



Ms Hazel O'Sullivan
Project Director
The Auditing Practices Board
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7 December 2011

Dear Madam

Consultation on amendments to the APB Ethical Standards for Auditors

PwC appreciates the opportunity to comment on the Consultation on amendments to the APB Ethical Standards ("ES") for Auditors circulated by the Auditing Practices Board ("APB").

We are pleased that the APB has recognised the unfairness of the retroactive effect of the transitional relief for pre-existing contingent fee arrangements. The proposed extension of the transitional provision will alleviate the cost and inconvenience for both auditors and their clients resulting from re-structuring fee arrangements that were in compliance with the relevant ES at the time the work was contracted. In our view it is appropriate to extend the end date to 31 December 2014 is appropriate.

We believe the proposed change to disclosure of auditor remuneration is a very welcome simplification which will both reduce the burden required to prepare the disclosure and make it much easier for audit committees to understand and assess the nature and extent of non-audit services. In our view the proposed revised Appendix to ES 1 is appropriate.

Should you wish to discuss any of the matters in this letter, please do not hesitate to contact Bill Morgan, Ethics Partner.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bill Morgan', written over a light blue horizontal line.

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