



Australian Government

**Australian Accounting
Standards Board**

Postal Address
PO Box 204
Collins Street West VIC 8007
Telephone: (03) 9617 7600

Mr Channa Wijesinghe
Chief Executive Officer
Accounting Professional & Ethical Standards Board Limited
Level 11
99 William Street
Melbourne Victoria 3000
(submitted via email: sub@apesb.org.au)

30 August 2021

Dear Channa,

Exposure Draft 03/21 Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

The Australian Accounting Standards Board (AASB) is pleased to provide comments on Exposure Draft 03/21 *Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (APESB ED) issued by the Accounting Professional & Ethical Standards Board (APESB) in May 2021.

The AASB acknowledges the efforts of the APESB to enhance the transparency of fee-related information disclosed and provide better presentation and disclosure information to the users of the financial statements. The AASB noted that the APESB ED includes information on the different categories of services that may be provided by an auditor and the definition of services within those categories. The AASB understands that the International Independence Standards Board for Accountants proposed revisions to the non-assurance services (NAS) and fee-related provisions in the Code, and the APESB guidance is also to help entities apply the Code requirements related to the NAS provision.

The AASB would like to highlight the current AASB project, which proposes to amend AASB 1054 *Australian Additional Disclosures* to address fee disclosure requirements for defined categories of audit and non-audit services. In addition, the AASB also published [Research Report 15 Review of Auditor Remuneration Disclosure Requirements](#) (RR15) in December 2020, which identified categories of audit and non-audit services for which the information about the relevant fee should be disclosed. This project forms part of the AASB's response to the Parliamentary Joint Committee on Corporations and Financial Services (PJC) inquiry into the regulation of auditing in Australia recommendation in its final report that the FRC and ASIC, by the end of the 2020-21 financial year, oversee consultation, development, and introduction under Australian Standards of fee disclosure requirements for defined categories of audit and non-audit services (recommendation 3a).

At its February 2021 meeting, the AASB considered audit and non-audit service categories proposed in the APESB ED. The AASB noted that the categories proposed are aligned with those

identified by AASB Research Report 15. The AASB intends to continue deliberating on the proposal to amend AASB 1054 to include categories recommended by RR15 and definitions of audit and non-audit services. The AASB has not yet deliberated on a definition of services, but intends to do so as part of its audit fee project.

To help ensure consistency and enforceability of disclosures, the AASB and AASB staff would welcome the opportunity to continue liaising with the APESB Board and staff to help ensure consistency of any issued guidance.

If you have any questions regarding this letter, please contact me (kkendall@aasb.gov.au) or Nikole Gyles (ngyles@aasb.gov.au).

Yours sincerely,

A black rectangular box redacting the signature of Dr Keith Kendall.

Dr Keith Kendall
AASB Chair