

Review of Submissions - General Comments
Exposure Draft 01/22: Proposed Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

Note: Specific comments and confidential comments from regulators relating to Exposure Draft 01/22 are addressed in separate tables. This table excludes minor editorial changes.

Item No.	Paragraph No. in ED	Respondent	Respondents' Comments	Change made to standard?
1	N/A	CA ANZ	<p>Chartered Accountants Australia and New Zealand (“CA ANZ”) appreciates the opportunity to provide comment on the proposals to revise APES 110 Code of Ethics for Professional Accountants (Including Independence Standards) (“the Code”) to address provisions relating to fee dependency from a referral source (“the ED”). Our key points are provided below, and more detailed commentary follows.</p> <p>Key points</p> <ul style="list-style-type: none"> • Consistent with our previous submission on APESB ED 03/21, we reiterate that we do not support arbitrary thresholds in principles-based standards. • We support option 1, to require a review by an Appropriate Reviewer, a term already defined and used in the Code. • In our opinion a pre-issuance review would be a stronger response to the threats created than a post-issuance review. • For fee dependency at the Engagement Partner or an Office of the Firm level, the review should be conducted by a reviewer who was not involved in the Audit Engagements <i>and</i> who is from another Office of the Firm. 	No
2	N/A	CPAA	CPA Australia represents the diverse interests of more than 170,000 members working in over a 100 countries and regions around the world. We make this submission on behalf of our members and in the broader public interest.	No
3	N/A	Deloitte	We appreciate the opportunity to comment on Exposure Draft 01/22 Proposed Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (“the Australian Code”) issued by the Accounting Professional & Ethical Standards Board (APESB) in March 2022 (the ED), relating to the re-exposure of the referral source provisions of the Australian Code.	No
4	N/A	IPA	Thank you for the opportunity to provide further comment on proposed amendments to the fee-related provisions of APES 110 following the earlier exposure draft ED 03/21.	No
5	N/A	Joint [SMP]	In relation to the further feedback required by 29th April, and further your meeting with the group of audit firms recently on this, Naomi and I would like to request clearer guidelines on the situation in relation to the 30% / 5 year fee dependency actions to be taken by the firm.	No

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6	N/A	SMSF Assoc.	The SMSF Association welcomes the opportunity to provide this submission in response to the APES Board's revised exposure draft 01/22 regarding auditor independence and fee dependency on a referral source. We also thank the APES Board for their engagement and considered approach following the original ED 03/21 consultation.	No
7	N/A	CPAA	CPA Australia responded to the APESB's initial consultation on this topic in August 2021. In that submission we noted that we were generally supportive of the proposed revisions but highlighted several matters for further consideration by the APESB, including with respect to the matter of fee dependency on a referral source. We are pleased to note the APESB's subsequent changes to the proposed revisions.	No
8	N/A	Deloitte	Deloitte is supportive of the adoption in Australia by the APESB of the International Code of Ethics for Professional Accountants (including International Independence Standards). While we are not aware of evidence supporting the development of a specific Australian threshold with respect to "Fee Dependency from a Referral Source" we accept, as noted in the prior ED, that APESB has considered and accepted a request from the regulators to create such a threshold in AUST 410.14.2 in the Australian Code.	No
9	N/A	CA ANZ	The Appendix provides more information about CA ANZ. Should you have any questions about the matters raised in this submission or wish to discuss them further, please contact Josephine Haste CA, josephine.haste@charteredaccountantsanz.com .	No
10	N/A	CPAA	If you have any queries about this submission, please don't hesitate to contact Ms. Melissa Read, Senior Manager, Professional Standards, Professional Standards and Business Support on melissa.read@cpaaustralia.com.au or +613 9606 9606 or me on gary.pflugrath@cpaaustralia.com.au or +613 9606 9941.	No
11	N/A	Deloitte	We would be pleased to discuss our comments with you. If you wish to do so, please feel free to contact me at (02) 9322 5258.	No
12	N/A	IPA	If you have any queries with respect to our comments or require further information, please don't hesitate to contact me at vicki.stylianou@publicaccountants.org.au or on mobile 0419 942 733.	No
13	N/A	SMSF Assoc.	If you have any questions about our submission, please do not hesitate to contact us, and we thank you again for the opportunity to provide this submission.	No

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14	N/A	CA ANZ	<p>Appendix</p> <p>About Chartered Accountants Australia and New Zealand</p> <p>Chartered Accountants Australia and New Zealand (CA ANZ) represents 131,673 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.</p> <p>CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.</p> <p>Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.</p> <p>We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate boldly in the public good. Our thought leadership promotes prosperity in Australia and New Zealand.</p> <p>Our support of the profession extends to affiliations with international accounting organisations.</p> <p>We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.</p> <p>We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.</p>	No

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			We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.	
16	N/A	IPA	<p>About the IPA</p> <p>The IPA is one of the professional accounting bodies in Australia with over 47,000 members and students across 80 countries. Approximately three-quarters of our members either work in or are advisers to the small business and SME sectors. Since merging with the Institute of Financial Accountants UK, the IPA Group has become the largest SME and SMP focused accounting body in the world</p>	No
17	N/A	SMSF Assoc.	<p><u>ABOUT THE SMSF ASSOCIATION</u></p> <p>The SMSF Association is the peak body representing SMSF sector which is comprised of over 1.1 million SMSF members who have more than \$820 billion of funds under management and a diverse range of financial professionals servicing SMSFs. The SMSF Association continues to build integrity through professional and education standards for advisors and education standards for trustees. The SMSF Association consists of professional members, principally accountants, auditors, lawyers, financial planners and other professionals such as tax professionals and actuaries. Additionally, the SMSF Association represents SMSF trustee members and provides them access to independent education materials to assist them in the running of their SMSF.</p>	No

RESPONDENTS

1	CA ANZ	Chartered Accountants Australia and New Zealand
2	CPAA	CPA Australia
3	Deloitte	Deloitte Touche Tohmatsu
4	IPA	Institute of Public Accountants
5	Joint [SMP]	Elite Super, Peak Super Audits
6	SMSF Assoc.	SMSF Association Limited