

APESB review of IESBA's Summary of IESBA Code Prohibitions applicable to Audits of Public Interest Entities (March 2024)**Introduction and Purpose**

APESB issued a guidance document in August 2023, [APES 110 Prohibitions applicable to Auditors for all Audit and Review Engagements](#) (APES 110 Prohibitions Document). The document captures prohibitions from the restructured APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110) issued in 2018 and the six Amending Standards issued up until the end of December 2022, including the Non-Assurance Services Amending Standard (effective 1 July 2023).

In March 2024, the International Ethics Standards Board for Accountants (IESBA) issued an updated guidance document, [Summary of Prohibitions in the IESBA Code Applicable to Audits of Public Interest Entities March 2024](#) (IESBA Prohibitions Document), which incorporated new pronouncements effective in December 2024, i.e. Technology-related revisions and revisions to the listed entity and public interest entity.

This paper has been prepared to review the listed prohibitions in the APES 110 Prohibitions Document against the IESBA Prohibitions Document and to identify whether any revisions are required to the APES 110 Prohibitions Document 2023. It is important to note that the APES 110 Prohibitions Document is broader than the IESBA Prohibitions Document as the APESB document applies to all audit clients, whereas the IESBA prohibitions list is specifically for audit clients that are public interest entities (PIEs).

Tables 1 and 2 set out the list of prohibitions from both prohibition documents and the outcome of the APESB Technical Staff review.

It is important to note that the summary in Tables 1 and 2 does not include the footnotes and accompanying explanatory material from the original prohibition documents and, as such, should not be solely relied upon to determine the prohibitions in APES 110 or the IESBA Code. Please refer to [APES 110](#), the [IESBA Code](#) or the original prohibition documents for full information on the prohibitions.

Table 1: Summary of Prohibitions relating to providing Non-Assurance Services (NAS) to Audit Clients

APES 110 Prohibitions Document (August 2023)				IESBA Prohibitions Document (March 2024)			APESB Staff Review	
Prohibition	All Audit Clients	PIE Audit Clients only	Non-PIE Audit Clients only	Prohibition	Para	Applicable to Non-PIE Audit Clients	APESB Staff Comments	Updates required to APESB document
	Strictly Prohibited	Strictly Prohibited or by factors listed	Prohibited based on specific factors					
Assuming management responsibility for a client (R400.13). When performing a professional activity for an audit client, the firm must be satisfied that client management makes all judgements and decisions that are the proper responsibility of management (R400.14)	•			Assuming a management responsibility for a PIE audit client.	R400.18	Yes	The prohibitions are consistent. However, the APESB document requires amendments to update renumbered paragraphs.	Yes. The following paragraph references need to be updated: <ul style="list-style-type: none"> • R400.13 is now R400.20. • R400.14 is now R400.21.
Accepting an audit appointment where a non-assurance service that might create a self-review threat was previously provided unless the service ceases before the audit commences, the firm takes action to address any threats, and any threats have been or will be eliminated or reduced to an acceptable level (R400.32)		• Self-review		Any NAS that might create a self-review threat.			The prohibition is consistent across both documents.	No
Allowing the audit fee to be influenced by the provision of non-audit services (R410.6)	•			A firm allowing the amount of the audit fee to be influenced by non-audit services provided by a firm or network firm to the PIE audit client.	R410.6	Yes	The prohibition is consistent across both documents.	No

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Compensating or evaluating a key audit partner based on that partner's success in selling non-assurance services to any audit client of the firm (AUST R411.4)	•			A firm evaluating or compensating a key audit partner based on that partner's success in selling NAS to the partner's PIE audit client.	R411.4	Yes	The prohibitions are consistent, except that APESB has broadened the Australian provision (AUST R411.4) to cover all of the firm's audit clients.	No
Managing the administration of an insolvent client (AUST R523.3.1)	•			N/A			This is an Australian-specific prohibition (AUST R523.3.1).	No
Serving as a company secretary (R523.4 & AUST R523.5)	•			A partner or employee serving as Company Secretary of a PIE audit client unless specified conditions are met.	R523.4	Yes	The IESBA provision (R523.4) prohibits a partner or employee from serving as Company Secretary for the audit client unless specified conditions are met. The Australian-specific prohibition (AUST R523.5) clarifies that these conditions are not relevant to the Australian environment.	No
Non-assurance service that might create a self-review threat		• Self-review (R600.16)	• Conceptual Framework (R600.8, 600.13 A1 & R600.14)	Any NAS that might create a self-review threat.			The prohibitions are consistent. However, the APESB document requires amendments to update renumbered paragraphs.	Yes. The following paragraph references need to be updated: <ul style="list-style-type: none"> • R600.8 is now R600.9. • 600.13 A1 is now 600.14 A1.

