



ONLINE

# Accounting Conference

Thursday 22 May 2025

ACCOUNTING  
CONFERENCE

# Ethics Update – recent key changes in the code of ethics



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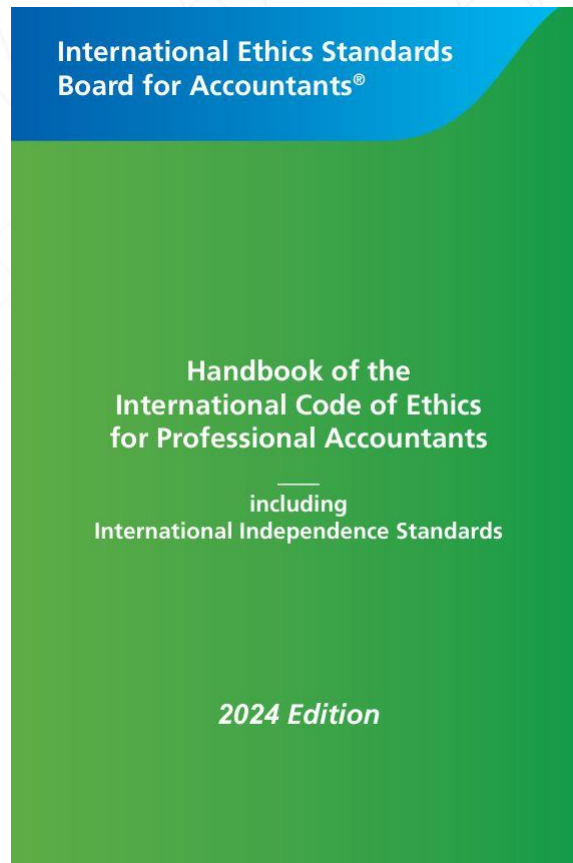
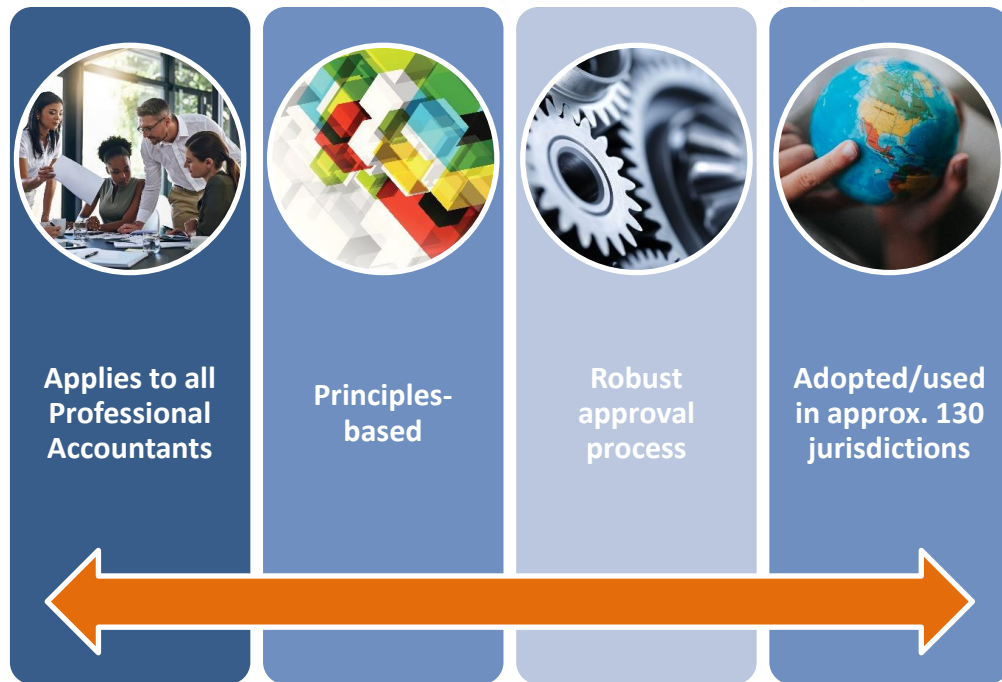
# Agenda

- International Code of Ethics for Professional Accountants (Including International Independence Standards)
- Tax Planning and Related Services
- Technology-Related Revisions to the Code
- Ethical Standards for Sustainability Reporting

