

Media Release

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Confidentiality not a cover for illegal acts

A new standard issued today requires accountants to consider their obligations if they uncover or suspect illegal acts such as fraud, corruption, bribery or money laundering during the course of their professional work.

The ground-breaking standard in Australia adopts the new international approach and permits accountants to set aside the principle of confidentiality where illegal acts are suspected.

"This standard encourages professional accountants to speak up where they discover laws and regulations are not being adhered to – and identifies a process to go through enabling accountants to raise concerns appropriately without breaching other professional and ethical standards," APESB Chair, The Honorable Nicola Roxon, said.

"It is feared that, in the past, identifying potential illegal acts and raising the alarm did not always prevail over confidentiality and other obligations to a client or employer."

The new standard, *Responding to Non-Compliance with Laws and Regulations* (NOCLAR), comes into force on 1 January 2018 – allowing time for accountants to update their systems to comply with the standard. Individual firms and accountants are urged to adopt this standard earlier where possible to meet international best practice.

The new standard will be incorporated into the Australian Code APES 110 *Code of Ethics for Professional Accountants* (APES 110) which will also incorporate minor changes to the provision of non-assurance services.

The full text is available on our website: www.apesb.org.au.

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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.