

APESB Professional and Ethical Standards

IPA Executive Management Program 2025

13 November 2025



Channa Wijesinghe FCPA, FCA
Chief Executive Officer, APESB
Vice Chair, IESBA

Agenda

- APESB's role and mandate
- Structure of APESB Pronouncements
- IESBA and Foundations of the Code
- Technology-Related Revisions to the Code
- Use of Artificial Intelligence
- Tax Planning and Related Services
- Sustainability
- Q&A

APESB's role and mandate



APESB's role and mandate

- Established in 2006 as an independent standard setter to develop professional & ethical pronouncements for the three professional accounting bodies
- Previously professional and ethical pronouncements developed by the professional accounting bodies
- Members' compliance and discipline overseen by professional bodies
- APESB's structure is globally unique
- A comprehensive suite of accounting professional pronouncements developed during the first decade of operations

APESB's role and mandate

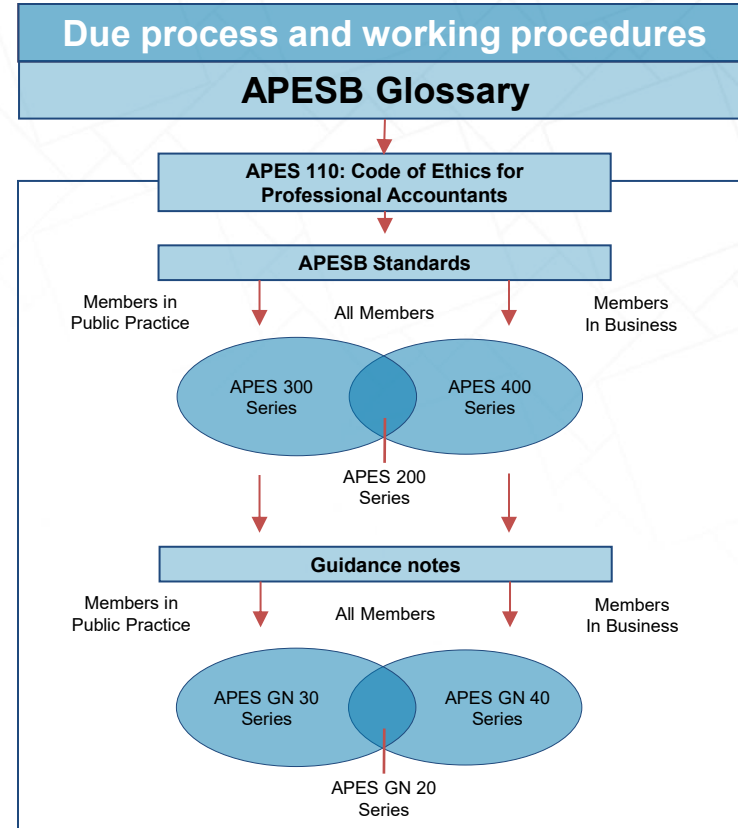
- Influence international standards setting process:
 - IESBA's National Standards Setters group
 - Representation on the IESBA and IFAC Committees
- To date APESB has released 21 pronouncements consisting of 15 Standards and 6 Guidance Notes
- The critical role ethics plays in maintaining the public trust, reputation and good standing of the profession

Structure of APESB Pronouncements



Structure of APESB pronouncements

- **Conceptual Framework**
 - Principles based
 - Mandatory for professional accountants
- **Standard**
 - Introduces principles
 - Mandatory requirements in black letter
 - Guidance and/or explanation in grey letter
- **Guidance notes**
 - Do not introduce new principles
 - Guidance on a specific matter on which the Principles are already stated in a Standard
 - Guidance is only in grey letter



APESB Pronouncements to date

All Members

- APES 110 – *Code of Ethics for Professional Accountants*
- APES 205 – *Conformity with Accounting Standards*
- APES 210 – *Conformity with Auditing and Assurance Standards*
- APES 215 – *Forensic Accounting Services*
- APES 220 – *Taxation Services*
- APES 225 – *Valuation Services*
- APES 230 – *Financial Planning Services*
- APES GN 20 – *Scope and Extent of Work for Valuation Services*
- APES GN 21 – *Valuation Services for Financial Reporting*

