

## **Comments for the Exposure Draft: Proposed Changes to Certain Provisions of the Code Addressing the Long Association of Personnel with an Audit or Assurance Client**

We support the proposed amendments in general except for the below aspect on the cooling-off period and in which our suggestions are stated below.

**Question:** Do respondents agree with the proposal to extend the cooling-off period to five years for the engagement partner on the audit of PIEs? If not, why not, and what alternatives, if any, could be considered?

CA Sri Lanka is of the view that extending the cooling-off period to five years for the engagement partner on the audit of PIEs would be not practical in the Sri Lankan context. In Sri Lanka around 75% of the SMPs have less than three partners. Hence we believe this would have a negative impact on those audit firms.

We also acknowledge the rationale for extending the cooling-off period and hence suggest to make it three years.