

Review of Submissions - General Comments Exposure Draft 05/23: Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards)
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**Note: Specific comments relating to Exposure Draft 05/23 are addressed in a separate table. This table excludes minor editorial changes.**

Item No.	Paragraph No. in ED	Respondent	Respondents' Comments	Change made to standard?
1	N/A	CA ANZ	<p><b>Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (APES 110) (the Code).</b></p> <p>Chartered Accountants Australia and New Zealand (CA ANZ) appreciates the opportunity to provide comment on Exposure Draft 05/23 Proposed Technology related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the ED) outlining amendments to the Code proposed by the Accounting Professional and Ethical Standards Board (APESB).</p>	No
2	N/A	CPAA	<p><b>Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</b></p> <p>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 in over 100 countries and regions. We make this submission in response to the Accounting Professional &amp; Ethical Standards Board Limited (APESB) exposure draft on Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) on behalf of our members and in the broader public interest.</p>	No
3	N/A	Deloitte	<p><b>Exposure Draft 05/23 – Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</b></p> <p>We appreciate the opportunity to comment on Exposure Draft 05/23 Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional &amp; Ethical Standards Board (APESB) in September 2023 (the ED).</p>	No
4	N/A	IPA	<p><b>Re: Exposure Draft 05/23 Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</b></p> <p>Thank you for the opportunity to comment on Exposure Draft 05/23. Subject to the below comments, IPA generally supports the range of new rules relating to technology-related amendments to APES 110 to incorporate changes</p>	No

**Exposure Draft 05/23: Proposed Technology-related revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards)**

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			made by IESBA to the International Code of Ethics for Professional Accountants (including International Independence Standards). IPA also supports the proposed operative date of 1 January 2025 with early adoption permitted.	
5	N/A	CA ANZ	CA ANZ supports consistency between international and domestic standards, including where possible, between terms and definitions contained in standards issued by the APESB and the International Ethics Standards Board for Accountants ( <b>IESBA</b> ). CA ANZ supports the proposed revisions to the standard which maintains alignment between APESB and IESBA issued pronouncements.	No
6	N/A	CPAA	CPA Australia generally supports the alignment of the Code with the Code issued by the International Ethics Standards Board for Accountants (IESBA), as this ensures consistency in the expectations of professional conduct and obligations for professional accountants who may work both domestically and globally.	No
7	N/A	Deloitte	Deloitte is supportive of the proposed revisions in the ED as they reflect the adoption without change of the corresponding international pronouncement issued by The International Ethics Standards Board for Accountants.	No
8	N/A	CPAA	<p>However, we are concerned that the continued volume, pace and breadth of change to the Code may be negatively impacting the ability of the profession to adopt and implement such changes, especially professional accountants working in public practice, including those in small to medium practices (SMP).</p> <p>The objective of the conceptual framework in the Code recognises that professional accountants must identify, assess and determine their responses to ethical challenges, most of which will be unique to that professional accountant. It supports professional accountants in their ethical decision making, who use the framework to guide their decisions using professional judgment and scepticism, including the responsibility to scan and interrogate underlying assumptions. As stated in the Code, applying the conceptual framework requires having an inquiring mind, exercising professional judgement, and using the reasonable and informed third party test. We are concerned that the expanding scope of the Code, with extensive descriptions, examples and direct rules and prohibitions, risks diminishing the underlying value of the fundamental principles in the Code in ethical decision making by professional accountants.</p> <p>We understand that the proposed amendments to the Code are being driven by revisions by IESBA and again acknowledge the importance of ensuring alignment. However, as noted in our submission to IESBA's proposed strategy and Work Plan, 2024-2027<sup>1</sup>, we would also encourage the consideration of utilising non-authoritative material to address identified issues, rather than making continual revisions to the Code.</p>	No