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								<ul style="list-style-type: none"> R600.14 is now R600.15. R600.16 is now R600.17.
Subsection 601 Accounting and Bookkeeping								
Accounting and bookkeeping services, including preparing accounting records or financial statements (R601.5 & R601.6), subject to limited exceptions	•			Accounting and bookkeeping services, including preparing accounting records and financial statements.	R601.6 R601.7 (exception)		The prohibition is consistent across both documents.	No
Subsection 603 Valuation Services								
Valuation services		• Self-review (R603.5)	• Materiality and a significant degree of subjectivity (R603.4)	Valuation services.	R603.5		The prohibition is consistent across both documents.	No
Subsection 604 Tax Services								
Tax services or recommending transactions related to marketing, planning, or opining in favour of tax treatment initially recommended by the firm or a network firm, unless the firm is confident the treatment has a basis in applicable tax law or	•			A tax service, or recommending a transaction to a PIE audit client, related to marketing, planning, or opining in favour of a tax treatment that was initially recommended, directly or indirectly, by the firm or network firm, and a	R604.4	Yes	APESB has taken a different approach to wording from the IESBA's provision (R604.4). The Australian-specific provision (AUST R604.4) has removed the wording " <i>and a significant purpose of the tax treatment or transaction is tax</i> "	No

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regulation that is likely to prevail (AUST R604.4)				significant purpose of the tax treatment or transaction is tax avoidance, unless the firm is confident that the proposed treatment has a basis in applicable tax law or regulation that is likely to prevail.			<i>avoidance</i> " to reflect the Australian environment. Technical Staff do not believe any revision is necessary to the APESB document.	
Calculating current and deferred tax liabilities (or assets)		<ul style="list-style-type: none"> (R604.10) 	<ul style="list-style-type: none"> Conceptual Framework (R600.8, 604.7 A1 to 604.9 A2) 	Calculations of current and deferred tax liabilities (or assets).	R604.10		The prohibitions are consistent. However, the APESB document requires amendments to update the renumbered paragraph.	Yes. The following paragraph reference needs to be updated: <ul style="list-style-type: none"> R600.8 is now R600.9.
Tax advisory and tax planning services where the effectiveness of the advice requires a particular accounting treatment or presentation in the financial statements and the audit team has doubt as to the appropriateness of that treatment or presentation (R604.13)	<ul style="list-style-type: none"> 			Tax advisory and tax planning services when the effectiveness of the advice provided depends on a particular accounting treatment or presentation in the financial statements, and there is doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework.	R604.13	Yes	The prohibition is consistent across both documents.	No
Tax advisory and tax planning services		<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	Tax advisory and tax planning services.	R604.15		The prohibitions are consistent. However, the APESB document requires	Yes. The following paragraph

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		Self-review (R604.15)	Conceptual Framework (R600.8, 604.11 A1 to 604.12 A3, and 604.14 A1)				amendments to update the renumbered paragraph.	reference needs to be updated: <ul style="list-style-type: none"> R600.8 is now R600.9.
Valuation for tax purposes		• Self-review (R604.19)	• Conceptual Framework (R600.8, 604.16 A1 to 604.18 A3)	Valuation for tax purposes.	R604.19		The prohibitions are consistent. However, the APESB document requires amendments to update the renumbered paragraph.	Yes. The following paragraph references need to be updated: <ul style="list-style-type: none"> R600.8 is now R600.9.
Providing assistance in the resolution of tax disputes		• Self-review (R604.24)	• Conceptual Framework (R600.8, 604.20 A1 to 604.23 A1)	Providing assistance in the resolution of a tax dispute.	R604.24		The prohibitions are consistent. However, the APESB document requires amendments to update the renumbered paragraph.	Yes. The following paragraph reference needs to be updated: <ul style="list-style-type: none"> R600.8 is now R600.9.
Acting as an advocate for a client in the resolution of tax disputes before a tribunal or court		• (R604.26)	• Materiality (R604.25)	Acting as an advocate before a tribunal or court to assist in the resolution of a tax dispute.	R604.26		The prohibition is consistent across both documents.	No
Subsection 605 Internal Audit Services								
Internal audit services		• Self-review (R605.6)	• Conceptual Framework (R600.8,	Internal audit services.	R605.6		The prohibitions are consistent. However, the APESB document requires amendments to update the renumbered paragraph.	Yes. The following paragraph reference needs to be updated:

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			605.1 to 605.5 A1)					<ul style="list-style-type: none"> R600.8 is now R600.9.
Subsection 606 Information Technology Systems Services								
Designing or implementing IT systems		<ul style="list-style-type: none"> Self-review (R606.6) 	<ul style="list-style-type: none"> Conceptual Framework (R600.8, 606.1 to 606.5 A1) 	IT systems services.	R606.6		The prohibitions are consistent. However, the APESB document requires amendments to update the renumbered paragraph.	Yes. The following paragraph reference needs to be updated: <ul style="list-style-type: none"> R600.8 is now R600.9.
Subsection 607 Litigation Support Services								
Litigation support services		<ul style="list-style-type: none"> Self-review (R607.6) 	<ul style="list-style-type: none"> Involving estimating damages or other amounts that affect the financial statements, materiality and a significant degree of subjectivity (607.4 A2 & R603.4) 	Litigation support services.	R607.6		No. The prohibition is consistent across both documents	No
Acting as an expert witness		<ul style="list-style-type: none"> R607.9 (unless 	<ul style="list-style-type: none"> Conceptual Framework 	Acting as an expert witness in a matter involving the PIE audit	R607.9 607.7 A3		The prohibitions are consistent. However, the APESB document requires	Yes. The following paragraph

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		607.7 A2 or A3 applies)	(R600.8, 607.7 A1 to 607.8 A1)	client unless appointed by a tribunal or court or in relation to a class action.			amendments to update the renumbered paragraph.	reference needs to be updated: <ul style="list-style-type: none"> • R600.8 is now R600.9.
Subsection 608 Legal Services								
Legal advice		• Self-review (R608.7)	• Conceptual Framework (R600.8, 608.1 to 608.6 A1)	Legal advice.	R608.7		The prohibitions are consistent. However, the APESB document requires amendments to update the renumbered paragraph.	Yes. The following paragraph reference needs to be updated: <ul style="list-style-type: none"> • R600.8 is now R600.9.
Serving as General Counsel (R608.9)	•			Serving as General Counsel of the PIE audit client.	R608.9	Yes	The prohibition is consistent across both documents.	No
Acting as an advocate for a client in resolving a dispute or litigation before a tribunal or court		• (R608.11)	• Materiality (R608.10)	Acting as an advocate before a tribunal or court to assist in the resolution of other disputes or litigation.	R608.11		The prohibition is consistent across both documents.	No
Subsection 609 Recruiting Services								
Performing negotiations for a client as part of a recruiting service (R609.5)	•			Negotiating on the PIE audit client's behalf as part of a recruiting service.	R609.5	Yes	The prohibition is consistent across both documents.	No
Recruiting services, including recommending persons or advising on employment terms, relating to positions as director or officer, or for a senior	•			Services involving the recruitment of directors or officers of the PIE audit client, or senior management who will have significant influence	R609.6	Yes	The prohibition is consistent across both documents.	No

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management position that can exert significant influence over accounting records or the financial statements (R609.6)				over accounting records or financial statements.				
Subsection 610 Corporate Finance Services								
Promoting, dealing in, or underwriting a client's shares, debt or other financial instruments or providing advice on investment in such shares, debt or other financial instruments (R610.5)	•			Promoting, dealing in, or underwriting the shares, debt or other financial instruments issued by the PIE audit client or providing advice on investment in such shares, debt or other financial instruments.	R610.5	Yes	The prohibition is consistent across both documents.	No
Corporate finance advisory services where the effectiveness of the advice requires a particular accounting treatment or presentation in the financial statements and the audit team has doubt as to the appropriateness of that treatment or presentation (R610.6)	•			Corporate finance services when the effectiveness of the advice provided depends on a particular accounting treatment or presentation in the financial statements, and there is doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework.	R610.6	Yes	The prohibition is consistent across both documents.	No
Corporate finance services		• Self-review (R610.8)	• Conceptual Framework	Corporate finance services.	R610.8		The prohibitions are consistent. However, the APESB document requires	Yes. The following paragraph

