IESBA™
International Ethics Standards Board for Accountants
AN IFEA BOARD

IESBA Post-Implementation Review (PIR) Survey

Responding to Non-Compliance with Laws and Regulations (NOCLAR®)

Introduction

This survey is only applicable to respondents that have adopted or use or benefit from the Responding to Non-Compliance with Laws and Regulations (NOCLAR) provisions in the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code). Sections 5260 and 5360 as contained in the International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA), and conforming amendments to Sections 260 and 360 arising from the development of the IESSA, are outside the scope of this survey and only become effective in December 2026.

1. The International Ethics Standards Board for Accountants (IESBA) is conducting a post-implementation review (PIR) of the NOCLAR provisions in Sections 260 and 360 of the Code.
2. This survey seeks to obtain input from a broad range of stakeholders to enable the IESBA to determine:
   (a) Whether the NOCLAR provisions have achieved their intended purpose by identifying:
      (i) Benefits from applying the provisions; and
      (ii) Any practical challenges or questions regarding their implementation, including whether they are being consistently understood and applied; and
   (b) What actions, if any, are needed by the IESBA to address identified matters.
3. The responses received will be analyzed for purposes of providing feedback to the IESBA and in developing recommendations for any actions.
4. Recognizing that some respondents may wish to discuss certain NOCLAR or NOCLAR-related matters on a confidential basis instead of documenting them in writing when responding to this survey, respondents are welcome to reach out to the IESBA Project Team (email jeanneviljoen@ethicsboard.org and kamleung@ethicsboard.org) to discuss such matters confidentially. In such circumstances, respondents are requested to discuss the matters on an anonymized basis.
5. The survey comment period starts on April 1 and ends on July 30.

Survey Responses to be Made Public

6. Unless confidentiality is specifically requested, respondents' submissions will be considered a matter of public record and will be posted to the IESBA's website. Where confidentiality is requested, respondents are nonetheless requested to provide any detailed input on an anonymized basis.
7. Some questions ask for details, examples or sharing of relevant reports or materials. Respondents are requested to provide such information on an anonymized basis.

Survey Instructions

8. Respondents to the survey are asked to provide their responses only on the questions applicable to

the stakeholder group to which they belong:

- Part A — Demographic Information (All Respondents)
- Part B — Jurisdictional Standard Setters (JSS)
- Part C — Professional Accountancy Organizations (PAOs)
- Part D — Regulators or Oversight Bodies
- Part E — Accounting Firms or Individual Professional Accountants in Public Practice (PAPPs)
- Part F — Professional Accountants in Business (PAIBs)
- Part G — Other Users or Beneficiaries of the Code

9. Respondents may respond to all questions or only selected questions or matters. All responses to this survey, whether complete or partial, will be accepted and considered as input for the IESBA Project Team's analysis.

Overview and Key Intended Outcomes of the IESBA NOCLAR Provisions

10. The IESBA NOCLAR provisions establish a response framework to guide auditors, other PAPPs, and PAIBs in deciding how best to act in the public interest when they become aware of NOCLAR or suspected NOCLAR.

11. NOCLAR is any act of omission or commission, intentional or unintentional, committed by a client or employer, or by those charged with governance (TCWG), by management or by other individuals working for or under the direction of a client or employer which is contrary to the prevailing laws or regulations.

12. For a more detailed overview of the NOCLAR provisions of the Code, please access the following link here.

13. Key intended outcomes of the NOCLAR provisions in the public interest include:
    - Ensuring that PAs respond in a timely way to identified or suspected NOCLAR.
    - Rectifying, remediating, or mitigating the adverse consequences of identified or suspected NOCLAR to stakeholders and the general public.
    - Deterring the commission of NOCLAR.
    - Stimulating increased reporting of identified or suspected NOCLAR where required by law or regulation, or where determined appropriate under the Code in the public interest.

Part A – Demographic Information (All Respondents)

1. Please indicate if you are responding as an individual or on behalf of your organization?
    (a) If you are responding as an individual:
        (i) Please indicate your jurisdiction
        (ii) Approximate years of professional experience:
            - Less than 5 years

- 5–10 years
- 11–20 years
- More than 20 years

Organisation APESB, Australia

(b) If you are responding on behalf of your organization, please indicate the jurisdictional profile which best represents your situation, i.e., from which jurisdictional perspective are you providing your responses?

