

Media Release

28 November 2018

APESB proposes revisions to the Insolvency Standard

The Accounting Professional & Ethical Standards Board Limited (APESB) invites accounting professionals, accounting firms and accounting bodies and other stakeholders in Australia to comment on an exposure draft of proposed revisions to APES 330 *Insolvency Services*.

Following the insolvency legislative reforms, APESB proposes revisions to APES 330 to address these reforms as well as to bring the standard in line with proposed revisions by the Australian Restructuring Insolvency and Turnaround Association (ARITA), to their Code of Professional Practice (ARITA Code), which is expected to be issued for consultation shortly.

APESB Chairman, The Honourable Nicola Roxon, says, "Although not substantive, the amendments we are proposing will align the standard to current legislation and provide consistency for Members in Public Practice providing insolvency services."

Key revisions include new requirements to clarify the responsibility of Members in Public Practice to determine the identity of the parties involved in the Administration; and that Members in Public Practice must include all relevant relationships in the *Declaration of Independence, Relevant Relationships and Indemnities* (DIRRI), that are relevant to creditors assessment of the Member's Independence.

Other revisions include a new definition of inducements and new application material on the outsourcing of some or all components of the Insolvency Services provided. APESB technical staff have provided new guidance material on remuneration, included in a new appendix and a template for *Declaration of Independence, Relevant Relationships and Indemnities* (DIRRI), which is based on and consistent with ARITA's DIRRI template.

Respondents are invited to submit their comments by **1 March 2019** via the APESB website.

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Notes to Editors: APESB is the National Standards Setter that sets the code of ethics and professional standards by which members of Australia's three major professional accounting bodies (CPA Australia, Chartered Accountants Australia and New Zealand and the Institute of Public Accountants) are required to abide.