

31 January 2025

APESB issues revised APES 220 *Taxation Services*

Accounting Professional & Ethical Standards Board Limited (APESB) today announced the issue of the revised APES 220 *Taxation Services* (APES 220) to replace the existing APES 220 (Issued July 2019).

The key changes in the revised APES 220 consist of:

- amendments to extant Section 5 *Tax schemes and arrangements* to incorporate the revisions to APES 110 addressing tax planning and related services, including:
 - adding a new requirement in paragraph 5.2 for Members to comply with Sections 280 *Tax Planning Activities* (for Members in Business) and Section 380 *Tax Planning Services* (for Members in Public Practice) in APES 110 when providing tax planning and related activities or services;
 - adding a new guidance paragraph 5.3 to outline the scope and provisions in the new Sections 280 and 380 in APES 110;
 - deleting extant guidance paragraphs 5.5 to 5.7, which are addressed more comprehensively in the new Sections 280 and 380 in APES 110;
- adding footnotes that 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 Tax Practitioners Board (TPB) information sheets; and
- amendments to align with other APESB Pronouncements.

Please refer to Appendix 1 of this technical update for details of all the revisions. The revised APES 220 will be effective for professional activities commencing on or after 1 July 2025, with early adoption permitted.

The revised standard is available from APESB's website: www.apesb.org.au

– ENDS –

Technical Enquiries:

Mr. Channa Wijesinghe
Chief Executive Officer
Email: channa.wijesinghe@apesb.org.au
Phone: 03 9642 4372

Appendix 1

Revision to APES 220 (Issued July 2019)

Accounting Professional & Ethical Standards Board Limited (APESB) has approved the following revisions to APES 220 *Taxation Services* which was originally issued in October 2007 and revised in March 2011, October 2015, July 2018 and July 2019 (extant APES 220).

Paragraph/Section Reference	Revisions
1.1	<p>The objectives of APES 220 <i>Taxation Services</i> are to specify a Member's professional and ethical obligations in respect of:</p> <ul style="list-style-type: none"> • fundamental responsibilities when the Member performs a Taxation Service for a Client or Employer; • preparation and lodgement of returns to Revenue Authorities; • <u>tax planning including association with</u> tax schemes and arrangements; • the use of estimates; • false and misleading information; • professional Engagement matters; • Client Monies; • professional fees; and • documentation.
1.2	<p>Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional standard APES 220 <i>Taxation Services</i> (the Standard), which is effective from 1 July 2025 January 2020 and supersedes APES 220 issued in July 2019 July 2018. Earlier adoption of this Standard is permitted.</p>
2	<p>Assurance Engagement means an Engagement in which a Member in Public Practice aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information (that is, the outcome of the measurement or evaluation of an underlying of subject matter against criteria).</p> <p>This includes an Engagement in accordance with the <i>Framework for Assurance Engagements</i> issued by the AUASB or in accordance with specific relevant standards, such as International Standards on Auditing, for Assurance Engagements.</p> <p>(For guidance on Assurance Engagements, see the <i>Framework for Assurance Engagements</i> issued by the AUASB. The <i>Framework for Assurance Engagements</i> describes the elements and objectives of an Assurance Engagement and identifies Engagements to which <i>Australian Auditing Standards</i> (ASAs), <i>Standards on Review Engagements</i> (ASREs) and <i>Standards on Assurance Engagements</i> (ASAEs) apply.)</p>
<u>2</u>	<p>Confidential Information means any information, data or other material <u>in whatever form or medium (including written, electronic, visual or oral) that is not publicly available.</u></p>
3.8	<p>A Member who acquires eConfidential information in the course of performing a Taxation Service for a Client or Employer shall comply with Subsection 114 Confidentiality of the Code.</p>