APESB Pronouncements to date

Members in Public Practice

- APES 305 – *Terms of Engagement*
- APES 310 – *Dealing with Client Monies*
- APES 315 – *Compilation of Financial Information*
- APES 320 – *Quality Management for Firms that provide Non-Assurance Services*
- APES 325 – *Risk Management for Firms*
- APES 330 – *Insolvency Services*
- APES 345 – *Reporting on Prospective Financial Information prepared in connection with a Public Document*
- APES 350 – *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document*
- APES GN 30 – *Outsourced Services*
- APES GN 31 – *Professional and Ethical Considerations relating to Low Doc Offering Sign-offs*

APESB Pronouncements to date

Members in Business

- APES GN 40 – *Ethical Conflicts in the Workplace – Considerations for Members in Business*
- APES GN 41 – *Management Representations*

IESBA and Foundations of the Code



International Ethics Standards Board for Accountants (IESBA)

IESBA's **mission** is to serve the public interest by setting high-quality global ethics and independence standards as a cornerstone to:

- ethical behaviour in business and organisations; and
- public trust in financial and non-financial information



The **IESBA Code** is:

- Adopted or used in > **130** jurisdictions, including **17** G20 countries
- Adopted by the largest **35** international networks of firms (the Forum of Firms) for transnational audits
- Translated in around **40** languages, including all major UN languages

IESBA Leadership and Members



Gabriela Figueiredo Dias
Chair, IESBA and Co-CEO,
International Foundation
for Ethics and Audit



Channa Wijesinghe
Vice Chair, IESBA



Vania Borgerth



Richard Huesken



Tomoyo Imura



Héctor J. Lehuédé



Sung-Nam Kim



Christelle Martin



Nancy Miller



Paul Muthaura



Luigi Nisoli



Obichukwu Nwazota



Amarjeet Singh



Rania Uwaydah Mardini



David Wray

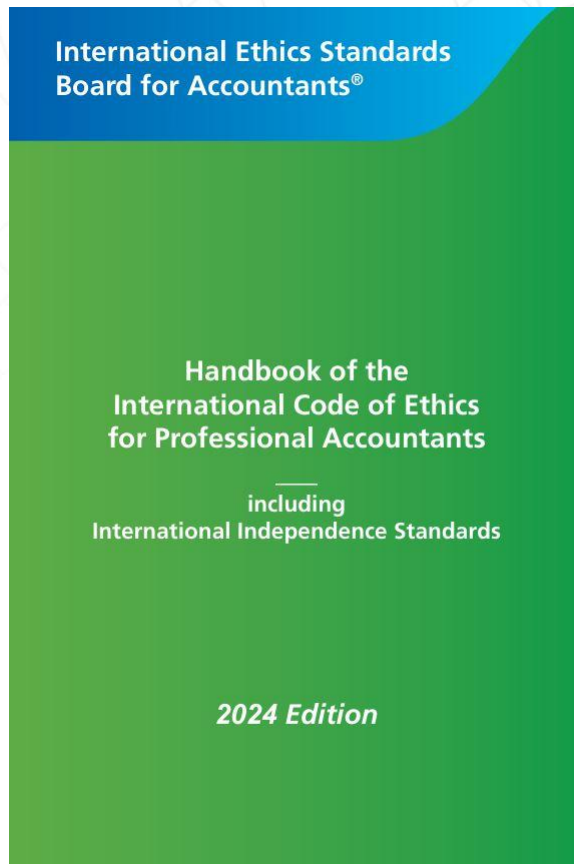


Saadiya Adam



Mark Babington

About the IESBA Code



About the IESBA Code

International Ethics Standards
Board for Accountants®

Handbook of the
International Code of Ethics
for Professional Accountants

including
International Independence Standards

2024 Edition

Full adoption
of the IESBA
Code by
APESB in
Australia



Compiled APES 110 Code of Ethics for
Professional Accountants (including
Independence Standards)

Compiled as at January 2025

APES 110 Code of Ethics for Professional Accountants (including Independence Standards) is published in January 2025 under licence from the International Federation of Accountants (IFAC) by the Accounting Professional & Ethical Standards Board Limited (APESB). All rights reserved. The text, graphics and layout of this Standard are protected by Australian copyright law, international treaties, and the comparable law of other countries. Reproduction within Australia in unaltered form (retaining this notice) is permitted for personal and non-commercial use, subject to the inclusion of an acknowledgment of the source for APES 110 Code of Ethics for Professional Accountants (including Independence Standards) as being the Accounting Professional & Ethical Standards Board Limited (APESB).

