



18 May 2018

The Chairman  
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Dear Ms Roxon

### **Exposure Draft 01/18 - Proposed Standard: APES 220 Taxation Services**

CPA Australia represents the diverse interests of more than 160,000 members in 118 countries. We make this submission on behalf of our members and in the broader public interest.

CPA Australia is generally supportive of the amendments proposed to the existing standard in the exposure draft, and provide the following specific comments and recommendations.

#### ***Paragraph 3.17 of ED 01/18***

Para. 3.17 of ED 01/18 currently reads as follows: 'A Member should obtain an understanding of relevant foreign laws and regulations sufficient to enable the provision of competent Taxation Services. Where the Member does not have the necessary knowledge of the foreign laws and regulations, they should engage the services of an expert to ensure the Professional Activities are performed to the required standard.'

CPA Australia suggests that the reference to 'foreign' which appears twice should be removed – as this is already inherently -although not explicitly- covered in paras 3.14-3.16 inclusive.

#### ***Paragraph 5.5 of ED 01/18***

We are supportive of the inclusion of guidance paragraph 5.5. However, we suggest that the reference to 'a professional body' be removed from 5.5(a). CPA Australia submits that it may be beyond a professional member organisation's remit to authoritatively make statements of the efficacy of tax schemes. For example, when similar queries have arisen in the past, CPA Australia has encouraged the member to seek independent expert advice as well as considering consulting with the Australian Taxation Office (ATO). We also note that the ATO concur with this approach, encouraging advisers to seek their counsel with respect to schemes or arrangements under Taxation Law.

Accordingly, we suggest the paragraph be edited as follows:

If a Member is uncertain that a tax scheme or arrangement is of the type set out in paragraph 5.4, the Member should consider:

- (a) consulting with the Client or Employer, Those Charged with Governance, as applicable;
- (b) if necessary, consulting with in-house legal counsel or obtaining independent legal advice;
- (c) **if necessary and with the Client or Employer's consent, consulting with the applicable Revenue Authority;** and
- (d) documenting the key considerations in determining whether the tax scheme or arrangement is not of the type set out in paragraph 5.4.

**Paragraph 7.8 of ED 01/18**

We acknowledge as the inclusion of the requirements in paragraph 7.8 to address responding to non-compliance with laws and regulations (NOCLAR) which harmonise with APES 110 section 225 on NOCLAR for members in public practice.

If you require further information on our views expressed in this submission, please contact Josephine Haste, Policy Adviser – Ethics and Professional Standards by email at [josephine.haste@cpaaustralia.com.au](mailto:josephine.haste@cpaaustralia.com.au) or on +61 3 9606 9693.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Drum', with a stylized, cursive script.

Paul Drum  
Head of Policy - Policy & Corporate Affairs