

September 29, 2010

Independent Task Force  
The Canadian Institute of Chartered Accountants  
277 Wellington Street West  
Toronto ON M5V 3H2

**Subject: Exposure Draft on Independence Standards – Partner Rotation**

Dear Sirs and Mesdames:

This letter communicates the views of the CSA Chief Accountants Committee on the issue of partner rotation discussed in the Exposure Draft "Independence Standards - Partner Rotation" prepared by the Independence Task Force (ITF). The contents of this letter are consistent with the email we provided you on August 26, 2010 and follow up phone discussions during the week of August 30, 2010.

We have concerns with a permanent reduction in the cooling off period for key audit partners from the existing required period of five years to the proposed period of two years. We are concerned that this proposed change would increase the potential for insufficient reduction in familiarity and self-interest threats in the event that the key audit partner returned to the engagement after only two years. We think the exposure draft and the comment letters do not provide compelling arguments to support reducing the cooling-off period from five to two years.

We recognize there are arguments in support of both the proposed maximum service period of seven years for key audit partners as well as the existing maximum service period of five years. We also recognize that the proposed seven year maximum service period may be perceived as a weakening of the existing auditor rotation requirements. However, it is not obvious to us which option is superior from a public interest perspective and we therefore do not object to either maintaining the existing maximum service period of five years or alternately permanently changing this period to seven years. We defer to the ITF to arrive at a decision made through appropriate consultations and due process.

We support a temporary shift to a seven year maximum service period to ease the challenges associated with the transition to IFRS.

Yours truly,

**CSA Chief Accountants Committee**

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