APES 110 Code of Ethics for Professional Accountants (including Independence Standards) is based on and adapted from the International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) published by the International Federation of Accountants (IFAC), and in the manner described in the Statement on Conformity with International Pronouncements.

Contact Permissions@fac.org for permission to reproduce, store or transmit or to make other similar uses of the International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code).



The IESBA Code/APES 110

Fundamental Principles

Integrity

Objectivity

Professional Competence &
Due Care

Confidentiality

Professional Behaviour

Threats

Self Interest

Self Review

Advocacy

Familiarity

Intimidation

Conceptual Framework



Technology-Related Revisions to the Code



Technology related revisions to the Code

- In June 2024, APESB issued the Technology-related [Amending Standard](#)
- Revisions based on IESBA Final Pronouncement [Technology-related Revisions to the Code](#) issued April 2023
- Guides the ethical mindset and behavior of Members in dealing with changes brought by technology



Effective from 1 January 2025

Overview of Technology-related revisions

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

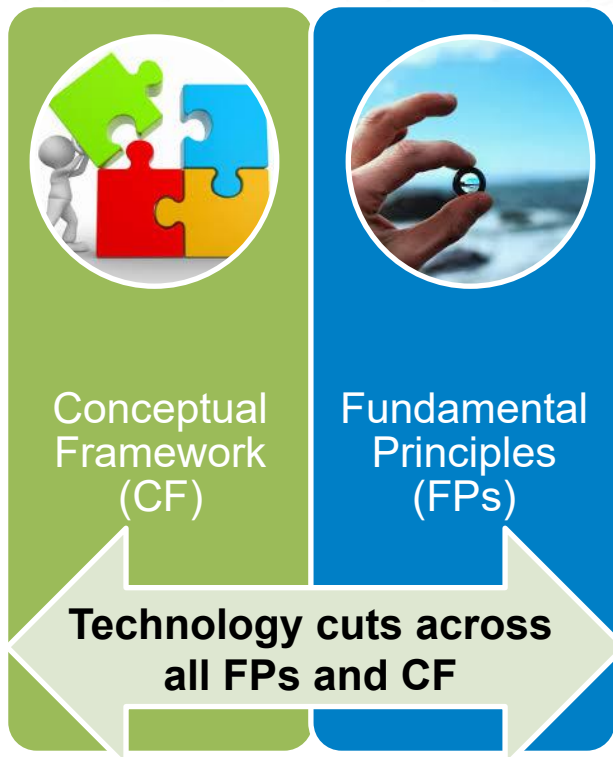
Considers ethical threats from **use of technology & complexity** when exercising professional judgment

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 → 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.

Use of Artificial Intelligence

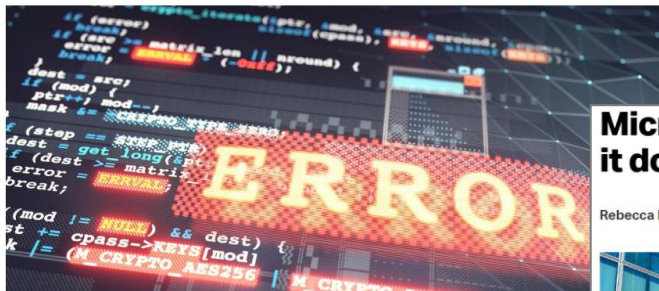


Academics apologise for AI blunder implicating Big Four

by Tom Herbert

A group of academics has apologised to the Big Four after it was revealed they had used material generated by artificial intelligence to implicate the firms in non-existent scandals via a submission to the Australian Parliament.

6th Nov 2023 10 comments



ACCOUNTING & AUDIT

86% of Accountants Expect Technology to Drive their Firms' Growth in 2023

In 2023, accountants expect to spend an average of \$15,800 on technology improvements and upgrades. Nearly half expect to invest in and adopt automation tools...

Dangers of AI Hallucinations: The recent Deloitte Report

TECHNOLOGY

A recent Deloitte report exposed the dangers of unchecked AI, highlighting the need for critical human oversight and careful data validation when AI is incorporated into workflows.

