

## Review of Submissions - General Comments

Exposure Draft 03/24: Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Tax Planning and Related Services

**Note: Specific comments and confidential comments from a regulator relating to Exposure Draft 03/24 are addressed in separate tables/documents. This table excludes minor editorial changes.**

Item No.	Paragraph No. in ED	Respondent	Respondents' Comments	Change made to standard?
1	N/A	CA ANZ	Chartered Accountants Australia and New Zealand ('CA ANZ') appreciates the opportunity to provide comment on above mentioned Exposure Drafts ('EDs') issued by the Accounting Professional and Ethical Standards Board ('APESB'). The EDs propose a new standard to supersede APES 220 Taxation Services ('APES 220') ('ED 02/2024') and amendments to the Code of Ethics for Professional Accountants (including Independence Standards) ('APES 110') addressing tax planning and related services ('ED 03/24').	No
2	N/A	Deloitte	We appreciate the opportunity to comment on Exposure Drafts 02/24 Proposed Standard APES 220 Taxation Services, and 03/24 Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Australian Code") Addressing Tax Planning and Related Services, issued by the Accounting Professional & Ethical Standards Board (APESB) in June 2024 and July 2024 respectively (the EDs).	No
3	N/A	EY	EY is pleased to provide feedback on the Accounting Professional & Ethical Standards Board Limited (APESB) exposure draft which proposes revisions to <i>APES 110 Code of Ethics for Professional Accountants</i> (APES 110) concerning Tax Planning and Related Services, issued for consultation on 11 July 2024.	No
4	N/A	IPA	Thank you for the opportunity to comment on Exposure Draft 03/24.	No
5	N/A	KPMG	KPMG welcomes the opportunity to comment on the proposed revisions for Tax Planning and Related Services in APES 110 Code of Ethics for Professional Accountants (Including Independence Standards) ("APES 110") ("the ED").  KPMG Australia is committed to responsible tax practice consistent with all applicable laws, regulations and professional standards established in Australia. Alongside our Values and Global Code of Conduct, we are guided by KPMG's Global Principles for a Responsible Tax Practice which require all KPMG people to act lawfully and with integrity when dealing with tax matters. We also periodically review other internal policies, procedures and controls, and regularly monitor their application to the execution of our tax engagements.	No
6	N/A	EY	The proposed amendments to APES 110 adopt changes made in the final pronouncement of <i>Revisions to the Code Addressing Tax Planning and Related Services</i> issued by the International Ethics Standards	No

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			<p>Board for Accountants (IESBA) in April 2024, with some adjustments to the APES 110 for certain terminology used and a departure from the IESBA code in relation to documentation requirements.</p> <p>Our comments focus on the requirements for professional accountants in public practice (PAs).</p> <p>EY provided feedback with recommendations to the APESB in May 2023 in response to the IESBA's proposed amendments to the IESBA code addressing tax planning and related services. EY Global also made a submission directly to IESBA.</p> <p>We note that various amendments were made in the final IESBA code changes, including some which addressed our feedback and recommendations, disappointingly some of the concerns we raised were not addressed by IESBA. In light of the release of the final IESBA standard we wish to make two suggestions to APESB in the context of the adoption of the standard in Australia which would work to ameliorate some of our concerns.</p>	
7	N/A	CA ANZ	CA ANZ also supports the proposed amendments to APES 110 in ED 03/24 which address ethical issues in tax planning and related services and are listed on page iii of ED 03/24. The proposed changes are necessary to align APES 110 with amendments to the International Code.	No
8	N/A	CPAA	CPA Australia is broadly supportive of the changes proposed in APESB's Exposure Draft - Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Tax Planning and Related Services (the ED). Many of the proposed revisions reflect well-established practices in the tax profession and are broadly consistent with tax assurance and governance requirements of the Australian tax authorities. We appreciate the use of the terms, "may" and "might" throughout the ED as they appropriately reflect and accommodate the breadth and nature of tax services provided by professional accountants (PAs) and other tax professionals.	No
9	N/A	Deloitte	We are supportive of those amendments proposed by the APESB in this ED that reflect changes made by the International Ethics Standards Board for Accountants (IESBA) to the International Code.	No
10	N/A	IPA	<p>IPA supports the range of proposed amendments to <i>APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) to:</p> <ul style="list-style-type: none"> <li>• add new sections 280 and 380 from the IESBA Code of Ethics for Professional Accountants (including International Independence Standards)</li> <li>• include consequential amendments to section 321 when Members in Public Practice provide a second opinion on the application of tax laws and regulations</li> <li>• include editorial amendments as detailed in Exposure Draft 03/24 (marked-up version).</li> </ul>	No

