

4 August 2017



The Chairman  
Accounting Professional & Ethical Standards Board  
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Dear Nicola

**Exposure Draft 02/17 - Proposed Guidance Note: APES GN 31 Professional and Ethical Considerations relating to Low Doc Offering Sign-offs**

CPA Australia welcomes the opportunity to respond to the above Exposure Draft and we make this submission on behalf of our members and in the broader public interest.

CPA Australia is generally supportive of the issue of the proposed guidance note and offers the following specific comments.

**Specific Comments**

*Title*

CPA Australia is of the view that the title of the proposed guidance note should be reconsidered, as 'low doc' is not a formal, nor a well understood, term. We suggest: Offerings without Regulated Disclosures as a more appropriate title for the guidance note. We also think that '*Professional and Ethical Considerations relating to*' is unnecessary as all APESB Standards and Guidance Notes are about Professional and Ethical Considerations.

*Professional Judgement*

The way professional judgement is presented in the proposed Guidance Note may not be perceived as aligned with the manner professional judgement is addressed in the Code and other standards.

Paragraph 4.4 of the proposed guidance note states:

*Members in Public Practice are cautioned that the determination of whether to issue a Low Doc Offering Sign-off is a matter of professional judgement, based on the particular facts and circumstances of a Low Doc Offering Engagement.*

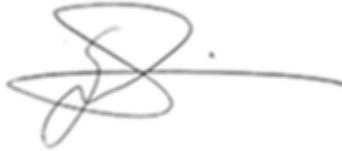
Given that the Code requires the use of professional judgement for the application of its conceptual framework, we are of the view that members should be reminded that as is the case in all other circumstances, the application of professional judgement is a requirement rather than present it as a caution.

*Guidance and requirements*

The proposed guidance note presents many requirements as guidance. For example, paragraph 5.2 states that a member in Public Practice should consider the requirements of APES 350. We are of the view that the use of the term 'should' ought to be reviewed, as members have an obligation to comply with the requirements of APES 350 and all other standards. We urge the APESB to review all uses of the term 'should' in the proposed guidance note and particularly in paragraphs 5.4, 6.1 and 7.1.

If you require further information on our views expressed in this submission, please contact Dr Eva Tsahuridu, CPA Australia by email at [eva.tsahuridu@cpaaustralia.com.au](mailto:eva.tsahuridu@cpaaustralia.com.au) or on +61 3 9606 5159.

Yours sincerely

A handwritten signature in grey ink, consisting of a large, stylized 'S' followed by a horizontal line extending to the right.

Stuart Dignam  
General Manager - Policy & Corporate Affairs