

DMR CORPORATE

DMR

DMR Corporate Pty Ltd
470 Collins Street
Melbourne
Victoria 3000
Australia

A.C.N. 063 564 045

Telephone (03) 9629 4277
Facsimile (03) 9629 4598
Email paul@dmrcorporate.com.au

7 September 2010

The Chairperson
Accounting Professional & Ethical Standards Board Limited
Level 7, 600 Bourke Street
Melbourne, Victoria, 3000

Dear Sir or Madam

**Re: Proposed Standard APES 230
Exposure Draft ED 02/10**

Set out below are our comments in respect of this Exposure Draft. Paragraph references used are as per the Exposure Draft.

Background

We hold an Australian Financial Services Licence. The Licence provides:

1. This licence authorises the licensee to carry on a financial services business to:
 - (a) provide general financial product advice for the following classes of financial products:
 - (i) securities;
to retail and wholesale clients.

As you can see from the above, we holds an **Australian Financial Services Licence**, which authorizes us to provide **Financial Advice** on financial products such as shares.

The terms shown in bold are defined in the Exposure Draft.

Our assignments under the licence are limited to the preparation of independent expert's reports and also potentially to option valuations. In all of these assignments we are retained by a company pursuant to an engagement letter, however the reports are made available to all of the company's shareholders.

Comments

2. The Exposure Draft includes the following definition of client:

Client for the purposes of this Standard means an individual, firm, entity or organization to whom or to which Financial Advisory Services are provided by a Member.

Whilst we consider our client to be the company that has retained us, it has retained us to provide advice not to it but to its shareholders. As the advice that we provide is for the benefit of the shareholders, we believe that the above definition can read that our client is the shareholder to whom the advice is provided and the company is merely acting as an agent for its shareholders.

7.2 Paragraph (b) requires that in providing financial advice we are required to “take into consideration the Client’s financial needs, objectives and priorities”.

An independent expert in preparing his advice cannot take into account the financial needs, objectives and priorities of individual shareholders, the reason is obvious as one letter of advice is prepared for the benefit of many shareholders.

7.4 For the reason outlined above, an independent expert cannot comply with this paragraph.

7.8 (h) As above.

We believe that APES 230 should not apply to assignments such as independent expert’s reports as these are adequately covered by existing standards. If you agree with this view the Exposure Draft should be amended to exclude this type of financial advice. Alternately, the Exposure Draft should be amended so that paragraphs 7.2(b), 7.4 and 7.8(h) do not apply to assignments where general advice is provided to a group of “clients” rather than to individual clients.

Yours sincerely,



Paul Lom
Director



Derek Ryan
Director