Response ID:129 Data

2. (untitled)

Please indicate if you are responding as an individual or on behalf of your organization?

Responding on behalf of your organization.

Please complete:

(ii) Approximate years of professional experience:

Please provide the following information and other contact information:

Your organization's name, if any (if you are responding on behalf of an organization[2])

Your name and job title / role:

Your email address:

Your jurisdiction/country:

Please provide the following information and other contact information:

Your organization's name, if any (if you are responding on behalf of an organization[2])

Accounting Professional and Ethical Standards Board (APESB)

Your name and job title / role:

Jacinta Hanrahan, Technical Director

Your email address:

Jacinta.Hanrahan@apesb.org.au

Your jurisdiction/country:

Australia

Please indicate the geographical profile which best represents your situation, i.e., from

which geographical perspective are you providing your responses?

Single jurisdiction (Please specify): Australia

Please indicate the stakeholder group to which you belong, i.e., from which perspective are you providing your responses?

Jurisdictional standard setters (JSS) (Please indicate the users of your standards as a JSS, e.g., individual Professional Accountants in Public Practice (PAPPs), professional accountants in business (PAIBs) and/or accounting firms): Jurisdictional standard setters - individual Professional Accountants in Public Practice (PAPPs), professional accountants in business (PAIBs) and accounting firms that are Members of the three professional bodies in Australia – Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants.

3. (untitled)

Has your jurisdiction adopted the Restructured Code (2018 edition and onwards)? (Please choose the most representative answer)

(b) Yes, through adoption with modifications (Please (i) specify the latest edition of the IESBA Code that has been adopted, e.g., 2018, 2024, etc.; (ii) describe the nature and reasons for the modifications; and (iii) provide links to the local Code or the specific announcement of the adoption or issuance of the local Code): APESB has adopted the restructured IESBA Code (2018 version) and all pronouncements issued to date (2025 amendments). APESB's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) is available here: Code of Ethics – Home The modifications to APES 110 are set out in the Conformity with International Pronouncements of APES 110. These include: • The title of APES 110 does not include the term 'International'; • The addition of a Scope and Application section in APES 110; • Requirement paragraphs in APES 110 are in bold-type font; • APES 110 generally refers to Members whereas the IESBA Code refers to professional accountants; • Defined terms are in title case in APES 110; • The addition of definitions prefixed as AUST in APES 110. The additional definitions are of AASB, Administration, ASQM 1, AUASB, Auditing and Assurance Standards, Australian Accounting Standards, Member, Professional Bodies and Professional Standards; • The addition of paragraphs prefixed as AUST are to deal with applicable Australian laws and regulations, Australian Accounting Standards, Auditing and Assurance Standards, Accounting Professional & Ethical Standards, or to address specific matters in the Australian environment; • APES 110 tailors the following IESBA defined terms to the Australian environment: Assurance Engagement, Audit Engagement, Director or Officer, Engagement Team, Financial Statements, Firm, Member in Public Practice, Public Interest Entity, and Review Engagement; • The definition of Engagement Team in APES 110 does not exclude individuals within the client's internal audit function who provide direct assistance on an Audit Engagement as the AUASB has prohibited the use of direct assistance in Auditing and Assurance Standards ASA 610 Using the Work of Internal Auditors (Compiled) (April 2022) and ASSA 5000 General Requirements for Sustainability Assurance Engagements (January 2025); • APES 110 uses the term 'NOCLAR' whereas the IESBA Code refers to 'non-compliance'; • APES 110 includes additional text in the section heading of Part 2 to indicate that the section includes employment relationships of Members in Public Practice; • APES 110 mandates documentation of work performed for tax planning and related services in paragraphs AUST R280.23 and AUST R380.26. • The defined term 'Engagement Team' in Part 3 of APES 110 is consistent with other APES pronouncements, including APES 320 Quality Management for Firms that provide Non-Assurance Services; • For quality management of non-assurance services, APES 110 refers to APES 320 Quality Management for Firms that provide Non-Assurance Services; • APES 110 does not include paragraphs 325.8 A4 and 5325.8 A4 of the IESBA Code to eliminate any confusion on the application of the cooling-off periods required by Sections 540 and 5540 of the Code and ASQM 2 Engagement Quality Reviews; • Enhancing the clarity of provisions in Sections320and 360 by replacing some of the references to the Proposed Accountant, Existing Accountant or Predecessor Accountant with the term Member in Public Practice in APES 110; • Paragraph AUST R400.24 in APES110 mandates Firms to determine whether additional entities are Public Interest Entities; • The international requirements for audit partners and Key Sustainability Assurance Leaders not to be incentivised for selling non-assurance services to their Audit and Sustainability Assurance Clients has been broadened in paragraphs AUST R411.4 and AUST R5411.4 of APES 110 to ensure that audit partners and Key Sustainability Assurance Leaders are not incentivised for selling non-assurance services to an Auditor Sustainability Assurance Client of the Firm; and • Subsections 604 and 5604 of APES110 mandates the documentation of factors considered and conclusions reached in determining that a tax service (including a tax advisory and tax planning service) provided by the Firm that performs the Audit Engagement or Sustainability Assurance Engagement is permissible (paragraphs AUST R604.4.1, AUST R604.12.1, AUST R5604.4.1 and AUST R5604.12.1) and provides guidance that the Firm will need a high level of confidence that the tax treatment has a basis in tax law that is likely to prevail (paragraphs AUST 604.4 A1.1, AUST604.12A2.1, AUST 5604.4 A1.1 and AUST 5604.12 A2.1).

