

AGENDA PAPER

Item Number: 5

Date of Meeting: 11 September 2025

Subject: Proposed Project to review APES GN 40 *Ethical Conflicts in the Workplace – Considerations for Members in Business*

☒ **Action Required** ☒ **For Discussion** ☐ **For Noting** ☐ **For Information**

Purpose

To seek the Board's approval to commence a project to review APES GN 40 *Ethical Conflicts in the Workplace – Considerations for Members in Business* (APES GN 40).

Background

APES GN 40 *Ethical Conflicts in the Workplace – Considerations for Members in Business* (APES GN 40) was first issued by the APESB in March 2012. It was based on GN 1 – *Members in Business Guidance Statement*, which had been jointly issued by CPA Australia and ICAA (now CA ANZ). Subsequent to its initial release by APESB, it has been revised in October 2015 and March 2020.

APES GN 40 provides members in business with guidance on the application of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The guidance note uses the conceptual framework of the Code to address ethical issues encountered by members in business in respect of conflicts of interest, reporting of information, acting with sufficient expertise, financial interests, inducements, responding to non-compliance with laws and regulations, pressure to breach the fundamental principles of the Code, the disclosure of confidential information of an Employer to a third party and whistleblowing.

APES GN 40 includes twenty-one case studies, which illustrate examples of ethical issues faced by members in business and the application of the Code's ethical decision-making process that could be used to resolve such ethical issues.

Since APES GN 40 was last updated in March 2020, there have been new provisions included in APES 110 on Technology, Tax Planning and Related Services, and Sustainability Reporting, which impact Members in Business. In addition, there have been revisions to the fundamental principles (e.g. professional competence and due care, and confidentiality) and the conceptual framework (e.g. paras 120.6 A6 – 120.5 A8 on managing complexity). These developments support the Members in Business' ability to respond to ethical issues at work and, as such, should also be addressed in APES GN 40.

Consideration of issues

The proposed project aims to review APES GN 40 and to develop amendments to address recent revisions to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, (APES 110).

In addition to ensuring alignment with the new provisions in APES 110, the proposed project provides an opportunity to determine whether there are further ethical challenges that need to be specifically addressed in APES GN 40.

The project to review APES GN 40 is proposed to commence in October 2025 and be completed in 18 months.

Refer to Agenda Item 5(a) for the proposed project plan to review APES GN 40.

Staff Recommendation

The Board approve the project proposal to review APES GN 40 *Ethical Conflicts in the Workplace – Considerations for Members in Business* (APES GN 40).

Material Presented

Agenda Item 5(a) Proposed Project proposal – APES GN 40 *Ethical Conflicts in the Workplace – Considerations for Members in Business*

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Date 26 August 2025