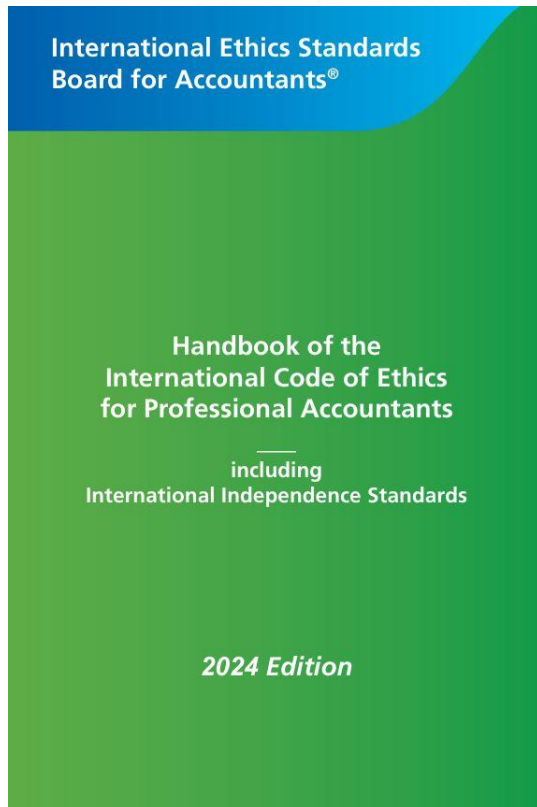
# International Code of Ethics for Professional Accountants (including International Independence Standards)



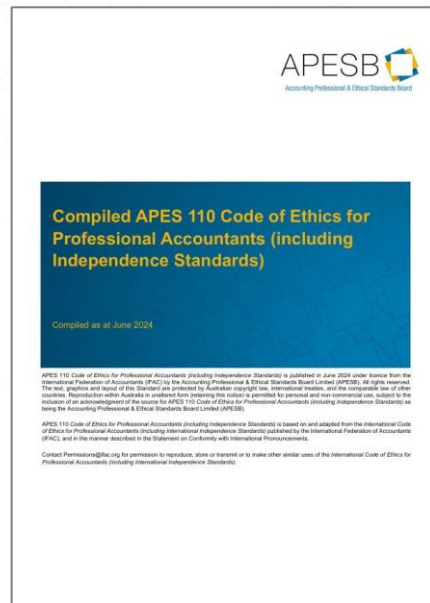
# About the IESBA Code



# Adoption in Australia & NZ



Adopted  
by APESB  
in  
Australia  
and NZICA  
in New  
Zealand



Full adoption with country  
specific amendments



Full adoption (NZICA Code &  
PES 1) with country specific  
amendments

# The IESBA Code

## Fundamental Principles

Integrity

Objectivity

Professional Competence &  
Due Care

Confidentiality

Professional Behaviour

## Threats

Self Interest

Self Review

Advocacy

Familiarity

Intimidation

## Conceptual Framework





# Tax Planning and Related Services





# Tax Planning and Related Services

IESBA

April 2024 – Issue of the Final Pronouncement [Revisions to the Code Addressing Tax Planning and Related Services](#).

Aust

January 2025 - APESB issued the Tax Planning & Related Services [Amending Standard](#) and revised [APES 220 Taxation Services](#).

NZ

February 2025 - NZICA revised the [NZICA Code of Ethics](#) for Tax Planning and Related Services



Aust & NZ - Effective from **1 July 2025**, with early adoption permitted.

# Broad Spectrum of Tax Planning

## Project Objective

Develop an **ethical framework** to guide judgements and decisions when Members in public practice (MIPPs) provide TP services or Members in business (MIBs) perform TP activities



## Applicability

- Members in Business – All entities (Section 280)
- Members in Public Practice – All clients: individuals and entities (Section 380)

## Exclusions

- Tax compliance or preparation
- Tax evasion

# Overview of Tax Planning & Related Services Provisions

**Description of  
Tax Planning**

**Related  
Services**

**Role of Member  
in Acting in  
Public Interest**

**Compliance  
with Laws and  
Regulations**

**Responsibilities of  
Management and  
Those Charged  
with Governance**

**Responsibilities  
of Members**

**Establishing a  
Credible Basis**

**Applying  
“Stand-back  
Test”**

**Multi-  
jurisdictional  
Tax Benefits**

**Navigating the  
“Gray Zone”**

**Applying the  
Conceptual  
Framework**

**Disagreement  
with Client**

**TP Products/  
Arrangements  
Developed by a  
Third Party**

**Documentation**

# Credible Basis

- A Member can only provide, recommend or advise on a Tax Planning arrangement (TP arrangement) if the Member has concluded that there is a credible basis.
- When determining whether there is a credible basis:
  - Use professional judgement;
  - Must be based on tax laws and regulations prevailing at time of the assessment; and
  - Consider jurisdictional variations.
- If there is no credible basis, should explain rationale to employer or client.



