

Exhibit 3 – Ethical and professional matters

Visean Co has until recently kept important documents such as title deeds and insurance certificates in a safe at its head office. However, following a number of thefts from the head office during the year, the directors have asked whether the documents could be held securely at Carter & Co's premises. The partners of Carter & Co are considering offering a custodial service to all clients, some of whom may want to deposit tangible assets such as paintings purchased as investments for safekeeping. The fee charged for this service would depend on the value of item deposited as well as the length of the safekeeping arrangement.

Visean Co has also requested that Carter & Co provide technical training on financial reporting and tax issues. This is not a service that the firm wishes to provide, and it has referred Visean Co to a training firm, Gates Co, which is paying a referral fee to Carter & Co for each audit client which is referred.