

Media Release

4 April 2007

Contingent fee arrangements for assurance clients exposure draft released for comment

The Accounting Professional & Ethical Standards Board (APESB) has released an exposure draft of APES 340 *Contingent Fee Arrangements for Assurance Clients* and invites comments before 31 May 2007.

The proposed standard APES 340, expected to be operative from 1 July 2007, sets out the mandatory requirements for those members in public practice who provide professional services to assurance clients.

A contingent fee is a pre-determined amount or specified commission payable to a firm upon the occurrence of a specified event or the achievement of an outcome.

Proposed standard APES 340 includes mandatory requirements in respect of contingent fees for assurance engagements and non-assurance services to assurance clients. It also updates the ethical and professional conduct provisions to reflect APES 110 *Code of Ethics for Professional Accountants*, policies and procedures, threats to objectivity and independence, safeguards and documentation requirements.

Mr Stuart Black, member of the APESB, said that “the APESB believes that obtaining stakeholder comments is essential to achieving a balanced review.”

The exposure draft can be downloaded from the APESB website www.apesb.org.au. Printed copies are available on request. Comments can be emailed to sub@apesb.org.au or mailed to:

The Manager
Accounting Professional & Ethical Standards Board (APESB)
Level 7, 600 Bourke St
Melbourne, VIC 3000

The APESB is responsible for setting the Code of Ethics and professional standards with which members of CPA Australia, the Institute of Chartered Accountants in Australia (ICAA), and the National Institute of Accountants (NIA), are required to abide.

- ENDS -

Media Enquiries:

Mr Stuart Black (02) 9262 4933

Accounting Professional & Ethical Standards Board
Level 7, 600 Bourke Street
Melbourne, Victoria, 3000
Telephone: 03 9670 8911
Fax: 03 9670 5611
Email: enquiries@apesb.org.au