

Constituents' Submissions

Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290 : Independence – Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants*

**Constituents' Submissions**  
**Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290: Independence - Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants***

*This table excludes minor editorial change (if any).*

| Item No. | Paragraph No. in Exposure Draft | Respondent     | Respondents' Comments  | APESB Staff Comments | Change made to Standard? |
|----------|---------------------------------|----------------|--|----------------------|--------------------------|
| 1        | -                               | CPA, NIA, ICAA | <p>CPA Australia Ltd. (CPA Australia), the National Institute of Accountants (NIA) and the Institute of Chartered Accountants (ICAA) appreciate the opportunity to comment on the APESB's proposed amendments to Section 290 of the <i>Code of Ethics for Professional Accountants</i> (the Code) exposed for comment in December 2007.</p> <p>We strongly support the APESB's proposal to update the Code to reflect the following changes in relation to auditor independence:</p> <ul style="list-style-type: none"> <li>• Removal of the "all partner" rule on financial investments;</li> <li>• Amendment of the 2 year cooling off period for a former partner of the firm;</li> </ul> | Supportive comment.  | No                       |

Constituents' Submissions

Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290 : Independence – Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants*

| Item No. | Paragraph No. in Exposure Draft | Respondent | Respondents' Comments   | APESB Staff Comments | Change made to Standard? |
|----------|---------------------------------|------------|---|----------------------|--------------------------|
|          |                                 |            | <ul style="list-style-type: none"> <li>Introduction of a five-year limitation on the multiple former partner rule;</li> </ul> <p>The revision would align the Code with the International Federation of Accountants' Code of Ethics for Professional Accountants and with the Corporations Act as recently amended.</p> <p>Further, we are of the view that these amendments should be operative at the earliest possible date and welcome the APESB's proposal of an effective date of 15 February 2008.</p>   |                      |                          |
| 2        | -                               | DTT        | <p>Deloitte is pleased to respond to the request for comments from the Accounting Professional &amp; Ethical Standards Board Limited ("APESB") on the Exposure Draft for Proposed Amendment to Auditor Independence Requirements in Section 290: Independence - Assurance Engagements of APES 110 Code of Ethics for Professional Accountants ("the Code").</p> <p>Deloitte supports the convergence of national and international auditor independence standards to avoid creating unnecessary differences and confusion for practitioners. As such, we strongly support</p> | Supportive comment.  | No                       |

Constituents' Submissions

Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290 : Independence – Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants*

| Item No. | Paragraph No. in Exposure Draft | Respondent | Respondents' Comments   | APESB Staff Comments | Change made to Standard? |
|----------|---------------------------------|------------|---|----------------------|--------------------------|
|          |                                 |            | <p>the APESB's proposed amendments, which will align the amended sections of the Code with both the IFAC Code of Ethics as well as the auditor independence requirements of the Corporations Act 2001, as amended by the Corporations Legislation Amendment (Simpler Regulatory System) Act.</p> <p>We urge the APESB to make the amendments effective as soon as possible and therefore also support the proposed effective date of 15 February 2008.</p>  |                      |                          |
| 3        | -                               | GT         | <p>Grant Thornton Association Inc (Grant Thornton Australia) appreciates the opportunity to comment on the Accounting Professional and Ethical Standards Board's (APESB) Exposure Draft ED 06/07 'Proposed Amendment to Auditor Independence Requirements in Section 290: Independence – Assurance Engagements of APES 110 Code of Ethics for Professional Accountants'.</p> <p>Grant Thornton Australia's response reflects our position as auditors and business advisers both to listed companies and privately held businesses.</p> | Supportive comment.  | No                       |

Constituents' Submissions

Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290 : Independence – Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants*

| Item No. | Paragraph No. in Exposure Draft | Respondent | Respondents' Comments   | APESB Staff Comments | Change made to Standard? |
|----------|---------------------------------|------------|---|----------------------|--------------------------|
|          |                                 |            | Grant Thornton Australia in principle supports the Proposed Amendments as they incorporate amendments to Independence requirements of the Corporations Act as amended by the Simpler Regulatory System 2007 Act which Grant Thornton Australia had strongly supported.  |                      |                          |
| 4        |                                 | KPMG       | <p>As noted in the Exposure Draft, the proposed amendments will bring APES 110 into closer conformity with the IFAC Code. The amendments also address the anomalies as between APES 110 and the Corporations Act, following the June 2007 amendments to the Act.</p> <p>I advise that KPMG is of the view that APES 110 should conform to the greatest extent possible to the IFAC Code and as appropriate to the requirements of the Corporations Act. Accordingly KPMG supports the proposed amendments as set out in Exposure Draft 06-07 and looks forward to implementation of the amendments at the earliest date possible.</p> | Supportive comment.  | No                       |

Constituents' Submissions

Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290 : Independence – Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants*

| Item No. | Paragraph No. in Exposure Draft | Respondent | Respondents' Comments  | APESB Staff Comments | Change made to Standard? |
|----------|---------------------------------|------------|--|----------------------|--------------------------|
| 5        |                                 | PwC        | <p>PricewaterhouseCoopers welcomes the opportunity to comment on the Accounting Professional &amp; Ethical Standards Board's ("APESB") proposed amendments to Section 290 of the <i>Code of Ethics for Professional Accountants</i> ("the Code") which were issued as Exposure Draft 06/07 in December 2007.</p> <p>We strongly support the APESB's proposal to update the Code to bring it into line with recent changes to the corporations Act 2001 ("the Act") enacted in June 2007.</p> <p>We believe that these changes should be effective as soon as possible and therefore we support the proposal that these changes have an effective date of 15 February 2008.</p> | Supportive comment.  | No                       |

Constituents' Submissions

Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290 : Independence – Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants*

*Staff Instructions:*

- Comments of a “general” nature should be dealt with first, followed by paragraph specific comments.
- Respondents’ comments must be copied verbatim into this table.
- Comments should be dealt with in paragraph order, not respondent order.
- Use acronyms only for respondents. Update the attached table with details of additional respondents.

Constituents' Submissions

Exposure Draft 06/07: Proposed Amendment to Auditor Independence Requirements in Section 290 :  
Independence – Assurance Engagements of APES 110 *Code of Ethics for Professional Accountants*

**RESPONDENTS**

|                 |   |
|-----------------|---|
| CPA , NIA, ICAA | CPA Australia, National Institute of Accountants and Institute of Chartered Accountants in Australia – joint submission |
| DTT             | Deloitte Touche Tohmatsu  |
| GT              | Grant Thornton  |
| KPMG            | KPMG  |
| PwC             | PricewaterhouseCoopers  |