

June 6, 2020

Dr. Stavros Thomadakis  
Chairman  
International Ethics Standards Board for Accountants (IESBA)  
International Federation for Accountants (IFAC)  
529 5th Avenue  
New York, New York 10017

***Subject: Comment letter on Proposed Revisions to the Fee-related Provisions of the Code***

Dear Sir,

Thanks for the opportunity to get involved and give our comment on the above mentioned subject.

Based on Bangladesh jurisdiction situation, where many of the audit assignment fees are low to the point that it becomes difficult for audit firms to spend sufficient time and depute high skilled auditors to complete the job with quality and ethics. Bangladesh and other jurisdictions (such as Malaysia) may have a suggested fees schedule, where the fees calculation is prescribed based on hourly rates of time spend by auditors as well as based on turnover or asset value of the auditee company. Sometimes this suggested fees are way high than the actual agreed fixed fees. One way to overcome this problem could be to let the company and/or the auditors disclose the fact how much is the agreed fees, which is already proposed in the exposure draft (new para **R410.25**) and how much is the estimated expected fees based on the fees schedule issued by an independent authority. This could be done by inserting a new line in para R410.25, as shown below-

**The proposed revision is in red font, para (c), mentioned/ inserted below.**

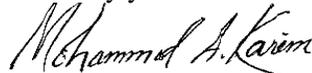
**R410.25** The firm shall be satisfied that the following information is publicly disclosed in a timely and accessible manner:

**(c) A comparison of the fees as disclosed under (a) and the estimated expected fees in compliance of guidelines, rules or regulations of the jurisdiction, if any; and**

**(d)** If applicable, the fact that the total fees received by the firm from the audit client represent, or are likely to represent, more than 15% of the total fees received by the firm for two consecutive years, and the year that this situation first arose.

**Reason for the change:** By disclosing the information, stakeholders would have an opportunity to know, comment, discuss the reliability, quality and ethical compliances of the audit and the management would be under pressure to fix the situation at least for future years.

Sincerely yours



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