

# Meeting Highlights

16 NOVEMBER 2020

## 1. Register of Interests

The Board noted Agenda Item 1 *Register of Interests*.

## 2. Update on IESBA's projects on Non-assurance Services and Fees

The Board noted Agenda Item 2 *Update on IESBA's projects on Non-assurance Services and Fees*.

The Board discussed the International Ethical Standards Board for Accountant's (IESBA's) projects on Non-assurance Services (NAS) and Fees. The final IESBA standards are expected to be approved in December 2020, with an effective date for periods beginning after December 2022. The Board discussed APESB issuing exposure drafts for these standards in the first half of 2021.

## 3. International and other activities

The Board noted Agenda Item 3 *International and other activities*.

## 4. Update on review of APES 230 *Financial Planning Services*

The Board noted Agenda Item 4 *Update on review of APES 230 Financial Planning Services*.

The Board considered stakeholder comments to the APES 230 Consultation Paper and varying views as to the scope of APES 230 and the definition of financial planning advice.

The Board discussed the purpose of APES 230 in setting the professional and ethical standards for accountants. The Board considered the existing regulations relating to financial planning, the recent guidance released by the Financial Adviser Standards and Ethics Authority (FASEA) and proposed legislation intended to address recommendations from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the Financial Services Royal Commission). The Board also discussed the six ethical principles outlined in the Financial Services Royal Commission's final report.

The Board agreed that further work is required in relation to the review of APES 230. The Board directed that Technical Staff engage with ASIC and FASEA, and provide an update on this regulatory engagement at the March 2021 Board Meeting.

## 5. Update on COVID-19 Resources

The Board noted Agenda Item 5 *Update on COVID-19 Resources*.

The Board discussed the publication of the APESB Technical Staff COVID-19 resources and activities of the IESBA NSS working group, including the expected release of guidance publications on fraud and illicit activities, cybersecurity and money laundering.

## 6. Update on review of APES 220 Taxation Services

The Board noted Agenda Item 6 *Update on review of APES 220 Taxation Services*.

The Board discussed the proposed revisions to the confidentiality provisions of APESB pronouncements in light of the enhanced whistleblower protections contained in the *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019*. The revisions required to the following APESB Pronouncements will be included on the APESB's Issues Register:

- APES 220 *Taxation Services* (APES 220);
- APES 225 *Valuation Services* (APES 225);
- APES 230 *Financial Planning Services* (APES 230);
- APES 345 *Reporting on Prospective Financial Information Prepared in connection with a Public Document* (APES 345); and
- APES 350 *Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document* (APES 350).

The Board also discussed the current projects being undertaken by the Australian Taxation Office (ATO) and the Tax Practitioners Board (TPB) and supported the deferral of revisions to APES 220 to encompass any necessary outcomes from these projects.

## 7. Proposed revised APES 305 Terms of Engagement

The Board noted Agenda Item 7 *Proposed revised APES 305 Terms of Engagement*.

The Board discussed the proposed amendments to APES 305 *Terms of Engagement* (APES 305). The amendments include a new requirement for Members to document and communicate with a client when outsourcing is used, a requirement to comply with the confidentiality provisions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* and new guidance on communicating the use of cloud computing with clients.

The Board approved the issue of the revised APES 305 *Terms of Engagement*, with an effective date of 1 July 2021.

The Board will review an Exposure Draft for APES GN 30 *Outsourced Services* to align the guidance with the amendments in the revised APES 305 at the March 2021 Board meeting.

#### **8. Proposed Whistleblowing Technical Staff Q&A publication**

The Board noted Agenda Item 8 *Proposed Whistleblowing Technical Staff Q&A publication*.

The Board discussed the draft APESB Technical Staff Q&A publication on whistleblowing and confidentiality. The Board noted that the draft publication is currently being reviewed by a range of stakeholders. The Board will review the final publication for approval out of session in December 2020.

#### **9. Project Update APES 330 *Insolvency Services***

The Board noted Agenda Item 9 *Update APES 330 Insolvency Services*.

The Board noted the Australian Restructuring Insolvency and Turnaround Association's current project to revise key insolvency communication resources and the Government's proposed legislative reforms to deal with small business insolvencies.

The Board will review an Exposure Draft with proposed revisions to APES 330 *Insolvency Services* at the March 2021 Board meeting.