

AGENDA PAPER

Item Number: 6

Date of Meeting: 11 September 2025

Subject: Proposed Compilation of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*

☒ **Action required** ☒ **For discussion** ☐ **For noting** ☐ **For information**

Purpose

To seek the Board's approval, subject to the Board's review of the IESBA 2025 Handbook changes to the *Guide to the Code*, to issue a new Compiled APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Compiled Code).

Background

To enhance the Code's accessibility and usability, APESB periodically issues a Compiled Code, which compiles all amending standards with the original Code.

APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) was released in November 2018. Since 2018, the Board has issued several amending standards to the Code.

In June 2025, APESB issued a [compiled Code](#) which incorporated the Code and the following amending standards issued up until January 2025:

- [Amendment to Part 4B of APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (September 2020);
- [Amendments to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\) to Promote the Role and Mindset Expected of Professional Accountants](#) (March 2021);
- [Amendments to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\) Addressing the Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers](#) (February 2022);
- [Amendments to the Fee-related provisions of APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (July 2022);
- [Quality Management-related Conforming Amendments to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (November 2022);
- [Amendments to the Non-Assurance Services provisions of APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (December 2022);

- [Revisions to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\) Relating to the Definition of Engagement Team and Group Audits](#) (June 2023);
- [Revisions to the Definitions of Listed Entity and Public Interest Entity in APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (November 2023);
- [Technology-related revisions to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (June 2024); and
- [Revisions to APES 110 Code of Ethics for Professional Accountants \(including Independence Standards\) Addressing Tax Planning and Related Services](#) (January 2025).

In July 2025, APESB issued [the Amending Standard for Sustainability Assurance and Reporting and the Use of External Experts](#) (Sustainability Amending Standard), which is effective from 1 January 2026.

Key Considerations

The key changes in the Sustainability Amending Standard, which come into effect on 1 January 2026, include:

- Adding a new Part 5 for Sustainability Assurance, which incorporates ethics and independence standards equivalent to those applicable to audit engagements in Parts 1 to 4A, but addressing sustainability-specific issues;
- Sustainability Reporting-related revisions to Parts 1 to 3 of the extant Code incorporate sustainability references, guidance and examples;
- Consequential amendments to Parts 1 to 4B of the extant Code; and
- Other minor editorial amendments.

Due to the substantive changes, including the addition of a new Part 5 for Sustainability Assurance, Technical Staff are of the view that a revised Compiled Code should be issued for the benefit of Australian stakeholders.

Technical Staff have prepared an updated Compiled Code (refer to Agenda Item 6 (a)) that incorporates the approved Sustainability Amending Standard into the July 2025 Compiled Code, with the amendments shown in mark-up.

The details of the compilation and the complete list of all paragraphs affected by amending standards are set out in a separate draft Compilation Details document at Agenda Item 6 (b).

Issues Register

During the preparation of the Compiled Code, APESB Technical Staff noted that while the definition of 'Engagement Team' includes a footnote stating that internal auditors are prohibited from being part of the engagement Team, the definition of 'Sustainability Assurance Team' does not include a similar footnote. Technical Staff propose to include this matter on the APESB Issues Register for consideration during a future revision to the Code.

Way forward

Technical Staff propose to conduct a comparison of the latest draft of the compiled Code to the 2025 version of the IESBA Handbook (which is due for release in September 2025). The review will be specifically focused on the “Guide to the Code,” which the IESBA intends to update in its Handbook for Sustainability Standards and is not subject to an Exposure Process. The *Guide to the Code* provides introductory guidance on navigating the Code. The IESBA’s edits to the *Guide to the Code* will be circulated to the Board out of session.

Technical Staff note that when a similar review of the IESBA Handbook was performed in 2024, only minor editorial differences were noted between the content of APESB’s compiled Code and the IESBA’s 2024 handbook.

Technical Staff will incorporate interactive features into the PDF of the Compiled Code before it is released. The interactive PDF version of the Compiled Code is expected to be released in October 2025.

Staff Recommendation

That the Board approve, subject to the Board’s review of the IESBA 2025 Handbook changes to the Guide to the Code, the issue of the Compiled APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (July 2025).

Material Presented

Agenda Item 6 (a)	Draft Compiled Code of Ethics (July 2025) – Marked-up
Agenda Item 6 (b)	Draft Compilation Details Document (July 2025) – Marked-up

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Date:	2 September 2025
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