

29 April 2022

Chief Executive Officer  
Accounting Professional & Ethical Standards Board Limited  
Level 11, 99 William Street  
Melbourne Victoria 3000

Via email: [sub@apesb.org.au](mailto:sub@apesb.org.au)

Dear Channa,

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

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.

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.

Please find below our responses to the request for specific comments in the ED:

- A 30% threshold appears reasonable as it is consistent with the threshold in R410.15.
- It would seem to be an appropriate approach for the structure and safeguards in AUST R410.14.2 to be consistent with the structure and safeguards in R410.15, however the rationale for taking a different approach has not been provided.
- We consider that the approach and wording of proposed safeguards in AUST R410.14.2 should be consistent with those already in the Code, for example those in R410.15 or 410.14 A7.
- We also consider that the safeguards should not stipulate the type of review required. Therefore, we do not support the introduction of references to ISQM2 and the insertion of AUST 410.14.2 A1. If a review of the audit work is a potential safeguard, we consider this should be consistent with other references in the

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Code, for example in 400.73 A1 “...a review that is consistent with the objective of an engagement quality control review”.

- We do not support option 3 as it is not action that might be a safeguard to address or eliminate the intimidation or self-interest threats. The existence of policies and procedures established by the firm are not safeguards under the conceptual framework of the Code.

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.

Yours sincerely

**Marisa Orbea**  
Partner