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**Deloitte
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February 16, 2003⁴

IFAC Ethics Committee
545 Fifth Avenue, 14th Floor
New York, New York 10017

Attention: Jan Munro

Dear Ladies and Gentlemen:

We appreciate the opportunity to respond to your request for comments on the Exposure Draft, *Proposed Revised Code of Ethics for Professional Accountants* ("ED").

We agree that the familiarity threat to independence can best be mitigated if the lead engagement partner does not participate in the audit engagement for a period of time. A two year time-out period seems reasonable to ensure that there is a fresh-look. Consequently, we are supportive of the changes to paragraph 8.151. We would, however, suggest an edit to the proposed change. As drafted, the partner rotating off the audit engagement should not participate in "the assurance engagement" during the time-out period. Since the rotation requirement, as provided in paragraph 8.151, only addresses audit engagements, it is in our view, inconsistent to reference "assurance engagements" in part (b). Rather, we would propose the requirement in (b) for the time-out be limited to audit engagements.

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We appreciate this opportunity to comment on the ED. If you should have any questions on our comments, please feel free to call Charles A. Horstmann at (212) 492-3958 or Jean L. Rothbarth at (212) 492-4323.

Sincerely,

Deloitte Touche Tohmatsu