

**AGENDA PAPER**

**Item Number:** 10  
**Date of Meeting:** 26 March 2026  
**Subject:** Project update – Review of APES GN 40 *Ethical Conflicts in the Workplace – Considerations for Members in Business*

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**Action Required**     **For Discussion**     **For Noting**     **For Information**

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**Purpose**

To update the Board on the 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. [APES GN 40](#) superseded GN 1 – *Members in Business Guidance Statement*, which was jointly issued by CPA Australia and ICAA (now CA ANZ). APES GN 40 was subsequently revised in October 2015 and March 2020.

APES GN 40 provides guidance to Members in Business on the application of the fundamental principles of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The Guidance Note uses the Code's conceptual framework to address ethical issues encountered by Members in Business. APES GN 40 also includes 21 case studies that illustrate ethical issues faced by Members in Business and the application of the Code's ethical decision-making process to resolve them.

At the September 2025 Board meeting ([Agenda Item 5](#)), the Board approved the [project proposal](#) to review APES GN 40 and develop amendments to address recent revisions to APES 110 that impact Members in Business, including Technology, Tax Planning and Related Services and Sustainability Reporting. The project also provides an opportunity to assess whether there are further ethical challenges that need to be specifically addressed in APES GN 40.

**Matters for Consideration**

APESB Technical Staff have considered the purpose of the proposed requirements for APES GN 40 and have undertaken desktop research into recent similar guidance issued to address ethical challenges encountered by Members in Business.

The outcome of the initial review of APES GN 40, including research findings, is set out below:

### Proposed Amendments to APES GN 40

In reviewing the provisions in the extant APES GN 40, APESB Technical Staff considered their consistency with APES 110. As a result of this review, Technical Staff have identified the following proposed amendments to the extant APES GN 40:

#### *New provisions of the Guidance Note*

- Incorporating new provisions to address the preparation and presentation of sustainability information by Members in Business resulting from [Sustainability Assurance and Reporting and Use of External Experts](#) (the Sustainability Amending Standard) (proposed paragraph 8.3, and amendments to extant paragraphs 6.3(d) and 12.1).
- Adding new provisions relating to Section 280 *Tax Planning Activities* of the Code, resulting from revisions for [Tax Planning and Related Services](#) (proposed paragraphs 6.3(h), 14.1 and 14.2).
- Adding new provisions relating to Section 290 *Using the Work of an External Expert* of the Code resulting from the Sustainability Amending Standard (proposed paragraphs 6.3(i) and 15.1–15.2).

Agenda Item 10 (a) sets out the proposed new provisions relating to Sustainability Reporting, Tax Planning Activities, and Using the Work of an External Expert, for APES GN 40.

### Desktop research into jurisdictions with similar guidance

APESB Technical Staff have conducted desktop research on similar guidance documents issued by professional bodies, the IESBA, and other standard-setters. These publications offered insights into emerging and recent ethical issues faced by Members in Business.

Seven guidance documents were reviewed, three of which were identified as particularly relevant for developing similar case studies in APES GN 40, as set out in the table below:

<b>Professional Body</b>	<b>Guidance</b>	<b>Ethical issue</b>
The Institute of Chartered Accountants of Scotland (ICAS)	<a href="#">Shades of Grey - Ethical dilemmas (December 2023)</a>	<ul style="list-style-type: none"> <li>• Matters to be considered before accepting a non-executive director appointment (ethical dilemma no. 2)</li> <li>• After effects of rushed acquisition (ethical dilemma no. 3)</li> <li>• Heroic efficiency target (ethical dilemma no. 9)</li> <li>• Who do you believe? (ethical dilemma no. 17)</li> </ul>
The Institute of Chartered Accountants in England and Wales (ICAEW)	<a href="#">Professional behaviour case studies (May 2025)</a>	<ul style="list-style-type: none"> <li>• Inappropriate social media use</li> </ul>

Association of Chartered Certified Accountants (ACCA)	<a href="#">Ethical Dilemmas in An Era of Sustainability Reporting (October 2023)</a>	<ul style="list-style-type: none"> <li>Sustainability-related reporting dilemma (scenario 3)</li> </ul>
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Based on the research undertaken, including the scenarios described in the publications above, Technical Staff have proposed eight Case Studies for inclusion in APES GN 40, which are presented at Agenda Item 10(b).

#### Review of extant Case Studies and Publications used in the extant APES GN 40

APESB Technical Staff note that the publications referenced in the extant APES GN 40 (page 41) are outdated. Subject to the Board's consideration, Technical Staff will need to engage with the relevant professional bodies to seek permission for APESB to use the latest versions, including scenarios used in developing new Case Studies for APES GN 40.