Paragraph/Section Reference	Revisions
3.9	Unless the Member has a legal, regulatory or professional <u>duty or right to disclose</u>obligation of disclosure, a Member shall not convey any information relating to a Client's or Employer's affairs to a third party without the Client's or Employer's permission.
3.10	Where a Client has given a Member in Public Practice permission to disclose e Confidential i nformation to a third party, it is preferable that this permission is in Writing. Where oral permission is obtained, a contemporaneous note should be made and kept on file by the Member recording the relevant details of the Client's approval.
3.12	Where a Member provides eConfidential information in accordance with a legal¹, regulatory or professional <u>duty or right to disclose</u>obligation of disclosure, the Member shall <u>consider whether it is appropriate to inform</u> notifythe Client, Employer or relevant third party, <u>either before disclosing the Confidential Information, or as soon as practicable</u>practical thereafter, provided that there is no legal prohibition against such notification.
Footnote 1 to para 3.12	<u>Members who are registered tax practitioners need to consider their obligations under the <i>Tax Agent Services Act 2009</i>, the <i>Tax Agent Services Regulations 2022</i>, the <i>Tax Agent Services (Code of Professional Conduct) Determination 2024</i>, and relevant information sheets such as <i>TPB(I) 21/2014 Code of Professional Conduct – Confidentiality of client information</i> and <i>TPB(I) 46/2024 Managing conflicts of interest when undertaking activities for government and maintaining confidentiality in dealings with government</i>.</u>
4.3	Where a Member in Public Practice provides a tax lodgement service to another party and a significant portion of the work associated with the revenue returns and other relevant documents is not performed by under the other party'ssupervision of the Member, the Member shall perform sufficient reviews of the revenue returns and other relevant documents in accordance with <u>laws and regulations</u>² and <u>Professional Standards</u>this Standard and the Code prior to lodgement of these revenue returns.
Footnote 2 to para 4.3	<u>Members who are registered tax practitioners need to consider their obligations under the <i>Tax Agent Services Act 2009</i>, the <i>Tax Agent Services Regulations 2022</i>, the <i>Tax Agent Services (Code of Professional Conduct) Determination 2024</i> and information in the <i>Tax Practitioners Board (TPB) Information Sheet TPB(I) 36/2021 Supervisory arrangements under the Tax Agent Services Act 2009</i>.</u>
5 – Heading	Tax <u>planning, including tax</u> schemes and arrangements
5.1	The decision to enter into any <u>tax plan</u> , tax scheme or arrangement will always be that of the Client or Employer.
5.2	<u>When a Member is providing tax planning and related activities or services, the Member shall comply with Section 280 <i>Tax Planning Activities</i> (for Members in Business) or Section 380 <i>Tax Planning Services</i> (for Members in Public Practice) of the Code.</u>

Paragraph/Section Reference	Revisions
5.3	<p><u>Sections 280 and 380 of the Code assist Members in identifying and evaluating threats to the fundamental principles when engaging in tax planning in respect of:</u></p> <ul style="list-style-type: none"> • <u>related activities or services;</u> • <u>compliance with laws and regulations;</u> • <u>responsibilities of management and Those Charged with Governance;</u> • <u>responsibilities of all Members;</u> • <u>basis for recommending or otherwise advising on a tax planning arrangement;</u> • <u>circumstances of uncertainty;</u> • <u>potential threats arising from performing or providing a tax planning activity or service;</u> • <u>communication of basis of the tax planning recommendation or advice;</u> • <u>disagreement on the tax planning arrangement;</u> • <u>tax planning products or arrangements developed by a third party; and</u> • <u>documentation.</u> <p><u>Paragraphs 280.12 A2, 280.12 A3, 380.12 A2 and 380.12 A3 of the Code clarify that a Member is not precluded from assisting their Client or Employer to remediate or rectify a tax planning arrangement that lacks a credible basis, or from providing other Taxation Services to the Client or Employer.</u></p>
5.42 to 5.64	<p><i>[Extant paragraphs 5.2 to 5.4 remain unchanged but renumbered as paragraphs 5.4 to 5.6.]</i></p>
Footnote 34 to para 5.6	<p><i>[Footnote 1 remains unchanged but renumbered as Footnote 3.]</i></p>
5.5	<p>If a Member is uncertain that a tax scheme or arrangement is of the type set out in paragraph 5.4, the Member should consider:</p> <ul style="list-style-type: none"> (a) consulting with the Client, Employer, or Those Charged with Governance, as applicable; (b) if necessary, consulting with an in-house legal counsel or obtaining independent legal advice; (c) if necessary, and with the Client or Employer's consent, consulting with the applicable Revenue Authority; and (d) documenting the substance of the tax scheme or arrangements and key matters considered by the Member in assessing whether the tax scheme or arrangement is not of the type set out in paragraph 5.4.
5.6	<p>Paragraph 5.4 does not preclude a Member from advising a Client or Employer on the resolution of such matters and providing other Taxation Services.</p>

Paragraph/Section Reference	Revisions
5.7	Provided that the provisions of paragraphs 5.3 and 5.4 do not apply, a Member may otherwise provide Taxation Services to a Client or Employer who has entered into a tax scheme or arrangement.
5.78	<i>[Paragraphs 5.8 remains unchanged but renumbered as paragraph 5.7.]</i>
7.6	<p>A Member in Public Practice who:</p> <p>(a) knows that a Client or the Member on behalf of the Client has filed a return or submission materially understating a tax liability to a Revenue Authority, and</p> <p>(b) finds the Client unwilling to correct such understatement,</p> <p>shall consider the Firm’s policies and procedures established in accordance with <i>Acceptance and Continuance of Client Relationships and Specific Engagements of APES 320 Quality Management Control for Firms that provide Non-Assurance Services</i> in determining whether to continue acting for the Client in a professional capacity.</p>
Appendix 1	Amended