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11	N/A	KPMG	KPMG is supportive of the APES Board’s intent of amending APES 110 to incorporate changes made by the International Ethics Standards Board for Accountants (“IESBA”) to the International Code of Ethics for Professional Accountants (including International Independence Standards) (“the International Code”). We make the following suggestions where we believe the ED should be clarified or strengthened.	No
12	N/A	KPMG	<b>Code of Professional Conduct</b> On 1 August 2024, the Tax Agent Services (Code of Professional Conduct) Determination 2024 added 8 supplementary obligations to the Code of Professional Conduct in the Tax Agent Services Act 2009 (“the Act”). These additional obligations are built upon the existing principles of the Code as set out in the Act, including honesty and integrity, independence, confidentiality and competence. The Act was also amended to introduce breach reporting obligations which applied from 1 July 2024, which broadly require registered tax practitioners to report significant breaches of the Code of Professional Conduct. Where there are linkages between the requirements in the Code of Professional Conduct and the International Code, we suggest the ED make reference to the Code.	Yes, new footnote to proposed para 380.3
13	N/A	CPAA	However, as noted in our <a href="#">submission</a> to the International Ethics Standards Board for Accountants (IESBA) in response to the equivalent international version of the ED they published, we are concerned that some of the proposed revisions are highly likely to impose onerous or impractical requirements that do not properly consider the dynamic between PAs and those charged with governance, nor accommodate the variety of tax engagements that occur. In contrast to audit engagements where PAs are responsible and accountable for the auditor's report that is furnished by the PA, taxpayers are ultimately responsible for the accuracy of their tax return regardless of who prepares it or the advice they may receive. Taxpayer choices about their tax affairs rest with the controllers of the business (e.g., the Board of Directors, partners in a partnership, company directors) and not professional accountants in public practice (PAPPs) or public accountants in business (PAIBs) such as tax managers. Further, it is not for the Member in Public Practice to consider the reputational, commercial and wider economic consequences that could arise from the way stakeholders might view the arrangement. While these may be raised as issues by the PA, again it is for the controllers of the business to fully assess these consequences.	No
14	N/A	CPAA	We continue to be concerned with the ever-increasing size of the Code. The fundamental principles and the Code itself is adequate to address tax planning (TP) services without the necessity for these proposed provisions. Our preference is for APESB to provide guidance and support material for PAs, rather than modifying the Code in response to topical issues that arise. Our longer-term concern is that the Code becomes prescriptive, rules-based and impractical.	No

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15	N/A	EY	<p>2. Further Guidance</p> <p>We had previously identified a number of issues where we felt the material required further clarification based on the IESBA drafting. To the extent those issues remain within the IESBA Code <b>we recommend</b> that APESB develop further detailed guidance for the application, and clarification of the operation of, the revised APES 110.</p> <p>Items to be addressed in this context are in particular:</p> <ul style="list-style-type: none"> <li>• The credible basis test</li> <li>• The stand-back test</li> <li>• Second opinion requirements.</li> </ul> <p>The elements that need further clarification drawn from the underlying issues highlighted in our prior submission are set out in Appendix A.</p>	No
16	N/A	CA ANZ	<p><b>Appendix 1</b> provides more information about CA ANZ. Should you have any questions about the matters raised in this submission or wish to discuss them further, please contact Josephine Haste FCA, <a href="mailto:josephine.haste@charteredaccountantsanz.com">josephine.haste@charteredaccountantsanz.com</a>.</p>	No
17	N/A	CPAA	<p>If you have any queries please contact Neville Birthisel, Advisor - Regulation and Standards, at <a href="mailto:neville.birthisel@cpaaustralia.com.au">neville.birthisel@cpaaustralia.com.au</a>.</p>	No
18	N/A	Deloitte	<p>I would be pleased to discuss our comments with members of the APESB or its staff. If you wish to do so, please feel free to contact me via email (<a href="mailto:maorbea@deloitte.com.au">maorbea@deloitte.com.au</a>).</p>	No
19	N/A	EY	<p>Should you have any questions in relation to this submission or wish to discuss these matters in further detail, please do not hesitate to contact Craig Jackson (<a href="mailto:craig.w.jackson@au.ey.com">craig.w.jackson@au.ey.com</a> or 02 9248 4905), Tony Merlo (<a href="mailto:tony.merlo@au.ey.com">tony.merlo@au.ey.com</a> or 03 8575 6412) or Leigh Walker (<a href="mailto:leigh.walker@au.ey.com">leigh.walker@au.ey.com</a> or 03 9288 8454).</p>	No
20	N/A	IPA	<p>If you have any queries with respect to our comments or require further information, please do not hesitate to contact Erik Hopp at <a href="mailto:erik.hopp@publicaccountants.org.au">erik.hopp@publicaccountants.org.au</a> or on 03 8665 3144.</p>	No
21	N/A	KPMG	<p>We would be pleased to discuss our comments with you. If you wish to do so, please contact me at <a href="mailto:kaleighton@kpmg.com.au">kaleighton@kpmg.com.au</a>, or Andrew Bryant at <a href="mailto:abryant@kpmg.com.au">abryant@kpmg.com.au</a>.</p>	No

Item No.	Paragraph No. in ED	Respondent	Respondents' Comments	Change made to standard?
22	N/A	CA ANZ	<p><b>About Chartered Accountants Australia and New Zealand</b></p> <p>Chartered Accountants Australia and New Zealand (CA ANZ) represents 139,000 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.</p> <p>CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.</p> <p>Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.</p> <p>We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate boldly in the public good. Our thought leadership promotes prosperity in Australia and New Zealand.</p> <p>Our support of the profession extends to affiliations with international accounting organisations.</p> <p>We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.</p> <p>We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.</p> <p>We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.</p>	No

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23	N/A	CPAA	CPA Australia is Australia’s leading professional accounting body and one of the largest in the world. We represent the diverse interests of more than 173,000 members working in over 100 jurisdictions and regions around the world. CPA Australia has over 30,000 members in public practice in Australia, serving our communities as trusted advisers who provide business advisory, tax, financial planning, reporting, auditing/assurance and insolvency-related services. Our members primarily support the small and medium sized market, and their structures and regulatory requirements are generally similar to those of the larger firms.	No

**RESPONDENTS**

1	CA ANZ	Chartered Accountants Australia and New Zealand
2	CPAA	CPA Australia
3	Deloitte	Deloitte Touche Tohmatsu
4	EY	Ernst & Young
5	IPA	Institute of Public Accountants
6	KPMG	KPMG