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9	N/A	IPA	<p><b>Frequency and scope of changes to the Code   Redesign the Code</b></p> <p>As previously raised with the APESB, IPA is concerned with the ongoing frequent and perpetual changes made to APES 110 (the Code). With each change, further rules-based requirements are added to the Code, which adds unnecessary complexity and dilutes its original principles-based design. The Code presently stands at 253 pages in volume (Complied as at December 2022).</p> <p>IPA encourages the APESB to work with IESBA with the view to redesigning the Code to restore it to a short principles-based document that is updated no more than once a year, and preferably less frequently than that. To assist in applying the Code's principles, the rules-based requirements reflecting modern accepted standards of practice should be relocated to separate standards to address themes or relevant areas of practice for accountants. Given the increased focus on the application of ethical standards by accountants globally, this is an opportune time for the APESB and IESBA to sharpen its focus and assist accounting bodies and the accounting profession to improve the clarity of the fundamental principles of the Code.</p>	No
10	N/A	IPA	<p><b>Covert changes to the fundamental principles of the Code</b></p> <p>IPA notes that a number of amendments proposed in ED05/23 are not technology-related revisions to the Code – instead, the amendments represent further covert changes to the fundamental principles. In recent times, the constant changes to the fundamental principles of the Code may have the unintended perception that the foundation of the Code of Ethics is deficient and not fit-for-purpose. This contrasts with other accounting frameworks that see much less frequent changes and are written based on considered and sound principles that are more enduring. The current IESBA-APESB approach of frequently changing the Code is costly for all stakeholders to allocate resources to monitor developments, adjust systems for changes in requirements with different application dates and simply to understand the myriad of complex requirements. This is particularly problematic for SME practitioners, who often do not have the technical or financial resources to keep up with the changes. In recent times, IPA has had an increased focus on increasing awareness of the Code. Feedback from our Members indicates that they continue to be surprised with the perpetual changes made to the Code each year.</p>	No
11	N/A	CA ANZ	<p><b>Appendix 2</b> provides more information about CA ANZ. Should you have any questions about the matters raised in this submission or wish to discuss them further, please contact Josephine Haste CA, <a href="mailto:josephine.haste@charteredaccountantsanz.com">josephine.haste@charteredaccountantsanz.com</a>.</p>	No
12	N/A	CPAA	<p>If you have any queries about this submission, please don't hesitate to contact Keddie Waller, Senior Manager Public Practice, Financial Planning and Ethics Policy on <a href="mailto:Keddie.waller@cpaaustralia.com.au">Keddie.waller@cpaaustralia.com.au</a> or 0401 716 083.</p>	No

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13	N/A	IPA	If you have any queries with respect to our comments or require further information, please do not hesitate to contact Erik Hopp at <a href="mailto:erik.hopp@publicaccountants.org.au">erik.hopp@publicaccountants.org.au</a> or on 03 8665 3144.	No
14	N/A	CA ANZ	<p><b>Appendix 2</b></p> <p><b>About Chartered Accountants Australia and New Zealand</b></p> <p>Chartered Accountants Australia and New Zealand (CA ANZ) represents 136,000 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.</p> <p>CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.</p> <p>Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.</p> <p>We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate boldly in the public good. Our thought leadership promotes prosperity in Australia and New Zealand.</p> <p>Our support of the profession extends to affiliations with international accounting organisations.</p> <p>We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.</p>	No

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			<p>We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.</p> <p>We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.</p>	
15	N/A	IPA	<p><b>About the IPA</b></p> <p>The IPA is one of the three professional accounting bodies in Australia with over 50,000 members and students in Australia and in over 100 countries. Approximately three-quarters of our members either work in or are advisers to the small business and SME sectors. In 2023, the IPA celebrates its centenary year and looks forward to contributing to the future prosperity of our members and the profession.</p>	No
16	N/A	CPAA	<p><a href="https://www.cpaaustralia.com.au/-/media/project/cpa/corporate/documents/policy-and-advocacy/consultations-and-submissions/ethics/2023/proposed-iesba-strategy-and-work-plan-20242027-cpa-australia-submission-july-2023-web.pdf?rev=d42a7c2fa18c4c12900519d837b0125a">1https://www.cpaaustralia.com.au/-/media/project/cpa/corporate/documents/policy-and-advocacy/consultations-and-submissions/ethics/2023/proposed-iesba-strategy-and-work-plan-20242027-cpa-australia-submission-july-2023-web.pdf?rev=d42a7c2fa18c4c12900519d837b0125a</a></p>	No

## RESPONDENTS

1	CA ANZ	Chartered Accountants Australia and New Zealand
2	CPAA	CPA Australia
3	Deloitte	Deloitte Touche Tohmatsu
4	IPA	Institute of Public Accountants