# What is Credible Basis in Aust & NZ?

Both APESB and NZICA have clarified 'credible basis' in their Codes.

## Australia

A **credible basis** means a reasonably arguable position as defined in section 284-15 of the [Taxation Administration Act 1953](#) (Aust).

(Paras AUST 280.12 A1.1 & AUST 380.12 A1.1 of APES 110)

## New Zealand

For tax planning arrangements involving:

- New Zealand tax laws and regulations, includes an acceptable tax position as defined in section 3 of the [Tax Administration Act 1994](#) (NZ)
- tax laws and regulations outside New Zealand, “credible basis” is what is commonly understood and accepted as such in that jurisdiction.

(Definition in Glossary of NZICA Code of Ethics)

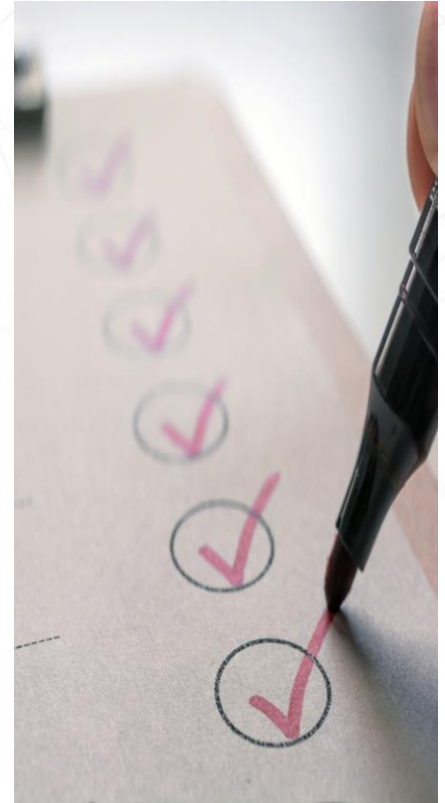
# Consideration of the Overall Tax Planning Advice

- Having established a credible basis, Member now performs stand back test.
- Critical public interest test
- Stand back test involves considering reputational and commercial risks, and wider economic consequences.
- Consider adverse implications such as negative publicity, fines or penalties.
- Consider the tax base of the jurisdiction(s) – OECD BEPS
- Communication of final basis of Member's conclusion.



# Documentation

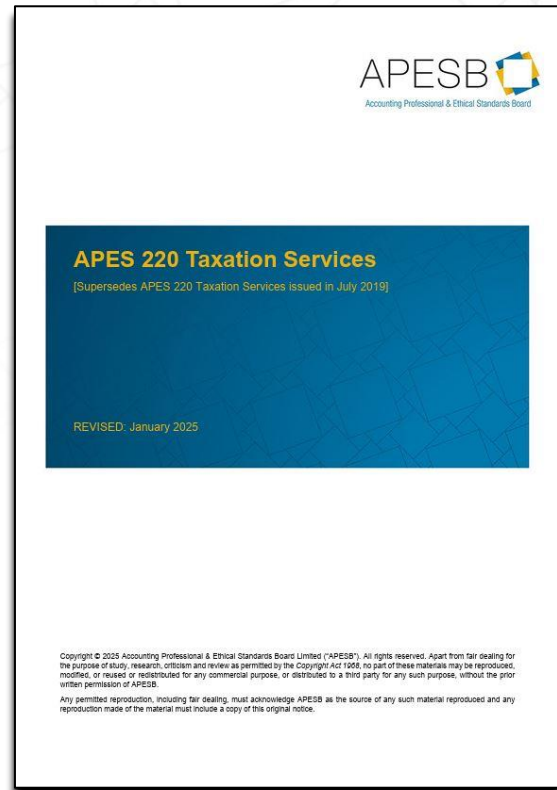
- APES 110 **mandates** documentation in line with APES 220 existing requirements
- APES 110 & NZICA Code encourages documentation of the following
  - Purpose, circumstances & substance of TP arrangement
  - Identity of ultimate beneficiaries
  - Nature of any uncertainties
  - Member's analysis, courses of action considered, judgements made and conclusions reached
  - Results of discussions with the employer/client and other parties
  - Client's response to Member's advice
  - Any disagreements
- Documentation may be required by other professional standards or legislation (e.g., ASQM 1, PS-1, TPB requirements)





# APES 220 *Taxation Services*

- Covers a broader range of tax services than the [IESBA's Standard on Tax Planning and Related Services](#).
- Provisions that impacted by IESBA's Standard on Tax Planning and Related Services:
  - Section 5 – Tax schemes and arrangements
  - Section 7 – False and misleading information
- In January 2025, APESB issued revised [APES 220 Taxation Services](#) (APES 220).
- Effective date: **1 July 2025**, with early adoption permitted.



