

## AGENDA PAPER

**Item Number:** 6

**Date of Meeting:** 4 March 2021

**Subject:** Proposed Amending Standard to APES 110 on the Role and Mindset Expected of Professional Accountants

---

Action required     For discussion     For noting     For information

---

### Purpose

To obtain the Board's approval, subject to the Board's review comments and editorials, to issue amending standard *Amendments to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) to Promote the Role and Mindset Expected of Professional Accountants*.

### Background

In 2017, the International Ethics Standards Board for Accountants (IESBA) commenced a project relating to Professional Scepticism.

In 2018, the IESBA released a consultation paper *Professional Skepticism – Meeting Public Expectations*. In July 2018, APESB, in conjunction with the New Zealand External Reporting Board (NZ XRB), held a [roundtable](#) in Melbourne, Australia, to discuss this consultation paper. As part of this consultation, the project was renamed the Role and Mindset Expected of Professional Accountants project.

In November 2018, APESB issued the restructured APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), with an effective date of 1 January 2020. The Code is based on the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the International Code) issued by the IESBA.

In October 2020, the IESBA released the final standard, [Promoting the Role and Mindset Expected of Professional Accountants](#), with an effective date of 31 December 2021.

APESB released exposure draft [ED 03/20 Proposed Amendments to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) in October 2020, with a comment period that closed on 1 February 2021. APESB's ED aligned with the final standard released by the IESBA.

## **Consideration of Issues**

APESB received three submissions from stakeholders on ED 03/20, which are tabulated in a General Comments table and Specific Comments table at Agenda Items 6(a) and 6(b), respectively.

Stakeholders were generally supportive of the proposed revisions to the pronouncements, with all stakeholders agreeing with the APESB's proposals.

There were no significant issues raised in relation to the proposals. However, a couple of stakeholders did note that the language used in the IESBA final standard may not be as enforceable or easy to regulate as other professional standards. Therefore, APESB was encouraged to monitor if any additional guidance could be provided in the future to assist Members in implementing the new provisions in the Code.

Based on stakeholders' feedback, APESB Technical Staff do not recommend any changes to the proposals in ED 03/20. Based on the fact that no changes are suggested to the proposals in the ED 03/20, Technical Staff have not reproduced the amending standard in this agenda paper.

## **Recommendation**

Subject to the Board's review comments, the Board approves the issue of the amending standard *Amendments to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) to Promote the Role and Mindset Expected of Professional Accountants* with an effective date of 1 January 2022.

## **Materials Presented**

Agenda Item 6(a)	General Comments Table – ED 03/20
Agenda Item 6(b)	Specific Comments Table – ED 03/20

**Author:** Jacinta Hanrahan

**Date:** 11 February 2021