- Global
- Regional *(Please specify)*
- Multiple jurisdictions *(Please specify)*
- Single jurisdiction *(Please specify)*

Single jurisdiction, Australia

2. Please indicate the stakeholder category to which you belong, i.e., from which perspective are you providing your responses? *If you or your organization has one or more roles (e.g., JSS and Regulator), please respond to all relevant parts of the survey.*

- JSS **(Complete Part B)** *(Please indicate the users of your standards as a JSS, e.g., individual PAPPs, professional accountants in business (PAIBs) and/or accounting firms (including audit firms))*
- PAOs **(Complete Part C)** *(Please indicate whether your members are PAPPs and/or PAIBs)*
- Regulators or oversight bodies **(Complete Part D)** *(Please indicate which of the following you regulate or oversee (select all that apply): PAPPs (including auditors), PAIBs, accounting firms (including audit firms), none of the above)*
- Accounting firms and individual PAPPs **(Complete Part E)**
- PAIBs **(Complete Part F)**
- Other users or beneficiaries of the Code *(Please specify)* (e.g., investors or other users of financial statements, those charged with governance, academics) **(Complete Part G)**

Jurisdictional standard setters - *individual Professional Accountants in Public Practice (PAPPs), professional accountants in business (PAIBs) and accounting firms that are*

Members of the three professional bodies in Australia – Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants.

3. Please provide the following information (*Personal information will not be made public and will only be used by the Project Team to follow up if clarification on your responses is needed)*:

- Your organization's name, if any (if you are responding on behalf of an organization[1])
- Your name and job title / role
- Your email address
- Your jurisdiction

Accounting Professional and Ethical Standards Board (APESB),

Jacinta Hanrahan, Technical Director

Jacinta.Hanrahan@apesb.org.au

Australia

[1] If you respond on behalf of a global organization, the jurisdiction (or name of the country) in which you work. If you are responding on behalf of a global organization, please indicate "Global" as your jurisdiction.

Part B – Jurisdictional Standard Setters (JSS)

Adoption status and effective date

Note:

Adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into a jurisdiction's national laws, regulations or professional requirements.

Convergence is where a jurisdiction aligns its national ethics (including independence) standards or provisions with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standard or provisions.

4. Has your organization adopted the NOCLAR provisions of the Code (IESBA NOCLAR provisions)? *(Please choose the most representative answer*)

   (a) Yes, through full adoption with no modifications *(Please provide (i) information on the effective date, and (ii) links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   (b) Yes, through adoption with modifications *(Please (i) describe the nature of, and reasons for, the modifications, (ii) provide information on the effective date, and (iii) provide links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   (c) No, but the local NOCLAR provisions are converged with the IESBA NOCLAR provisions *(Please (i) provide information on the effective date, (ii) provide links to the local NOCLAR provisions or the specific announcement of the issuance of the local NOCLAR provisions, and (iii) describe any significant differences between the local NOCLAR provisions and the IESBA NOCLAR provisions)*

   (d) No, there are provisions in relevant law or regulation or a different ethical framework that address NOCLAR *(Please describe any significant differences between the relevant law or regulation or ethical framework and the IESBA NOCLAR provisions)*

   (e) Not adopted *(Please specify reasons. If there is a plan to adopt the IESBA NOCLAR provisions, please provide details, including timing)*

   If you have answered (a), (b) or (c), were the IESBA NOCLAR provisions translated into the local NOCLAR provisions? If yes, please indicate the language of translation.

   (b) Yes, through adoption with minor modifications

   APES 110 uses the term 'NOCLAR' whereas the IESBA Code refers to 'non-compliance'.

   There are no significant differences between the Australian NOCLAR provisions and the IESBA NOCLAR provisions.

