

The Chairman
Accounting Professional & Ethical Standards Board Limited
Level 11, 99 William Street
Melbourne VIC 3000

18 May 2017

Dear Madam

Comments on Exposure Draft 01/18 Proposed Standard: APES 220 Taxation Services

As outlined in the Exposure Draft 01/18 Proposed Standard: APES 220 Taxation Services (the Proposed Standard), the Accounting Professional & Ethical Standards Board (APESB) proposes to revise APES 220 *Taxation Services* which was issued in October 2007 and revised in March 2011 and October 2015.

Given the relevance of this Proposed Standard to the delivery of taxation services to Deloitte's clients, we are pleased to provide the APESB with our comments on the Proposed Standard.

As a leader in our profession, we express our support for the Proposed Standard and the professional principles it prescribes. However, we have some concerns about the practical implications of the Proposed Standard as currently drafted.

We note however that it is difficult to provide a conclusive position on this Proposed Standard in the context of the recently released Exposure Draft on APES 110 (the Code) for which final comments are not due until 31 July 2018.

Definition of Assurance Engagement

It is not in our view necessary to define the term "Assurance Engagement" in the Proposed Standard. The definition of Assurance Engagement should reflect the definition under the *Framework for Assurance Engagements* (the Framework).

As previously discussed with the APESB, duplication and inconsistency of the definition of Assurance Engagement, rather than a reference to the Framework may lead to confusion. This becomes particularly problematic as standards are updated over time.

Professional Independence

It is unclear what taxation services the APESB is intending to capture with the proposed changes in paragraphs 3.6 to 3.8 (inclusive). As previously raised with the APESB, whilst objectivity is a fundamental principle of the Code, the requirements of independence in APES 110 Section 290 and Section 291 do not, and should not in our view, apply to tax services outside of an audit or assurance engagement.

Based on current drafting, the Assurance Engagement referred to in paragraph 3.7 is not the same Assurance Engagement referred to in paragraph 3.8. Reference to the defined term in paragraph 3.8 broadens the scope of tax services that might otherwise be considered an Assurance Engagement beyond that contemplated under the Framework. Further, in the absence of commentary that explains the purpose of referring to different definitions of Assurance Engagement, it would be helpful to understand the context for this proposed drafting.

Confidentiality

In our view paragraph 3.9 expands on the requirements set out in section 140.1(b) of the Code. This is in contradiction to the approach taken in the recently released APES 310 updates.

We recommend that the approach in the Proposed Standard be simplified by making reference to Section 140.1(b) of the Code. This will reflect a more consistent approach across all standards, and future proof the definition against changes to the Code.

We thank you for the opportunity to comment on this Exposure Draft. Please do not hesitate to contact us if you would like to discuss any of our comments.

Yours sincerely



Kate Thomson

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