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	Strictly Prohibited	Strictly Prohibited or by factors listed	Prohibited based on specific factors					
			(R600.8, 610.1 to 610.4 A1, and 610.7 A1)				amendments to update the renumbered paragraph.	reference needs to be updated: <ul style="list-style-type: none"> • R600.8 is now R600.9.
The audit firm or network firm cannot provide the non-assurance service unless TCWG concurs with the audit firm's conclusion that the provision of that non-assurance service will not create a threat to the audit firm's independence, or any identified threat is at an acceptable level or will be eliminated or reduced to an acceptable level (paragraph R600.22).				Providing a NAS to a PIE audit client or any entity controlling or controlled by such PIE audit client if concurrence from those charged with governance (TCWG) has not been obtained.	R600.23		The prohibitions are consistent. However, the APESB document requires amendments to update the renumbered paragraphs. Technical Staff note that this prohibition is included in the APESB document in the Introduction and Purpose section on pages 2 to 3.	Yes. The following paragraph reference needs to be updated: <ul style="list-style-type: none"> • 600.20 A1 is now 600.21 A1. • R600.21 is now R600.22. • R600.24 is now R600.25.

Table 2: APES 110 Code prohibitions relating to interests, relationships and actions for all Audit Clients

APES 110 Prohibitions Document (August 2023)	IESBA Prohibitions Document (March 2024)			APESB Staff Review	
Prohibition	Prohibition	Para	Applicable to Non-PIE Audit Clients	APESB Staff Comments	Update required to APESB document
Acting where a conflict of interest compromises professional or business judgement (R310.4)	It is not included in the IESBA document, but this requirement is included in the IESBA Code.			APESB's prohibition list is broader than IESBA's as it covers all audit engagements, whereas the IESBA prohibition list is specifically for PIE audit clients.	No
Receiving commissions or similar benefits for assurance engagements (AUST R330.5.2)	N/A			This prohibition is AUST specific provision (AUST R330.5.2) and no revision is considered necessary.	No
Offering or accepting, or encouraging others to offer or accept, inducements that the auditor considers is made with the intent to improperly influence the behaviour of the recipient or another individual (R340.7 and R340.8)	Offering, or encouraging others to offer, any inducement made with the intent to improperly influence the behaviour of the recipient or of another individual with respect to a PIE audit client.	R340.7, 420.3 A1 and A2	Yes	The prohibition is consistent across both documents.	No
	Accepting, or encouraging others to accept, any inducement made with the intent to improperly influence the behavior of the recipient or of another individual with respect to a PIE audit client.	R340.8, 420.3 A1 and A2	Yes	The prohibition is consistent across both documents.	No
Assuming custody of client money or other assets unless permitted by law to do so and in accordance with any conditions under which such custody may be taken (R350.3)	It is not included in the IESBA document, but this requirement is included in the IESBA Code.			APESB's prohibition list is broader than IESBA's as it covers <u>all</u> audit engagements, whereas the IESBA prohibitions list is specifically for PIE audit clients.	No
Prohibited from charging contingent fees for an audit engagement (R410.9)	A firm is prohibited from charging a contingent fee for a PIE audit engagement.	R410.9	Yes	The prohibition is consistent across both documents.	No
Charging contingent fees for a non-assurance service provided to the audit client where the fees are material to the firm (or network firm) or the outcome of the service is dependent on a judgement related to a material amount in the financial statements (R410.10)	Charging a contingent fee for a NAS provided to a PIE audit client when the fee is material or expected to be material to the firm or network firm, or when the outcome of the NAS (and therefore the fee) is dependent on a future or contemporary judgment related to the audit of a material amount in the financial statements.	R410.10	Yes	The prohibition is consistent across both documents.	No

