

Meeting Highlights

7 DECEMBER 2022

1. Register of Interests

The Board noted Agenda Item 2 *Register of Interests*.

2. International and other activities

The Board noted Agenda Item 3 *International and other activities*.

3. Proposed revisions to APES 215 *Forensic Accounting Services*

The Board noted Agenda Item 4 *Proposed revisions to APES 215 Forensic Accounting Services*.

The Board considered the draft exposure draft, which proposes amendments to APES 215 *Forensic Accounting Services* to address concerns relating to evidence presented to the court under section 50 of the *Evidence Act 1955* and to make quality management-related conforming amendments.

The Board approved the issue of the exposure draft *Proposed Standard APES 215 Forensic Accounting Services* for public consultation.

4. Proposed revisions to the Non-Assurance Services (NAS) provisions of APES 110

The Board noted Agenda Item 5 *Proposed revisions to the Non-Assurance Services (NAS) provisions of APES 110*.

The Board considered the outcome of the due process for ED 04/22 *Proposed Amendments to the Non-Assurance Services provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*.

The Board discussed the following proposed options in the exposure draft relating to the threshold with respect to permissible tax services:

- Option 1 - amend proposed paragraphs AUST R604.4, 604.4 A1 and 604.12 A2 to replace “*basis in tax law that the firm is confident is likely to prevail*” with “*basis in tax law that is almost certain to prevail*”.

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- Option 2 – New Australian specific guidance to clarify that "*firm is confident is likely to prevail*" is a high threshold (paragraphs AUST 604.4 A1.1 and AUST 604.12 A2.1), and no amendments concerning the threshold are made to paragraphs AUST R604.4, 604.4 A1 and 604.12 A2.

After considering the differing stakeholder views and the lack of empirical evidence to support option 1, the Board determined to incorporate option 2 in the APES 110 NAS amending standard.

The Board discussed the proposed Australian requirements to document the factors considered and conclusions reached in determining that the tax treatment, advisory or planning services satisfy the necessary conditions in the standard (proposed paragraphs AUST R604.4.1 and AUST R604.12.1). The Board was of the view that the new requirements reinforced existing broader documentation requirements in the Code and decided to adopt them in the APES 110 NAS amending standard.

The Board discussed the use of the term 'tax avoidance' and agreed that its use is inappropriate in the Australian context, as tax avoidance is prohibited under Australian law. Accordingly, the Board agreed to remove the reference to tax avoidance in the proposed paragraph AUST R604.4.

The Board approved the issue of the standard *Amendments to the Non-Assurance Services provisions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*.

5. Update on Sustainability

The Board noted Agenda Item 6 *Update on Sustainability*.

The Board were pleased to note that APESB's CEO and IESBA Member, Mr Channa Wijesinghe, has been appointed to the Working Group for the IESBA's project on developing global independence standards for sustainability assurance practitioners.

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6. Update on awareness of APESB pronouncements

The Board noted Agenda Item 7 *Update on awareness of APESB pronouncements*.

The Board noted the stakeholder engagement activities undertaken by APESB in the last year on awareness of pronouncements.

7. Update on post-implementation review for APES 305 and APES GN 30

The Board noted Agenda Item 8 *Post-implementation review for APES 305 and APES 30*.

The Board noted that the post-implementation review indicated no substantive revisions to APES 305 *Terms of Engagement* or APES GN 30 *Outsourced Services* are required.

8. Project update on Technology Project

The Board noted Agenda Item 9 *Project Update on Technology*.

The CEO provided an update on the approval of the IESBA's standard on Technology-related revisions to the IESBA Code, which will become effective on 15 December 2024.

9. World Congress of Accountants (WCOA) 2022

The Board noted Agenda Item 10 *World Congress of Accountants (WCOA) 2022*.

The Board received a [presentation](#) from APESB Principal Ms Jacinta Hanrahan and APESB Director Ms Rachel Grimes AM about the World Congress of Accountants held in Mumbai, India, in November 2022.

The Congress themes were building trust and enabling sustainability. The key takeaways from the Congress, as summarised by the IFAC president, were:

- Accountants must be trusted partners for the profession to stay relevant.
- We need to build a strong eco-system for information standard-setting.
- The accounting profession is an important partner in nation-building.
- Accountants were critical in navigating global economic recovery after COVID.

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- Enhancing trust and confidence in sustainability information is important, and the Assurance Standards and Code of Ethics should lead the way.
- Professional Accountants should champion an integrated mindset.

10. Update from CPA Australia on Sustainability Initiatives

The Board noted Agenda Item 11 *Update from CPA Australia on Sustainability Initiatives*.

The Board received a presentation from Mr Gary Pflugrath, Executive General Manager Policy and Advocacy, and Mr Patrick Viljoen, Senior Manager of ESG, from CPA Australia, on CPA Australia's approach to ESG. The [presentation](#) outlined how CPA Australia addresses ESG matters in their day-to-day activities by supporting current and future members in their advocacy and influence activities.