# Taxation activities/services – current obligations NZ

## MIB (and MIPP when doing work for firm)

- Code of Ethics, incl.
  - Fundamental principles:
    - Integrity – cannot be associated with misleading information
    - Objectivity
    - Professional competence and due care
    - Confidentiality
    - Professional behaviour – comply with all laws and regulations
  - Section 220: Preparation and presentation of information - where a relevant reporting framework will include relevant taxation laws and regulations; includes a roadmap for disassociating from misleading information
  - Section 230: Sufficient expertise
  - Section 260: NOCLAR – exception to FP: Confidentiality
  - Section 280: Pressure to breach the FP's

## MIPP

- Code of Ethics, incl.
  - Same as MIB plus ...
  - Section 320: Professional appointments
  - Section 360: NOCLAR – exception to FP: Confidentiality
- SES-2: Compilation of financial information - includes a roadmap for disassociating from misleading information
- TG-1: Tax compliance services - includes a roadmap for disassociating from misleading information
- EG-2: Ethics in Tax Practice
- PS-1: System of Quality Management



# Technology-Related Revisions to the Code



# Technology-related revisions to the Code

IESBA

April 2023 – Issue of the Final Pronouncement [Technology-related Revisions to the Code](#)

Aust

- June 2024 - APESB issued the Technology-related [Amending Standard](#).
- Effective from **1 January 2025**

NZ

- June 2024 - NZICA revised the [NZICA Code of Ethics](#) for Technology and Conforming Amendments.
- Effective from **15 December 2024**



# Overview of Technology-related revisions

Draws attention to the **competence, confidentiality, & leadership** imperatives of the digital age

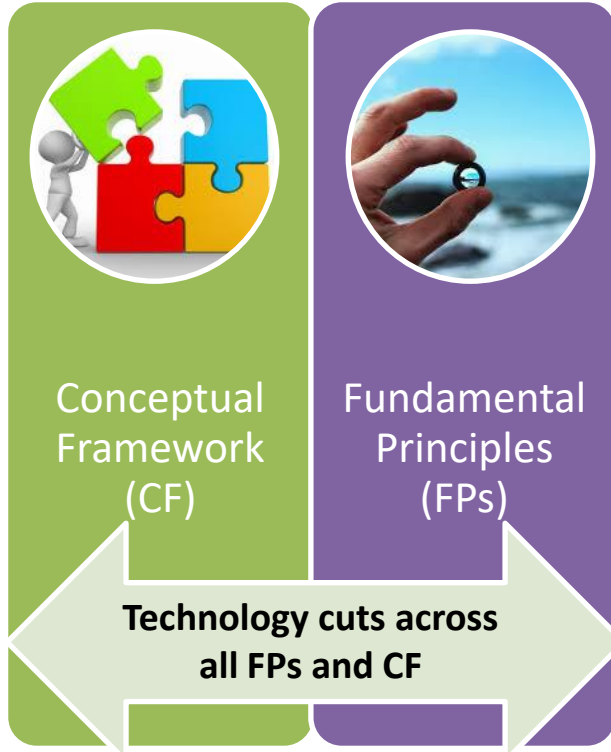
Considers ethical threats from **use of technology & complexity** when exercising professional judgment

Addresses the ethical dimension of **using output of technology**

Strengthens **auditor independence** for technology-related services & business relationships

Applies to assurance on **non-financial information** (e.g. ESG disclosures)

# Technology and the Conceptual Framework



- Importance of maintaining confidentiality throughout the data governance cycle
- Data available might not be sufficient for effective use of technology.
- Technology might not be appropriate for the purpose for which it is to be used.
- The accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended.
- The technology was designed or developed using the knowledge, expertise or judgement of the accountant or employing organisation.