If you have answered (a), (b) or (c), was the local Code translated? If yes, please indicate the language in which the local Code was translated.

Not translated

4. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies, and Accounting Firms only

What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of how to use the local Code or provisions? (Select all that apply and provide links)

Technical guidance (e.g., FAQs)
Education/training programs (e.g., webinars, CPD programs)
Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
Other (Please specify): Technical guidance • Whistleblowing & Confidentiality – APESB Technical Staff Publication • Applying APESB pronouncements in COVID-19 circumstances • Independence Guide – 5th Edition • APES 110 Code Prohibitions • APESB Audit Partner rotation requirements Technical Staff Q&As • Mapping Table – Supplement to APES 110 restructured Code of Ethics (Nov 2018) Education/training programs • Provide presentations and participate in professional bodies training sessions. Refer to details at https://apesb.org.au/news-advocacy/speeches-and-presentations/ Articles, publications and newsletters • E-newsletter published quarterly - https://apesb.org.au/news-advocacy/enews/

For individual PAPPs and PAIBs only

What guidance or educational materials have you received or accessed with respect to how to use the local Code or provisions? (Select all that apply)

5. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies, and Accounting Firms only

Does your organization offer guidance to individual professional accountants, accounting

firms, or other users on the application of the local Code or provisions if they seek such assistance? (Select all that apply)

Other (Please specify): As a standard-setter, APESB can answer a query relating to our Standards, but we do not provide professional advice on the application of the Standards or opine on the conduct of individual accountants or firms.

For individual PAPPs and PAIBs

Do you have access to guidance on the application of the local Code or provisions in your jurisdiction if you seek such assistance? (Select all that apply)

6. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies or Accounting Firms

Which inquiries or questions relating to the structure and drafting of the local Code or provisions has your organization commonly received? (Please provide details, including from which stakeholder groups the inquiries or questions arose)

APESB has not received common queries about the structure or drafting of APES 110. APESB occasionally receives questions about specific technical interpretations, generally relating to interactions with local laws and regulations.

Matters for the Board to consider or resolve are captured in the APESB Issues Register, available on the APESB website at: APESB_Issues_Register_March_2026.pdf

For individual PAPPs and PAIBs

Which specific structure or drafting matters pertaining to the local Code or provisions have you inquired or raised questions about? (Please provide details)

7. (untitled)

Is the building-blocks approach of the IESBA Code simple and clear, and does it help in navigating the Code?

