

## Technical Alert

29 March 2022

### APESB re-exposes referral source provisions of the Code

Accounting Professional & Ethical Standards Board Limited (APESB) is seeking feedback on amended proposals for the referral source dependency provisions in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code).

The amended provisions have been developed in light of the range of stakeholders' views and suggestions on these provisions submitted in response to [ED 03/21 Proposed Amendments to Fee-related provisions of APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (ED 03/21), issued May 2021.

Key revisions to the fee referral provisions include amendments to introduce a 30% threshold and a five-year cumulative period to allow existing and new firms a reasonable time period to address the threats, and a new requirement to clarify actions to be taken if the fee dependency on a referral source continues past five years.

APESB is seeking respondents' specific comments and feedback on the potential action to be taken if the threshold and cumulative time period are met.

In considering these options, APESB encourages respondents to consider whether the proposed action, and the scope of the applicable review or compliance engagement, will appropriately assess and address threats to independence when there is fee dependency on a referral source.

The Exposure Draft, which provides details of the proposed revisions, is available on the APESB website: [www.apesb.org.au](http://www.apesb.org.au).

Feedback on the proposed changes should be received by the APESB no later than **29 April 2022**.

Keep up to date with APESB standards via our website [www.apesb.org.au](http://www.apesb.org.au), by downloading our app from one of the app stores below or following us on [LinkedIn](#).

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