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Prohibition	Prohibition	Para	Applicable to Non-PIE Audit Clients	APESB Staff Comments	Update required to APESB document
Receiving total fees from a PIE audit client that represent more than 15% of the firm's total fees for more than five consecutive years (R410.20)	A firm continuing to serve as the auditor for a PIE audit client when the total fees from that client represent more than 15% of the total fees received by the firm in each year after the audit opinion for the fifth year is issued, unless there is a compelling reason for continuing as auditor having regard to the public interest, provided specific conditions are met.	R410.20		The prohibition is consistent across both documents.	No
Gifts and hospitality from the client where the value is not trivial and inconsequential (R420.3)	Accepting gifts and hospitality from a PIE audit client, the value of which is other than trivial and inconsequential.	R420.3	Yes	The prohibition is consistent across both documents.	No
Direct financial interest or material indirect financial interest in the client, subject to limited exceptions in relation to an immediate family member (R510.4 and R510.5)	Direct financial interest or material indirect financial interest in a PIE audit client.	R510.4 R510.5 (exception based on specific conditions)	Yes	The prohibition is consistent across both documents.	No
Direct financial interest or material indirect financial interest in the client's parent entity when the client is material to that entity (R510.6)	Direct financial interest or material indirect financial interest in an entity that has a controlling interest in the client and the client is material to the entity.	R510.6	Yes	The prohibition is consistent across both documents.	No
Acting as a trustee where the trust holds a direct financial interest or material indirect financial interest in the client unless specific requirements are met (R510.7)	Direct financial interest or material indirect financial interest in a PIE audit client, including a financial interest held in a trust for which the firm, network firm or individual acts as trustee.	R510.7	Yes	The prohibition is consistent across both documents.	No
Financial interests held in common with a client in an entity where either of the financial interests are material or the client can exert significant influence over the entity (R510.8)	Financial interests in an entity in which a PIE audit client has a material financial interest, or whose affairs the client can significantly influence.	R510.8	Yes	The prohibition is consistent across both documents.	No
Loans, or guarantees for a loan, to the client that are material (R511.4)	Loan or guarantee of a loan to a PIE audit client unless it is immaterial to the parties involved.	R511.4	Yes	The prohibition is consistent across both documents.	No

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Loans, or guarantees for a loan, from a client that is a bank or similar institution that are not made under normal lending procedures, terms and conditions (R511.5)	Loan or guarantee of a loan from a PIE audit client that is a bank or similar institution unless provided under normal lending procedures, terms and conditions.	R511.5	Yes	The prohibition is consistent across both documents.	No
Deposits or brokerage accounts with a client that is a bank, broker or similar institution that are not under normal commercial terms (R511.6)	Deposits or a brokerage account with a PIE audit client that is a bank, broker or similar institution unless held under normal commercial terms.	R511.6	Yes	The prohibition is consistent across both documents.	No
Material loans, or guarantees for a loan, from a client that is not a bank or similar institution (R511.7)	Loan or guarantee of a loan from a PIE audit client that is not a bank or similar institution unless it is immaterial to the parties involved.	R511.7	Yes	The prohibition is consistent across both documents.	No
Close business relationships with a client that are significant or involve a material financial interest (R520.4)	Close business relationships with a PIE audit client or its management that are significant or entail a material financial interest.	R520.4	Yes	The prohibition is consistent across both documents.	No
Business relationships involving holding common interests in a closely-held entity with a client or a director or officer of the client, or any group thereof, if the business relationship is significant, any financial interest is material, or the financial interest creates control over the closely-held entity (R520.5)	It is not included in the IESBA document, but this requirement is included in the IESBA Code.			APESB's prohibition list is broader than IESBA's as it covers <u>all</u> audit engagements, whereas the IESBA prohibition list is specifically for PIE audit clients.	No
Participating in an audit team if an immediate family member (spouse (or equivalent) or dependent) is, or was during any period covered by the engagement or financial statements, a director or officer of the client or an employee able to exert significant influence over the client's accounting records or financial statements (R521.5)	Participating as an audit team member when an immediate family member is a director or officer of the PIE audit client, or an employee able to exert significant influence over the client's accounting records or financial statements, or was in such a position during any period covered by the engagement or the financial statements.	R521.5	Yes	The prohibition is consistent across both documents.	No
Participating in an audit team if, during the period covered by the audit report, the individual served as a director or officer of the audit client or was an employee able to exert significant influence over the client's accounting records or financial statements (R522.3)	This would include an individual on the audit team if that individual was a director or officer of the PIE audit client or an employee able to exert significant influence over the client's accounting records or financial statements during the period covered by the audit report.	R522.3	Yes	The prohibition is consistent across both documents.	No