Guidance and educational materials

5. What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of the local NOCLAR provisions in your jurisdiction? (*Select all that apply and provide links*)

- Technical guidance (e.g., FAQs)
- Education/training programs (e.g., webinars, CPD programs)
- Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
- Other *(Please specify)*
- None

Education/training programs

- APESB carried out presentations and participated in professional bodies' national conferences and CPD training sessions. Refer to details at https://apesb.org.au/news-advocacy/speeches-and-presentations/

Articles, publications and newsletters

- E-newsletter published quarterly - https://apesb.org.au/news-advocacy/enews/

Staff publication

- APESB_Whistleblowing_Tech_Staff_Publication_Feb21 (currently in the process of being revised)

Other support

6. Does your organization provide guidance to individual professional accountants, accounting firms, or other users of your standards in the application of the local NOCLAR provisions if they seek such assistance, e.g., in dealing with a NOCLAR matter? (*Select all that apply)*

- Ethics hotline or equivalent (e.g., for technical queries)
- Discussion forum (e.g., for sharing knowledge)
- Whistleblower hotline (e.g., to report actual or suspected NOCLAR)
- Other *(Please specify)*
- None

Other

As a standard-setter, APESB can answer a professional accountant’s or firm’s query relating to our Standards, but we do not provide professional advice on the application of the Standards or opine on the conduct of individual accountants or firms.

Inquiries and questions

7. Which specific provisions in the local NOCLAR provisions has your organization commonly received inquiries or questions about? *(Please provide details, including from which stakeholder groups the inquiries or questions arose)*

> In the initial years of NOCLAR (i.e., 2017-2019), APESB received queries about the concept of substantial harm in the NOCLAR provisions of APES 110. Subsequently, APESB has occasionally received questions about specific technical interpretations, generally relating to interactions with local laws and regulations.
>
> Matters for the Board to consider or resolve are captured in the APESB Issues Register, available on the APESB website at: APESB_Issues_Register_March_2026.pdf

Level of understanding

8. Do users of your organization's standards have an overall understanding of the local NOCLAR provisions? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by users of your standards)*

- Yes
- Somewhat
- No
- Not known or no data available

> **Somewhat**
>
> APESB considers that Australian users of the standards have a reasonable understanding of the local NOCLAR provisions.
>
> An awareness gap remains for some practitioners and professional accountants who have limited engagement with the NOCLAR framework and, therefore, uncertainty in its practical application. APESB is aware that for some Australian stakeholders, there is confusion between "options" and "obligations," with some professional accountants interpreting NOCLAR as a prescriptive sequence rather than a principles-based judgement framework.
>
> APESB also notes ongoing uncertainty regarding the interaction among NOCLAR, whistleblower protections, and anti-money laundering (AML) obligations, which affects stakeholders' understanding.

Legal protection

9. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

   If yes, is the protection under the relevant law or regulation perceived to be effective? Please explain your response.

Yes

Australia has legislative frameworks providing protections for disclosures of actual or suspected non-compliance to appropriate authorities. In Australia, whistleblower protection is addressed in the *Corporations Act 2001* and the *Taxation Administration Act 1953* for the private sector, and in the *Public Interest Disclosure Act 2013* for the federal public sector, with legislation also in place in each state and territory for the public sector.

From 1 July 2019, the private sector whistleblowing legislation was strengthened, allowing more individuals to be recognised as eligible whistleblowers and providing stronger protection for those eligible whistleblowers regarding confidentiality and victimisation.

The Australian Treasury is currently consulting on a review of Australia's tax and corporate whistleblowing regimes: Consultation paper: Review of tax and corporate whistleblowing in Australia. APESB intends to submit a comment letter to the review.

In addition to legislative frameworks, professional support is available from the professional bodies through technical inquiries, guidance materials, forums and mentoring arrangements, but not via dedicated NOCLAR hotlines. This support is generally limited to signposting relevant provisions rather than providing interpretive advice. This limitation reflects legal and confidentiality constraints.

APESB considers that, while these protections and support mechanisms are important, their effectiveness depends on the professional accountant's awareness and understanding of both the safeguards and responsibilities under the Code.

Observed outcomes (benefits and challenges)

10. Has your organization observed any trend in instances of NOCLAR reported or escalated?

If so, please describe the trend and indicate the period for which this trend has been observed, as well as the general nature of the NOCLAR commonly observed.

