

20 June 2014

Ashly Hope  
Strategic Policy Advisor  
Australian Securities and Investments Commission  
GPO Box 9827  
Melbourne VIC 3001

## **ASIC report on deregulation**

Dear Mr Hope

Thank you for the opportunity to comment on ASIC's deregulatory initiatives. Overall, EY welcomes ASIC's proposals. We would like to comment on some areas that are relevant to our role as accountants and auditors.

- ▶ We support the proposal to simplify the wholly owned financial reporting relief, as set out in paragraphs 49 and 50.
- ▶ We strongly support the proposals to simplify the processes for auditors to resign, as set out in paragraphs 74 and 75
- ▶ We note the proposal in the Table 3 to Appendix 2 to enable alternate persons, not just registered company auditors (RCAs), to audit compliance plans. We agree that it is not necessarily only RCAs who have the expertise to perform such audits. However, in our view, there does need to be a registration process to authorise individuals to fulfil this role and that, therefore, this proposal would probably require the creation of a new registration process for compliance plan auditors.

In addition, we suggest that a further deregulation initiative that should be considered is a change to the process to register RCAs that would allow persons who are not partners in a firm (or directors of an audit corporation) to become registered. This would facilitate the registration of appropriately qualified auditors who are not partners – for example expert partners who are transferred from an overseas practice to lead an audit in a specialised industry, or experienced well qualified auditors who do not meet all the criteria for admission as a partner in a firm.

Please contact me if you would like to discuss this further.

Yours sincerely



Denis Thorn  
Partner