Yes
Comments: APESB considers that the building-blocks approach has improved the structure and usability of the Code, particularly through clearer organisation and a clearer distinction between requirements and application material. This supports the general understanding of the Code. APESB considers that while the building-blocks approach provides a clear structural foundation, its effectiveness could be improved by adding additional digital navigation tools to the digital versions of the IESBA Code. Australian stakeholders have provided feedback to the APESB that in practice, professional accountants tend to rely more on search functions, contents pages and digital tools to locate relevant guidance, rather than navigating through the Code's structural framework. Some stakeholders also raised concerns about the length and repetition within the Code, which can also create complexity, particularly for smaller firms and practices.

Is the “Guide to the IESBA Code” helpful in explaining how the Code is structured and should be applied?

Yes

Comments: APESB considers that the "Guide to the IESBA Code" is useful in explaining the structure of the Code and supporting foundational understanding of how it is intended to be applied. It assists users in understanding the overall organisation of the Code and how different Parts and Sections relate to one another. APESB also notes that enabling technologies in the e-Code environment, such as enhanced search functionality, hover-over definitions, and section-sharing features, further support users in efficiently navigating and locating relevant guidance.

8. (untitled)

Is it clear within each Section that a professional accountant (or firm as appropriate) has the responsibility to comply with the fundamental principles and apply the conceptual framework?

Yes

Comments: APESB considers that it is generally clear in each Section that professional accountants are required to comply with the fundamental principles and apply the conceptual framework, as supported by explicit references in the Code. It is also noted that consistent application depends on users maintaining a holistic and principles-based approach.

Does the IESBA Code’s approach to delineating requirements (“R” paragraphs) from application material (“A” paragraphs) make it clear what a professional accountant’s or firm’s obligations are?

Yes

Comments: APESB notes that Australian stakeholders consider the Code's approach to distinguishing requirements ("R" paragraphs) from application material ("A" paragraphs) effective at clearly setting out the obligations of professional accountants and firms. The clear identification of requirements, together with the placement of application material immediately after the relevant requirements, was seen as helping users understand what is mandatory and what is explanatory. This structure supports clearer and more direct interpretation of the Code in practice. APESB considers that this approach appropriately reinforces the distinction between obligations and supporting guidance and supports a consistent understanding and application of the Code. In the Australian Code APES 110, the requirements paragraphs are in bold type to make it absolutely clear which paragraphs are requirements.

Is it sufficiently clear that the Code is scalable and proportionate?

Somewhat (Please explain your response)

Comments: APESB considers the Code to be generally well understood as scalable and proportionate, with principles intended to apply across organisations of all sizes. APESB also notes that scalability can be supported through practical guidance and case-based education, while maintaining that ethical principles apply consistently regardless of entity size. Australian stakeholders provided feedback at a roundtable that some language and examples reflect larger organisational contexts and may not translate directly to smaller practices and businesses, particularly in areas such as escalation processes.

If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped

with enforceability?

N/A as do not enforce the provisions of the Restructured Code
Comments:

9. (untitled)

Is the language used in the Code clear, readable and understandable?

Yes
Comments: APESB considers that the language of the Code is generally clear and understandable. We encourage IESBA to continue supporting the development of guidance resources that would further assist consistent understanding and application across a range of practice settings. APESB notes that Australian stakeholders generally consider the Code's language clear and understandable. However, feedback indicates that some terminology and examples may be more readily understood in larger organisational contexts than in smaller practices and businesses. Australian stakeholders also noted that readability alone does not ensure effective understanding and application of the Code. Practical education and guidance, including the use of real-world scenarios that require professional judgement, were viewed as important complements to the language of the Code.

Is the language used in the Code easy to translate?

Comments: n/a

10. (untitled)

Is an individual PAPP’s responsibility in relation to independence clear?

Is a firm’s responsibility in relation to independence clear?

Is a network firm’s responsibility in relation to independence clear, and is that responsibility clearly distinguished from a firm’s responsibility?

11. (untitled)

Other Comments

Are there any other comments relating to the structure and drafting of the IESBA Code that the IESBA should consider as part of this PIR?

None