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A partner or employee acting as a director or an officer, including company secretary, of the client (R523.3 and AUST R523.5)	A partner or employee serving as a director or officer of a PIE audit client.	R523.3	Yes	The prohibitions are consistent, but the Australian provision is broader and includes a reference to the Company Secretary (who is an Officer per the <i>Corporations Act 2001</i> definition).	No
A firm must refuse/withdraw from an audit if a partner or employee were to serve as an officer or a director of the client or as an employee able to exert direct and significant influence over the subject matter of the audit (AUST R523.3.1)	N/A			This prohibition is AUST specific provision (AUST R523.3.1). Technical Staff do not believe any revisions are necessary to this prohibition.	No
Significant connections between a firm and a former partner or audit team member who is now employed by an audit client as a director, officer or employee in a position to exert significant influence over the client's accounting records or financial statements (R524.4)	A former partner or audit team member joining a PIE audit client as a director or officer or as an employee in a position to exert significant influence over the client's financial statements if significant connections with the firm or network firm remain.	R524.4	Yes	The prohibition is consistent across both documents.	No
Key audit partners or senior or managing partners joining PIE audit clients as a director or officer or an employee able to exert significant influence over accounting records or financial statements unless an applicable 'cooling-off' period has passed (R524.6 and R524.7)	A senior partner or managing partner of a firm, or a key audit partner, joining a PIE audit client as a director or officer or as an employee in a position to exert significant influence over the client's financial statements before a defined period of time.	R524.6 R524.7		The prohibition is consistent across both documents.	No
Loan of personnel to the client unless specific requirements are met (R525.4)	Loaning personnel to a PIE audit client except under predefined circumstances.	R525.4	Yes	The prohibition is consistent across both documents.	No
Individuals who are serving a cooling-off period due to long association (540.1 to R540.4) are prohibited from: <ul style="list-style-type: none"> • Being a member of the engagement team for the audit engagement; • Providing quality control for the audit engagement; or • Exerting direct influence on the outcome of the audit engagement. 	A key audit partner serving for more than seven years on the audit of a PIE audit client. For a key audit partner serving a cooling-off period, engaging in certain restricted activities during the cooling off period.	R540.5		The prohibition is consistent across both documents.	No

APES 110 Prohibitions Document (August 2023)	IESBA Prohibitions Document (March 2024)			APESB Staff Review	
Prohibition	Prohibition	Para	Applicable to Non-PIE Audit Clients	APESB Staff Comments	Update required to APESB document
<p>This requirement is stricter for PIE audit clients with specified cooling-off periods for engagement partners, engagement quality reviewers or other key audit partners after serving a maximum length of time on the audit engagement (R540.5 to AUST R540.20.1). In addition, key audit partners who are serving a cooling-off period due to long association (R540.21) are prohibited from:</p> <ul style="list-style-type: none"> • Being on the audit engagement team; • Providing quality control on the audit engagement; • Consulting with the client or engagement team on technical or industry-specific issues, transactions or events affecting the audit engagement; • Leading or coordinating the professional services provided to that client; • Overseeing the relationship with the client; or • Undertaking any other role or activity (including providing non-assurance services) involving significant or frequent interaction with senior management or those charged with governance of the client, or exerting direct influence on the outcome of the audit engagement. 					
<p>Acting as the Engagement Quality Reviewer for an audit client after finishing the role of Engagement Partner for the same audit client, unless the individual has served a two-year cooling off period (325.8 A3)</p>	<p>It is not included in the IESBA document, but this requirement is included in the IESBA Code.</p>			<p>APESB's prohibition list is broader than IESBA's as it covers <u>all</u> audit engagements, whereas the IESBA prohibitions list is specifically for PIE audit clients.</p>	<p>No</p>