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Dear Hazel

## **Consultation on amendments to the APB Ethical Standards for Auditors**

The Association of Chartered Certified Accountants (ACCA) is grateful for the opportunity to respond to the consultation document issued by the Auditing Practices Board.

ACCA is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 147,000 members and 424,000 students throughout their careers, providing services through a network of 83 offices and centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities.

### **Specific questions raised**

***Is it appropriate to extend the end date for the transitional arrangements in respect of the provisions set out in ES5, paragraph 95 from 31 December 2011 to 31 December 2014?***

Given that the provision of tax services on a contingent fee basis where the outcome of those tax services is dependent on the proposed application of tax

law which has not yet been established is prohibited by ES5, ACCA agrees that there is a need to extend the transitional period beyond 31 December 2011. However, we propose that the transitional period should be as long as possible. We would, in fact, advocate an absolute exemption in respect of contingent fee arrangements in place before 31 December 2010. This would avoid the risk that the APB may be required to consider this issue again in 2014. Paragraph 171 of ES5 may not be the appropriate place in which to effect such an exemption.

***Is the proposed revised Appendix to ES1 appropriate?***

The appendix to ES1 is illustrative, and so should be informative to auditors and consistent with other reporting requirements. ACCA welcomes the simplification that would be brought about by the proposed revised Appendix. We believe it will enhance the understanding of audit committees, and lead to the presentation of more meaningful information in annual reports.

If there are any matters arising from the above that require further clarification, please do not hesitate to contact Ian Waters, Regulation and Standards Manager (tel: 020 7059 5992, email: [ian.waters@accaglobal.com](mailto:ian.waters@accaglobal.com)), in the first instance.

Yours sincerely



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Director – Regulation