APESB has not identified a clear or consistent trend in NOCLAR reporting or escalation; its application remains largely case-specific.

However, recent regulatory developments, including AML obligations, heightened focus on late financial reporting penalties, and the Treasury consultation on whistleblower-related reporting, are expected to increase awareness of NOCLAR.

11. Based on your organization's observations, has the application of the local NOCLAR provisions been effective in deterring the commission of NOCLAR, or rectifying, remediating or mitigating the consequences of NOCLAR? (*Please explain the basis for your response and provide any relevant details, including any supporting materials or reports*)

APESB understands that the application of the NOCLAR provisions has generally been effective in supporting early intervention, with a focus on rectifying, remediating, or mitigating the consequences of identified non-compliance rather than on deterrence alone.

Where applicable, stakeholder feedback indicates that the framework prompts timely engagement with clients and corrective action, often resolving matters without the need for external reporting. In some cases, internal governance processes such as audit committees and due diligence committees were noted by stakeholders as assisting in managing more complex matters and ensuring issues are addressed in a structured and measured manner.

APESB notes that this approach is broadly consistent with the intended design of the framework, including the emphasis on the "substantial harm" threshold to avoid escalation of less significant matters while still enabling appropriate action where required.

However, feedback from some Australian stakeholders has indicated that effectiveness is sometimes constrained by practitioner awareness and the ability to identify when NOCLAR is triggered in practice. Where issues are not recognised or correctly interpreted as falling within scope, the framework cannot operate to support remediation or mitigation.

12. Has your organization observed any challenges in the application of the local NOCLAR provisions? *(Please provide details, including specific provisions that caused particular challenges and why, as well as any actions taken to address them)*

APESB has not received common queries about the NOCLAR provisions of APES 110. APESB occasionally receives questions about specific technical interpretations, generally relating to interactions with local laws and regulations. Matters for the Board to consider or resolve are captured in the APESB Issues Register, available on the APESB website at: APESB_Issues_Register_March_2026.pdf

13. Has your organization observed any trends where professional accountants or accounting firms encountered NOCLAR or suspected NOCLAR but did not apply the local NOCLAR provisions in whole or in part?

- Yes, the provisions were not applied in whole *(Please explain why the provisions were not applied (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
- Yes, the provisions were only partially applied *(Please explain which provisions were not applied and why (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
- No, not observed

No matters were raised by Australian stakeholders.

Other comments

14. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

> APESB considers that any further efforts by IESBA to enhance global implementation of the NOCLAR provisions could focus on additional guidance and practical application support.
>
> For example, clarifying the threshold between lower-level matters and those requiring escalation, to support more consistent judgement and reduce unnecessary documentation in borderline cases. Related guidance on scope identification would also assist, particularly for smaller practitioners.
>
> APESB also considers that more practical examples and case studies would improve understanding of application in complex scenarios, supported by ongoing education materials such as FAQs and webinars developed with practitioners and educators.

15. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions (including any benefits arising from using the local NOCLAR provisions, or on matters of translation)?

> APESB notes that during the initial stages of implementation there was recognition of legal impediments to disclosure, including potential conflicts between privacy obligations and the disclosure of a matter in the public interest under the NOCLAR provisions.
>
> As with other obligations in the Code, NOCLAR is subject to applicable laws and regulations. For example, taxation law previously imposed strict confidentiality obligations until recent changes to Australia’s tax laws permitted disclosure to regulatory bodies in certain circumstances.
>
> APESB also notes that disclosure under the NOCLAR provisions should be made to a regulatory or similar authority capable of addressing the matter. The threshold for overriding the fundamental principle of confidentiality is high: the matter must be in the public interest and involve substantial harm to a range of stakeholders. This threshold is expected to be met only rarely and only after all internal mechanisms have been exhausted. Given the complexity of this area, APESB encourages IESBA to develop non-authoritative material to assist stakeholders.

End of survey

Thank you for your valuable input. Your input will inform the IESBA's Post-Implementation Review and help the IESBA develop clear, robust and practical ethics standards that reinforce public trust in the profession and effectively serve the public interest.