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Hazel O'Sullivan  
Project Director  
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Dear Ms O'Sullivan

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

Thank you for the opportunity to comment on the amendments to APB Ethical Standards for Auditors.

*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?*

Yes. We agree that a number of engagements that were permitted under the transitional provisions in paragraph 95 are likely to remain outstanding as at 31 December 2011 and for a number of years thereafter and, therefore, that the date should be extended to 31 December 2014. The majority of work on such claims was completed prior to 31 December 2010. Few, if any, judgements about the financial reporting relating to these contingent tax fees are being made in financial statements (with recognition normally deferred until the claim has been factually resolved by HMRC, the tax tribunals or the courts). We believe that the requirement for audit firms to apply existing safeguards and consider whether additional safeguards are required is sufficient and that audit committees will be well placed to form a view as to the appropriateness of these.

*Is the proposed revised Appendix to ES 1 appropriate?*

Yes.

If you would like to discuss our response further, please contact Martyn Jones (020 7007 0861) or Richard Gillin (020 7007 0202).

Yours faithfully



**Deloitte LLP**