

# Meeting Highlights

9 DECEMBER 2024

## 1. Register of Interests

The Board noted Agenda Item 5 *Register of Interests*.

## 2. Update on APESB's Work Program for 2024

The Board noted Agenda Item 6 *Update on APESB's Work program for 2024*.

The Board noted the significant amount of activities undertaken by APESB in the 2024 calendar year, including the broad range of stakeholder engagements and input to several parliamentary inquiries into the accounting profession. Ethics outreach was performed through APESB's roundtable on Sustainability, the APESB Thought Leadership Event with the IESBA Chair, Pacioli Speech at the University of Sydney and working with IESBA to influence the development and adoption of professional and ethical standards for accountants in Australia and globally. In addition, APESB issued Amending Standards on the definition of Public Interest Entity and Technology revisions to the Code and revised pronouncements as part of APESB's Code Conforming Amendments project.

## 3. International and other activities

The Board noted Agenda Item 7 *International and other activities*.

The Board congratulated APESB CEO, Mr Channa Wijesinghe, on his appointment as the International Ethics Standards Board for Accountants (IESBA)'s Vice-Chair for a two-year term starting from 1 January 2025 and his re-appointment for a second three-year term (2025-27) to the IESBA Board.

## 4. Update on Sustainability

The Board noted Agenda Item 8 *Update on Sustainability*.

The Board noted that the IESBA, at its December 2024 meeting, approved two standards relating to Sustainability: the *International Ethics Standards for Sustainability Assurance (IESSA) and related revisions to the International Code of Ethics for Professional Accountants (including International Independence Standards)* and *Revisions to the Code on the Using the Work of an External Expert*.

The IESBA is expected to issue the standards in January 2025, pending certification from the Public Interest Oversight Board (PIOB). APESB will consider exposure drafts on the Sustainability-related standards at the March 2025 Board meeting.

## 5. Proposed revisions to APESB pronouncements for Code Conforming Amendments – ED 04/24

The Board noted Agenda Item 9 *Proposed revisions to APESB pronouncements for Code Conforming Amendments – ED 04/24*.

The Board agreed to retain the term “Listed Entity” in APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* (APES 350), even though the term is no longer defined in the Code. In addition, the Board agreed to enhance the extant definition by noting it includes entities that are listed as per the *Corporations Act 2001*.

The Board approved the issue of the revised:

- APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document* (APES 345);
- APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* (APES 350); and
- APES GN 31 *Professional and Ethical Considerations relating to Low Doc Offering Sign-offs* (APES GN 31).

## 6. Proposed revisions to APES 110 for Tax Planning and Related Services

The Board noted Agenda Item 10 *Proposed revisions to APES 110 for Tax Planning and Related Services*.

The Board considered the outcome of the due process for Exposure Draft *ED 03/24 Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Tax Planning and Related Services*.

To assist Members in interpreting the term “credible basis” in the Australian taxation environment, the Board agreed to include an Australian application paragraph in both Section 280 and 380, which states that a credible basis means a reasonably arguable position as defined in Section 284-15 of the *Tax Administration Act 1953*.

The Board considered the concerns raised about the application of the stand-back test. After reviewing the rationale provided by the IESBA in their basis for conclusions, other professional obligations (such as the Tax Practitioners Board (TPB) Code) and the comments from relevant local tax regulators, the Board determined that no further amendments were necessary to the proposed provisions relating to the stand-back test.

The Board also considered the documentation requirements in the proposed Amending Standard. The Board noted that Members in the Australian environment have had a long-standing requirement to document the work they performed in respect of taxation services under existing APESB pronouncements and, where relevant, the Tax Practitioner's Code of Professional Conduct. However, it was acknowledged that the proposed amendments could be read in a manner that alters the extant requirement. Therefore, the Board determined to split the proposed paragraphs AUST R280.23 and AUST R380.26 into a requirement paragraph that aligns with the extant APES 220 requirement and an application paragraph that lists the seven matters that Members might consider when documenting the work performed.

The Board approved the issue of the Amending Standard *Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Tax Planning and Related Services* and the related Basis of Conclusions, with an effective date of 1 July 2025.

## 7. Proposed revised APES 220 Taxation Services

The Board noted Agenda Item 11 *Proposed revised APES 220 Taxation Services*.

The Board discussed the comment raised by some respondents as to whether APES 220 *Taxation Services* (APES 220) should be withdrawn. The Board considered the scope of APES 220, which applies to all Members who provide taxation services, including Members in Business. Furthermore, APES 220 applies to all taxation services, not just tax planning and related services, which are now included in APES 110. Accordingly, the Board determined that APES 220 should remain in effect and not be withdrawn.

The Board agreed to include specific references to relevant laws and regulations, such as the *Tax Agent Services Act 2009*, the *Tax Agent Services Regulations 2022*, the *Tax Agent Services (Code of Professional Conduct) Determination 2024* and relevant TPB information sheets in footnotes to paragraphs 3.12 and 4.3.

The Board approved the issue of the revised APES 220 *Taxation Services*.

## 8. Update on Parliamentary Inquiries relating to the accounting profession

The Board noted Agenda Item 12 *Update on Parliamentary Inquiries relating to the accounting profession*.

The Board noted the Parliamentary Joint Committee on Corporations and Financial Services had issued the report, which set out recommendations from their inquiry into Ethics and Professional Accountability. The Board discussed the Committee recommendations and considered their interactions with measures and actions outlined in APESB's submission.

The Board received an update on the IESBA's Firm Culture and Governance project, including the approval of a project plan to develop a new standard and Non-Authoritative Material (NAM) on accounting firm culture and governance at the IESBA December 2024 Board meeting.