By ElfWorks.ai • 15 October 2025 • 5 minute read

SHARE

Microsoft lays off an ethical AI team as it doubles down on OpenAI

Rebecca Bellan @rebeccabellan / 6:26 PM PDT • March 13, 2023

Comment



Artificial intelligence is rapidly changing the accounting landscape, but a recent incident involving a Deloitte Report serves as a stark reminder of the potential pitfalls. The report, commissioned by the Department of Employment and Workplace Relations (DEWR) for \$440,000, was found to contain significant errors, including fabricated academic references and a false quote attributed to a Federal Court judge.

Building and using AI Ethically

- **Understand the model:** the data, its operation and potential unintended consequences
- Be comfortable with the inputs and the **control structure** monitoring the system and its output
- Utilise a **“human in the loop”** approach
- Have the ability and competence to ask the **“right” questions**

Can be achieved by the Member keeping current and educating themselves on relevant practical guidance and “best practices” specific to their role



Other Ethical Considerations when Using AI

Bias and discrimination

The extent to which bias is impacting the **outputs of technology**, and to ensure that they have the appropriate mindset, competence and tools to do this.

Risk profile

The approach to AI learning might also affect its risk profile for producing **accurate and reliable outputs**

Use of data

How data was made available for **training and testing the AI system** – and how confidentiality, including data privacy, has been considered and maintained

Increased need for being alert, having an inquiring mind, applying professional scepticism and being aware of bias

Tax Planning and Related Services



Tax Planning and Related Services



- In January 2025, APESB issued the [Amending Standard](#) addressing Tax Planning and Related Services and revised [APES 220 Taxation Services](#)
- Revisions based on new global ethics standards for tax planning and related services, see IESBA Final Pronouncement [Revisions to the Code Addressing Tax Planning and Related Services](#) issued in April 2024
- 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

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.



Consideration of the Overall Tax Planning Advice

- Having established a credible basis → , the Member performs a 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 the final basis of the Member's conclusion.

Documentation

- APES 110 **mandates** documentation in line with APES 220 existing requirements
- APES 110 **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, or TPB requirements)

Sustainability



Building out Ethics as the Third Pillar of the Sustainability Standards Infrastructure

Sustainability Reporting and Assurance

Standardized approach for **reporting** information



Reliable, comparable and decision useful information

Reporting Standards

Standardized approach for providing independent **assurance**



Credible and trustworthy information

Assurance Standards

Ethical mindset and behaviors to guide judgments and drive actions



Trustworthy information that is factual and not misleading

IESBA – Ethics and Independence Standards

Launch of APESB Sustainability Standards in July 2025

- APESB [Sustainability](#) Standards:
 - Revisions to the Extant Code Addressing Sustainability Reporting
 - New Ethics and Independence Standards for Sustainability Assurance (AESSA)
 - Using the Work of an External Expert
- **Close Coordination between AUASB** and other Standard Setters to ensure alignment and interoperability
- Effective from **1 January 2026**, with a later implementation date of 1 July 2028 for provisions applicable to *Value Chain Components*
- **Transitional relief** options available to support implementation
- Australia's mandatory climate-related financial disclosures and sustainability reporting – effective for **Group 1 entities** from **1 January 2025**



Amending Standard for Sustainability Assurance and Reporting and the use of External Experts

