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### **Exposure Draft 03/24 Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Tax Planning and Related Services**

CPA Australia is Australia's leading professional accounting body and one of the largest in the world. We represent the diverse interests of more than 173,000 members working in over 100 jurisdictions and regions around the world. CPA Australia has over 30,000 members in public practice in Australia, serving our communities as trusted advisers who provide business advisory, tax, financial planning, reporting, auditing/assurance and insolvency-related services. Our members primarily support the small and medium sized market, and their structures and regulatory requirements are generally similar to those of the larger firms.

CPA Australia is broadly supportive of the changes proposed in APESB's Exposure Draft - Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Tax Planning and Related Services (the ED). Many of the proposed revisions reflect well-established practices in the tax profession and are broadly consistent with tax assurance and governance requirements of the Australian tax authorities. We appreciate the use of the terms, "may" and "might" throughout the ED as they appropriately reflect and accommodate the breadth and nature of tax services provided by professional accountants (PAs) and other tax professionals.

However, as noted in our [submission](#) to the International Ethics Standards Board for Accountants (IESBA) in response to the equivalent international version of the ED they published, we are concerned that some of the proposed revisions are highly likely to impose onerous or impractical requirements that do not properly consider the dynamic between PAs and those charged with governance, nor accommodate the variety of tax engagements that occur. In contrast to audit engagements where PAs are responsible and accountable for the auditor's report that is furnished by the PA, taxpayers are ultimately responsible for the accuracy of their tax return regardless of who prepares it or the advice they may receive. Taxpayer choices about their tax affairs rest with the controllers of the business (e.g., the Board of Directors, partners in a partnership, company directors) and not professional accountants in public practice (PAPPs) or public accountants in business (PAIBs) such as tax managers. Further, it is not for the Member in Public Practice to consider the reputational, commercial and wider economic consequences that could arise from the way stakeholders might view the arrangement. While these may be raised as issues by the PA, again it is for the controllers of the business to fully assess these consequences.

We continue to be concerned with the ever-increasing size of the Code. The fundamental principles and the Code itself is adequate to address tax planning (TP) services without the necessity for these proposed provisions. Our preference is for APESB to provide guidance and support material for PAs, rather than modifying the Code in response to topical issues that arise. Our longer-term concern is that the Code becomes prescriptive, rules-based and impractical.

If you have any queries please contact Neville Birthisel, Advisor - Regulation and Standards, at [neville.birthisel@cpaaustralia.com.au](mailto:neville.birthisel@cpaaustralia.com.au).

Yours sincerely

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