APESB
Accounting Professional & Ethical Standards Board

AGENDA PAPER

Item Number:	9
Date of Meeting:	4 September 2026
Subject:	Update on project to review APESB Pronouncements for Sustainability and AI – Proposed guidance and illustrative examples and guidance to address the impact of AI for APES 215 and APES 225

x	**Action required**	x	**For discussion**		**For noting**		**For information**

Purpose

- To update the Board on the project to review APESB Pronouncements for Sustainability and AI.
- To determine the scoping for the proposed guidance to address the impact of AI for APES 215 *Forensic Accounting Services* and APES 225 *Valuation Services*.

Background

In July 2025, APESB issued an Amending Standard to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Sustainability Assurance and Reporting and Use of External Experts (the Sustainability Amending Standard). The amending standard is effective from 1 January 2026, with a later implementation date of 1 July 2028 for provisions related to value chain components.

At the September 2025 Board meeting, the Board approved the release of a new compiled Code which incorporates the restructured Code (issued in November 2018) and the eleven amending standards issued to July 2025, including the Sustainability Amending Standard.

Principles-based provisions in the Code relating to technology took effect on 1 January 2025. The amendments ensure the Code continues to guide Members' ethical use of technology responsibly and uphold fundamental principles. The Board has been monitoring the impact of technological developments on the accounting profession, including the growing use of Artificial Intelligence (AI), and considering the impact on APESB pronouncements.

At the September 2025 Board meeting, the Board agreed to review the suite of APESB Pronouncements, including APES 200 and APES GN 20 series (Agenda Item 7) and the APES 300 and APES GN 30 series (Agenda Item 8). This project aims to review the APESB Pronouncements to ensure they remain consistent with the latest Code and Amending Standards, including any implications arising from Sustainability and Artificial Intelligence (AI).

On 31 October 2025, APESB issued a Technical Alert on the ethical use of AI by professional accountants, promoting awareness of the new principle-based provisions of the Code relating to technology, which took effect on 1 January 2025.

At the December 2025 Board meeting, the Board discussed the project update and noted the initial focus on the forensic accounting and valuation services pronouncements. Based on stakeholder engagement so far, stakeholders generally preferred that the impact of Sustainability and AI be covered in guidance materials rather than through amendments to the standards. The Board agreed to consider expanding the issued Technical Alert on AI to include practical examples.

At the June 2026 Board meeting (Agenda Item 9), the Board considered a scoping paper on the proposed guidance for APES 215 and APES 225. The Board agreed that Technical Staff should draft guidance and illustrative examples based on the key themes identified through stakeholder engagement (set out in Appendix A to the June 2026 agenda paper), and continue undertaking broad stakeholder engagement.

The Board also noted Technical Staff's preliminary view that no changes are required to APES 215 and APES 225 to address the impact of AI. Technical Staff undertook to provide draft guidance to the Board in the second half of 2026.

Matters for Consideration

Since the June 2026 Board meeting, Technical Staff have:

- developed draft guidance and draft illustrative examples (provided at Agenda Item 9(a)) demonstrating how the Code, APES 215 and APES 225 apply to common and emerging AI use cases in forensic accounting and valuation services;
- continued targeted stakeholder engagement, including with the International Valuation Standards Council (IVSC) and members of the relevant Taskforces; and
- considered the appropriate form, structure and authority of the proposed guidance, taking into account the feedback received from the stakeholder engagement.

Draft illustrative examples

Consistent with stakeholder feedback, the guidance and draft illustrative examples have been prepared to be principles-based and tool-agnostic, so that they remain relevant as technology evolves. The guidance and examples are mapped to the fundamental principles in the Code and the relevant requirements of APES 215 and APES 225.

The draft guidance and illustrative examples are provided at Agenda Item 9(a). They are structured around the seven themes identified during stakeholder consultation (Appendix A to the June 2026 Agenda Paper 9) and subsequent stakeholder engagement:

- confidentiality and data security;
- quality management;
- professional judgement;
- bias, data integrity and undue reliance on AI;
- transparency; and
- current and emerging applications of AI.

Each example sets out a scenario, the relevant fundamental principles and provisions, the key considerations, and an appropriate course of action.

The Board is asked to provide feedback on the draft illustrative examples, including whether the selected scenarios reflect common and emerging AI use cases in forensic accounting and valuation services, and whether additional scenarios or themes should be included.

Way forward

Subject to the Board's feedback, Technical Staff will continue targeted stakeholder engagement with a view to bringing a further draft to the Board at the November 2026 meeting.

Staff Recommendation

That the Board:

- provide feedback on the draft illustrative examples at Agenda Item 9(a); and
- note the proposed way forward.

Material Presented

Agenda Item 9 (a) [Draft] APESB Guidance on use of Artificial Intelligence in forensic accounting services and valuation services

Authors: Channa Wijesinghe
Nikole Gyles

Date: 24 August 2026