International Federation of Accountants (IFAC) in the form of new international principles-based good practice guidance. A newly released exposure draft (ED), [\*Preface to IFAC's International Management Accounting Statements and International Good Practice Guidance\*](#), developed by IFAC's Professional Accountants in Business (PAIB) Committee, sets out the objective, scope and due process of two new types of guidance: International Management Accounting Statements and International Good Practice Guidance. The PAIB Committee seeks input on the approach to representing good practice to professional accountants in business and the proposed document types.

Together with the draft Preface, the PAIB Committee has released new guidance on developing codes of conduct and has issued an exposure draft of the first International Management Accounting Statement. (See below.)



International Management Accounting Statements and International Good Practice Guidance establish fundamental principles and provide supporting application guidance to reflect good practice. In addition, the new guidance signposts other sources of information, such as those developed by national professional accountancy bodies. The guidance documents may also serve as a leadership tool that professional accountants can use in promoting sound

"The release of the proposed Preface represents the start of a significant work program for the committee," says Edward Chow, Chair of the PAIB Committee. "The new pronouncements will contribute to better decisions in organizations and enhance the level of support to and competence within the global community of professional accountants in business. I encourage professional accountants in business to use these pronouncements to promote good practices in the organizations in which they work."

### **New Guidance on Developing Codes of Conduct**

The PAIB Committee has released the first International Good Practice Guidance, [\*Defining and Developing an Effective Code of Conduct for Organizations\*](#). This guidance will assist professional accountants and their organizations in developing and implementing a code of conduct within a values-based culture. It can be downloaded free-of-charge from the IFAC online bookstore at <http://www.ifac.org/store>. The PAIB Committee welcomes further feedback on this document during the exposure period for the Preface.

### **Exposure Draft on Project Appraisal Using Discounted Cash Flow**

In addition to the above, the PAIB Committee has also issued an ED of a proposed International Management Accounting Statement, entitled [\*Project Appraisal Using Discounted Cash Flow\*](#). The proposed International Management Accounting Statement aims to support professional accountants in business in applying and promoting the use of discounted cash flow and net present value to evaluate investments. It sets an international benchmark for using discounted cash flow in project



appraisal and provides principles that reflect widely accepted good practice, supported by guidance to facilitate their application. The ED asks for feedback on both the content and approach.

### Looking Ahead

Over the next year, the PAIB Committee plans to develop proposed principles-based pronouncements on internal control from a risk management perspective, using cost information effectively, and enterprise governance. The PAIB Committee is also using the proposed International Management Accounting Statement on *Project Appraisal Using Discounted Cash Flow* to solicit feedback on future topic selections to support this document.

### How to Comment

Comments on the proposed Preface and proposed International Management Accounting Statement are requested by **September 12, 2007**. The EDs may be viewed by going to <http://www.ifac.org/EDs>. Comments may be submitted by email to [EDComments@ifac.org](mailto:EDComments@ifac.org). They may also be faxed to the attention of the PAIB Committee Technical Manager at +1-212-286-9570 or mailed to PAIB Committee Technical Manager at 545 Fifth Avenue, 14th Floor, New York, NY 10017, USA. All comments will be considered a matter of public record and will ultimately be posted on the IFAC website.

Founded in 1977, IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 155 members and associates in 118 countries, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. The organization, through its independent standard-setting boards, sets international ethics, auditing and assurance, education, and public sector accounting standards. Through its Professional Accountants in Business Committee, IFAC issues guidance to encourage high quality performance by professional accountants in business.





### Note to Editors:

Attached to this press release is a [questions and answers document](#) developed by the Professional Accountants in Business Committee to explain the rationale for and approach to its new program to develop principles-based good practice pronouncements.

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