

29 January 2020

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Accounting and Ethical Standards Board Limited (APESB)  
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Dear Channa,

**Exposure Draft: Proposed Amendments to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) to Promote the Role and Mindset Expected of Professional Accountants**

CPA Australia represents the diverse interests of more than 166,000 members working in over 100 jurisdictions and regions around the world. We make this submission on behalf of our members and in the broader public interest.

CPA Australia supports the proposed amendments, as a whole.

**Section 220: Preparation and Presentation of Information**

We note that paragraph R220.4 has been revised to include two new points that a Member shall consider when preparing or presenting information. They are:

*(e) Avoid undue influence of, or undue reliance on, individuals, organisations or technology; and*

*(f) Be aware of the risk of bias.*

We note that extant paragraph 220.4 A1 remains unchanged, and therefore does not make explicit reference to these two additional dot points. While we note that Section 120 has been revised to include a discussion of bias (although there is not direct reference back to that section), there does not appear to be specific discussion around the avoidance of undue influence of, or undue reliance on, individuals, organisations or technology. The APESB may wish to consider whether the extant paragraph 220.4 A1 remains sufficient as written, in light of the revisions to paragraph R220.4.

**International Ethics Standards Board for Accountants Submission**

In our [submission](#) to the International Ethics Standards Board for Accountants in November 2019, in response to its Exposure Draft of July 2019, *Proposed Revisions to the Code to Promote the Role and Mindset Expected of Professional Accountants*, we questioned the use of several terms (e.g., “standing one’s ground”, “behave in a manner”; and “inquiring mind”) with respect to the clarity of their meaning and/or whether their use potentially dilutes the ethical obligations of professional accountants. However, we note that the IESBA retained this wording in its final pronouncement and that the APESB has appropriately adopted the same wording.

It will be important for the APESB and the three professional accountancy organisations to monitor the implementation of these revisions, both locally and internationally, to identify the possible need to issue further guidance or clarity.

Should you have any questions regarding this submission, please do not hesitate to contact Clare Bannon, Senior Manager, Professional Standards, Public Practice and Professional Standards on (03) 9606 9865 or [Clare.Bannon@cpaaustralia.com.au](mailto:Clare.Bannon@cpaaustralia.com.au)

Yours sincerely



**Dr Gary Pflugrath**  
**Executive General Manager, Policy and Advocacy**