



14 December 2011

The Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne Victoria 8007
AUSTRALIA

E-mail: edcomments@auasb.gov.au

Dear Ms Kelsall

ED 02/11 Proposed Standard on Assurance Engagements ASAE 3450

In the context of public comments that have been made to date on the *Proposed Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information (ED 02/11)* and the possible impact that the proposed standard could have on assurance engagements the Australian Financial Markets Association (AFMA) wishes its views to be noted.

AFMA is the leading industry association in promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and arranging of corporate fundraising. The membership of the AFMA Capital Raising Committee consists of highly experienced practitioners from the leading firms that facilitate corporate fundraising.

The scope of assurance engagements is of critical importance to the efficient functioning and integrity of the capital market in Australia. AFMA is concerned that the inappropriate narrowing of the language of assurance engagements could have a serious impact on the functioning of our capital market. The current fragile state of global capital markets makes it more important than ever to keep our market operating with confidence and certainty.

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AFMA has noted the extensive comments that have been submitted to date regarding ED 02/11 and the fairly significant changes that some practitioners are advocating to narrow the language of the assurance opinions that can be expressed in fundraisings in Australia. To the extent that the Board is contemplating making any significant changes to accommodate such comments, we would welcome having an opportunity to discuss the views of our members as key stakeholders in this matter with the Board and to review any subsequent revisions to the proposed standard before it is finalised.

AFMA has also had the benefit of seeing a draft of further technical comments prepared by the firm of Baker & McKenzie and we commend these to you for consideration and inclusion in discussions as part of settling the standard.

Please do not hesitate to contact me at dlove@afma.com.au or (02) 9776 7995 to follow up on this correspondence.

Yours sincerely

A handwritten signature in cursive script that reads "David Love".

David Love
Director, Policy & International Affairs