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**Exposure Draft 2/25 Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Using the Work of an External Expert**

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 175,000 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.

We acknowledge and support the approach taken by the International Ethics Standards Board for Accountants (IESBA) by expanding their planned revisions to existing provisions in the International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) to include those relevant to the Sustainability project, and the Accounting Professional & Ethical Standards Board's (APESB) support of this approach.

CPA Australia supports the proposed revisions set out in Exposure Draft 2/25 *Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Using the Work of an External Expert* (the Exposure Draft), including but not limited to the proposed new sections 290, 390 and 5390. We support the specific consideration given to the ethics and independence issues arising from the use of work of external experts in complex areas such as tax planning, technology and sustainability reporting matters. Additionally, we support the proposed effective dates.

Further to our submission to IESBA in April 2024 on IESBA's Exposure Draft: *Using the Work of an External Expert*, CPA Australia remains concerned that small and medium-sized businesses (in respect of proposed subsection 290) and practices will find these proposed revisions extremely challenging to adopt and implement. As previously discussed, many

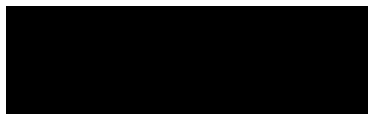
smaller businesses and practitioners already find the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) to be difficult to implement. Such organisations may be more likely to utilise external experts when engagements include complex matters such as technology, and sustainability reporting and assurance compared with larger firms with substantial service offerings and internal resources. The size and complexity of the Code for such members continues to be a substantial concern to CPA Australia.

CPA Australia supports the transitional relief proposed by APESB due to the effective date of the AUASB's Standard on Sustainability Assurance ASSA 5000: *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) and the differing effective dates between ASSA 5000 and the effective dates proposed in this Exposure Draft. We seek clarification:

1. whether the two tranches of optional transitional relief are both available for sustainability engagements ie. a sustainability engagement practitioners may avail themselves of both tranches set out in proposed section 13 to the Transitional Provisions of the extant version of the Code; and
2. that if the members do not choose to apply the optional transitional relief which provisions regarding the use of the work of an external expert apply for engagements with external experts entered into before 1 January 2025 and for which work has already commenced.

If you have any queries please contact Belinda Zohrab-McConnell, Regulation and Standards Lead, at [belinda.zohrab-mcconnell@cpaaustralia.com.au](mailto:belinda.zohrab-mcconnell@cpaaustralia.com.au).

Yours sincerely



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