

## AGENDA PAPER

**Item Number:** 22  
**Date of Meeting:** 16 August 2011  
**Subject:** Proposed revised APES 330 *Insolvency Services*

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**Action Required**

**For Information Only**

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### Purpose

To obtain the Board's direction on the key issues and other matters raised by respondents to ED 01/11 APES 330 *Insolvency Services* in order to finalise the proposed Standard.

### Background

IPA revised the IPA Code of Professional Practice. The new Code replaced the existing Code as at 1 January 2011.

At the January 2011 Board Meeting, the Board directed Technical Staff to revise the Standard in consultation with the IPA with intention to issue an Exposure Draft for public comment. The exposure draft of the proposed revised APES 330 was issued on the 9<sup>th</sup> of June 2011 for public comment.

APESB received 5 submissions from the Joint Accounting Bodies, Deloitte, Grant Thornton, IPA and McGrathNicol.

### Consideration of Key Issues

The two key issues raised by respondents relates to:

- Practical application of the Network Firm definition; and
- Limiting the application of the proposed standard for Managerial Employees in the case of a Network Firm.

Respondents are concerned with practical application of the scope of the Network Firm definition, especially for those firms that have an international network. APESB technical staff has proposed a footnote to the Network Firm definition to provide further guidance and to incorporate a reasonableness test when considering relevant Network Firms within the Firm's Network. (Please refer to Specific Comments Table Item 5)

Some respondents are concerned that the application of the independence requirements to Managerial Employees is too broad in the context of international firms.

In response, APESB technical staff has proposed the inclusion of the definition of Office (from the Code) and amended the proposed Standard to limit the application to Managerial Employees in the Office in which the Member (Liquidator) practices. (Please refer to Specific Comments Table Item 6)

### **Other Matters**

The other matters identified by the respondents to the ED are dealt with in the specific comments table.

### **Material Presented**

- General Comments Table;
- Specific Comments Table; and
- ED 01/11 APES 330 *Insolvency Services* marked up with proposed changes.

### **Staff Recommendation**

- The Board provide direction on the key issues and other matters identified. Based on the Board's final drafting instructions Technical Staff will complete the drafting process for the revised APES 330 *Insolvency Services*.

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