Technical Staff recommended the following Case Studies to be removed, as they are superseded by other Case Studies, or otherwise no longer relevant since the last revision of APES GN 40 in March 2020:

<b>Case study</b>	<b>Reason for proposed removal</b>
Case Study 3 – Inappropriate small expense claim	It could be removed, as other examples provide a more comprehensive scenario of potential conflicts.
Case Study 4 – Unlicensed software	It could be removed as the fact pattern is no longer relevant and less likely to occur.
Case Study 10 – Valuing share options	It could be removed, as it is adequately addressed in other examples, including proposed case study 22.
Case Study 12 – Inducements for non-disclosure of information	It could be removed, as it is adequately addressed in other examples, including proposed case study 26.

Technical Staff also recommend minor editorial amendments to several Case Studies to ensure consistency and reflect current circumstances. These editorial amendments will be provided in a subsequent mark-up of an Exposure Draft to the Board at the June 2026 Board meeting.

#### Review of Bibliography used in the extant APES GN 40

The bibliography of the nine high-profile examples of poor ethical behaviour in the corporate world referenced in the extant APES GN 40 (page 41) are all dated 2019.

Technical Staff are of the view that the examples should be updated to reflect more recent cases. The following have been identified for addition to the revised APES GN 40:

### TD Bank

Forbes News, January 2026, [TD Bank And The Turning Point In Big Bank Money Laundering Enforcement](#)

### Credit Suisse

Reuters, December 2025, [Swiss prosecutors indict UBS over Credit Suisse-era money laundering](#)

### Wirecard

CAN News, September 2025, [Two men convicted over falsified documents by Singapore-based company in multi-million-dollar Wirecard case](#)

### Trafigura

SWI News, January 2025, [Trafigura and Ex-COO Convicted of Bribery by Swiss Court](#)

### RTX/Raytheon

CNBC News, October 2024, [RTX: Raytheon pays nearly billion dollars to settle DOJ probes](#)

### Hyundai Motors

CNN Business, May 2024, [Department of Labor sues Hyundai over child labor](#)

### FTX Cryptocurrency

ABC News, March 2024, [Sam Bankman-Fried sentenced to 25 years in jail over FTX fraud](#)

### Luckin Coffee

BBC News, May 2020, [China's Luckin Coffee sacks bosses amid accounting scandal](#)

### Other editorial and consequential amendments

- Adding a new definition of 'Confidential Information' to align with the Code (listed as Issue 40.1 on APESB's Issues Register (refer to Agenda Item 3(a) of this Board meeting). The term was defined in [Technology-related revisions](#) to the Code.
- Adding new definitions of 'External Expert' and 'Sustainability Information' to align with the Code.
- Amendments to the definitions of 'Acceptable Level', 'Inducement', 'Professional Activity' and 'Those Charged with Governance' to align with the Code.
- Amendments to the extant paragraphs 6.3(d) and 10.1 to update the title of Section 240 *Financial Interests, Compensation and Incentives Linked to Financial or Non-Financial Reporting and Decision Making* to align with the Code.
- Update the drafting of extant paragraph 3.3 to align with the definition of 'Professional Activity' in the Code.
- Update the cross-reference in the extant paragraph 4.4 to Section 15 *Case Studies*, reflecting the proposed renumbering from 14 to 15.
- Inclusion of new proposed Sections 260 and 270 in the extant paragraphs 5.4 and 13.2.
- Updating cross-references to the newly Compiled Code, in which to update the reference to R220.9 (previously R220.8) in the extant paragraph 6.2.
- Updating drafting of paragraph 9.1 to reflect the Amending Standard on Sustainability.
- Updating the drafting of extant paragraph 10.1 to align with the Section heading of Section 240, reflecting the Amending Standard on Sustainability.

- Renumbering the section for Case Studies from 14 to 15.
- Renumbering Case Study references in extant paragraphs 7.2, 10.2, 11.4, 12.7 and 13.2.

These editorial and consequential amendments will be provided in a subsequent mark-up of an Exposure Draft to the Board at the June 2026 Board meeting.

### **Way forward**

The proposed way forward for this project is for Technical Staff to undertake preliminary stakeholder engagement, including discussions with the Group of 100, professional bodies, other standard setters, regulators, and Members in Business to seek feedback on the proposed amendments to APES GN 40 and any further ethical challenges faced by Members in Business where additional practical guidance may be required.

Technical Staff propose bringing a draft Exposure Draft of APES GN 40, incorporating preliminary feedback from stakeholder engagement to the June 2026 Board meeting.

### **Staff Recommendation**

The Board:

- (a) note the outcomes of the initial review of APES GN 40 and the desktop research of similar guidance performed by Technical Staff; and
- (b) provide preliminary feedback and comments on the proposed amendments to APES GN 40, as well as the way forward.

### **Material Presented**

Agenda Item 10 (a) Extract – Proposed amendments to APES GN 40 (marked-up)

Agenda Item 10 (b) Proposed case studies for APES GN 40

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**Date**                              11 March 2026