# Ethical considerations when using technology output

- The nature of the activity to be performed by the technology.
- The expected use of, or extent of reliance on, the output of the technology.
- Whether the accountant has the ability, or has access to an expert with the ability, to understand, use and explain the technology and its appropriateness for the purpose intended.
- Whether the technology used has been appropriately tested and evaluated for the purpose intended.
- Prior experience with the technology and whether its use for specific purposes is generally accepted.
- The employing organisation's oversight of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology.
- The controls relating to the use of the technology, including procedures for authorising user access to the technology and overseeing such use.



# Ethical Standards for Sustainability Reporting



# Why were the IESSA and Sustainability Reporting Revisions Developed?



Sharp increase in demand for sustainability information



Greater availability of sustainability information & mandatory reporting



Evolving area of reporting – immature systems and processes



Pressing public interest for such information to be capable of assurance

**Ethics** is the foundation of trustworthy sustainability reporting & assurance

> **\$30  
TRILLION**

in investment in  
sustainable assets\*



**Independent assurance** is fundamental to credible sustainability disclosures

# Sustainability Reporting – Enhanced Ethics Provisions

## OBJECTIVES OF IESBA'S SUSTAINABILITY REPORTING REVISIONS

Reinforcing the first line  
of defense against  
“greenwashing” and other  
corporate malfeasance

Truthful, high-quality  
corporate sustainability  
disclosures



IESBA's sustainability reporting provisions build on the Code's conceptual framework and robust ethics standards which guide Professional Accountants in:

EFFECTIVELY MANAGING  
CONFLICTS OF INTEREST

APPROPRIATELY EXERCISING  
PROFESSIONAL JUDGMENT  
AND DISCRETION

RESPONDING TO  
INDUCEMENTS

RESPONDING TO ACTUAL  
OR SUSPECTED NON-  
COMPLIANCE WITH LAWS  
AND REGULATIONS™  
(NOCLAR®)

ADDRESSING PRESSURE TO  
BREACH THE FUNDAMENTAL  
PRINCIPLES OF THE IESBA  
CODE OF ETHICS

APPROPRIATELY USING  
TECHNOLOGY AND ITS  
OUTPUTS AND AVOIDING  
AUTOMATION BIAS

International effective date - 15 December 2026

# Using the Work of an External Expert

## 1. Definitions Introduced for “Expert” and “Expertise”

- Distinguish the work of experts from the work of other individuals or organizations providing information for general use

## 2. Evaluating Whether to Use Work of An Expert

- Focused on expert’s competence, capabilities and objectivity (CCO)

## 3. Experts in Audit or Other Assurance Engagements

- Additional objectivity requirements to evaluate interests and relationships based on independence attributes (financial interests, business relationships, etc)

## 4. Concluding on an Expert’s CCO

- Work of an expert cannot be used if it does not meet CCO requirements

## 5. Potential Threats When Using the Work of an Expert

- Provisions to guide identifying, evaluating and addressing potential threats to compliance with the fundamental principles

# Sustainability Ethics & Independence Standards and External Experts - AUST



Sustainability reporting required for **Group 1 entities** for first annual reporting periods starting on or after **1 January 2025**.

Key dates for APESB project on Sustainability:

- Exposure drafts on Sustainability (ED 01/25) & Use of Experts (ED 02/25) issued in March 2025
- Proposed effective date for **sustainability** is **1 January 2026**
- Proposed effective date for **external experts** has two phases:
  - **1 January 2026** (for Part 5 of the Code) or
  - **1 January 2027** for other professional services and activities
- Comment period closed on 12 May 2025
- Consideration of Amending Standards scheduled for **17 June 2025 APESB Board meeting**

# Sustainability Ethics & Use of Experts - NZ

WATCH THIS SPACE



## Further Information



For more information visit [www.apesb.org.au](http://www.apesb.org.au)

Follow the APESB [LinkedIn page](#) for timely updates.

To download APESB's mobile app:



For more information:

- Visit the [New Zealand Regulation webpage](#) for links to the NZICA Act, Code, Rules, Standards and Standards recently approved or under-development
- Watch the [2025 Online Event: NZ Regulation Update - Changes to the NZ Code of Ethics](#)





Q & A

## Purpose & Disclaimers

This set of PowerPoint slides has been developed by APESB Technical Staff, and the IESBA Technical Staff on the Code, applicable standards and relevant proposals with NZ specific input from CA ANZ staff based in NZ.

These slides provide only an *overview* and do not purport to present all the detailed requirements or changes. The slides should be read in conjunction with the Code, applicable standards and relevant proposals. These slides do not form part of the Code, the text of which is authoritative.

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# Thank you.

## Before you go, please provide our speakers with feedback for their session

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