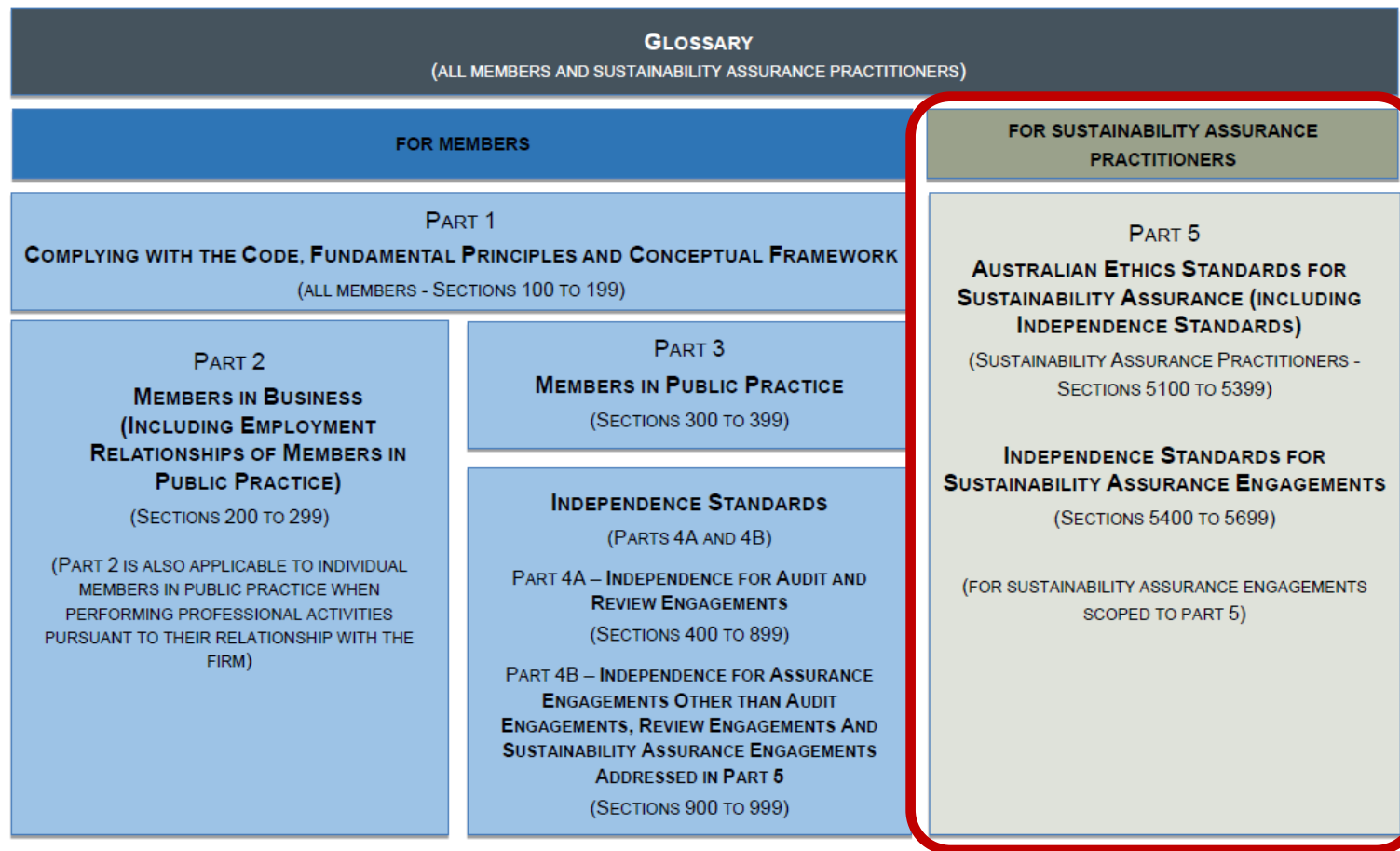
July 2025

APES 110 Code of Ethics for Professional Accountants (including Independence Standards) is published in July 2025 under licence from the International Federation of Accountants (IFAC) by the Accounting Professional & Ethical Standards Board Limited (APESB). All rights reserved. The text, graphics and layout of this Standard are protected by Australian copyright law, international treaties, and the comparable law of other countries. Reproduction within Australia in unaltered form (retaining this notice) is permitted for personal and non-commercial use, subject to the inclusion of an acknowledgment of the source for APES 110 Code of Ethics for Professional Accountants (including Independence Standards) as being the Accounting Professional & Ethical Standards Board Limited (APESB).

APES 110 Code of Ethics for Professional Accountants (including Independence Standards) is based on and adapted from the International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) published by the International Federation of Accountants (IFAC), and in the manner described in the Statement on Conformity with International Pronouncements.

Contact Permissions@ifac.org for permission to reproduce, store or transmit or to make other similar uses of the International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code).

Read the APESB's [Media Release](#) and [Basis for Conclusions](#)



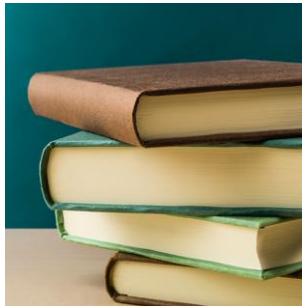
Key Characteristics of AESSA (New Part 5)



Equivalent to Ethics and Independence Standards for Audit



Profession-Agnostic (for All Practitioners)



Standalone (New Part 5 of APES 110)



Framework-Neutral

Further Information

For more information visit www.apesb.org.au

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

To download APESB's mobile app:



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.

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.

APESB does not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

Q&A

