



10 August 2018

The Chairman
Accounting Professional & Ethical Standards Board
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Dear Ms Roxon

Exposure Draft ED 02/18 - Proposed Standard: APES 110 Code of Ethics for Professional Accountants

AND

Exposure Draft ED 03/18 – Proposed Inducements Provisions for APES 110 Code of Ethics for Professional Accountants (Including Independence Standards)

CPA Australia welcomes the opportunity to respond to the above Exposure Drafts. CPA Australia represents the diverse interests of more than 163,000 members working in 125 countries and regions around the world. We make this submission on behalf of our members and in the broader public interest.

CPA Australia is supportive of amendments proposed to the existing standard in the Exposure Draft 02/18 and offers some additional matters to be considered by the Board with respect to Inducements, ED 03/18.

The revised structure of the Code improves usability for all members by enhancing the prominence of Section B which applies to Members in Business, while creating a separate Part for the Independence Standards (extant Sections 290 and 291) and placing the Independence Standards after the new Part 3 which applies to Members in Public Practice.

The removal of duplication in the Code is welcomed and should be further considered throughout the Code where applicable.

CPA Australia encourages the alignment between international and domestic standards where possible and is supportive of the content contained in the AUST paragraphs of the Proposed Standards.

CPA Australia is generally supportive of the proposed amendments to Inducements. The Exposure Draft, however, is silent on Members' responsibilities with respect to the cumulative effect of inducements over time which may appear trivial or inconsequential in isolation. CPA Australia recommends that the Proposed Standard include guidance for members where a trivial or inconsequential benefit accumulates over time.

If you require further information on our views expressed in this submission, please contact Josephine Haste, Policy Advisor – Ethics and Professional Standards by email at josephine.haste@cpaaustralia.com.au or on +61 3 9606 9693.

Yours sincerely

A handwritten signature in black ink, reading "Paul Drum", enclosed in a thin black rectangular border.

Paul Drum FCPA
Head of Policy