

October 25, 2012

International Ethics Standards Board for Accountants
545 Fifth Avenue, 14th Floor
New York, New York 10017

Re: *Exposure Draft: Proposed Change to Definition of “Those Charged with Governance”*

Dear Members of the International Ethics Standards Board for Accountants:

We appreciate the opportunity to provide comments on the proposed change to the *Code of Ethics for Professional Accountants* (“Code”) addressing the definition of “those charged with governance”, as described in the Exposure Draft (“ED”) issued July, 2012 by the International Ethics Standards Board for Accountants (“IESBA” or “Board”).

The Explanatory Memorandum notes that the proposed revision of the definition of those charged with governance is designed to align the definition in the Code with the definition in ISA 260, *Communication with Those Charged with Governance*. We support the Board’s effort to achieve consistency between the Code and ISAs wherever possible.

Our comments to the questions raised in the ED are provided below.

Specific Comments

1. Do respondents agree with the proposed change to more closely align the definition of “those charged with governance” to the definition contained in ISA 260, *Communication with Those Charged with Governance*?

We fully support the proposed change in the definition of those charged with governance. In our view, consistency amongst the definitions used in the standards promulgated by the IAASB and the IESBA is important and should lead to greater compliance.

2. Do respondents agree that in each case as noted in the Exposure Draft, communication to “those charged with governance of a subgroup thereof” would be appropriate?

We do agree that it is appropriate to include the reference to “a subgroup” as shown in the exposure draft. Although we do not believe it is necessary in Section 290 because of the language in the proposed change to paragraph 290.28, we also understand that it might be confusing to the reader if the reference were included in some sections of the Code but not others. For this reason, we support the Board’s position.

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We would be pleased to discuss our comments with members of the IESBA or its staff. If you wish to do so, please feel free to contact Chuck Horstmann, Managing Director of Global Independence and Global Chief Ethics Officer, at (212) 492-3958.

Sincerely,

Deloitte Touche Tohmatsu Limited

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