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Ken Siong
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529 Fifth Avenue, 6th Floor
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Our ref **SS/288**
Contact **Sylvia Smith**

October 31, 2012

Dear Mr Siong

Exposure Draft: Proposed Change to the Code of Ethics for Professional Accountants Addressing Definition of “Those Charged with Governance”

We are pleased to have the opportunity to comment on the above Exposure Draft issued by the International Ethics Standards Board for Accountants. We have consulted within the KPMG network in respect of this letter, which represents the views of the KPMG network.

We have considered the explanation set out in the Exposure Draft for the proposed change in the definition of “those charged with governance” which is to align the definition in the Code with the equivalent definition contained in ISA 260. This recognises that the communications required under the Code should be to the same group of people as the communications under the ISA.

We agree that the communications should be to the same group of people in each case and support the proposed change to align the definitions used in the two documents more closely.

We also support inclusion of the proposed new paragraph in 290.28 of the Code to clarify requirements for determining the appropriate person(s) within the entity’s governance structure with whom to communicate and procedures to follow where the firm communicates with a subgroup of those charged with governance.

We do not object to the specific addition of the words “or a subgroup thereof” in every place in the Code where the phrase “those charged with governance” is mentioned, however we question whether this is strictly necessary given the discussion proposed to be included in the new paragraph in 290.28.



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*Exposure Draft: Proposed Change to the Code of Ethics for Professional Accounts Addressing
Definition of "Those Charged with Governance"*
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Please contact Sylvia Smith at +44 20 7694 8089 if you wish to discuss the contents of this letter.

Yours sincerely

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