

29 June 2012

The Manager
Corporate Reporting and Accountability Unit
Corporations and Capital Markets Division
The Treasury
Langton Crescent
PARKES ACT 2600

by email: auditquality@treasury.gov.au

Corporations Regulation Amendment 2012 - comments on proposed regulation

Dear Sir/Madam

Ernst & Young is pleased to provide its response to the Exposure Draft and Explanatory Memorandum of the Corporations Regulation Amendment 2012, which will prescribe the information to be contained in transparency reports prepared pursuant to the requirements of Part 2M.4A of the Corporations Act.

In our response of 25 October 2011 to the then-proposed amendments to the Corporations Act, we expressed our support for the proposal to require audit firms to prepare and publish transparency reports. We also supported the proposal to align Australian transparency report disclosure requirements with those of the EU.


We note that the disclosure requirements contained in the proposed Corporations Regulation Amendment are aligned with those of the EU 8th Directive.

One minor observation we would make is in respect of an inconsistency in the wording of draft Item 7A210, which uses "total revenue" in (a), and "fees received" in (b). We believe both references should be to revenue.

We support the proposed Regulation, which we believe will enhance the quality of information available to the preparers and users of financial reports, and contribute to the enhancement of audit quality in Australia.

We would be happy to discuss our comments further. Please contact me on (03) 8650 7637, or Tony Johnson on (03) 9288 8647.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Denis Thorn'.

Denis Thorn
Partner - Professional Practice Director, Assurance, Oceania