



COMPARISON OF NEW IFAC CODE WITH THE EXISTING APES 110 *CODE OF ETHICS* FOR PROFESSIONAL ACCOUNTANTS

REVIEW OF PART A, B (Section 200-280) and PART C OF THE NEW CODE

Project Status – update

November 2009

Explanation of changes

Insertions – APESB drafting convention issues

Grey highlighting – 2006 Board decisions

Yellow highlighting – Technical staff suggestions

PART A: GENERAL APPLICATION OF THE CODE

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
100.1	<p>A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest.</p> <p>Therefore, a Member's responsibility is not exclusively to satisfy the needs of an individual Client or employer. In acting in the public interest a Member should observe and comply with the ethical requirements of this Code</p>	<p>100.1A</p> <p>100.1B</p>	<p>A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. Therefore, a Member's* responsibility is not exclusively to satisfy the needs of an individual Client or Employer.</p> <p>In acting in the public interest, a Member shall observe and comply with this Code.</p> <p>If a Member is prohibited from complying with certain parts of this Code by law or regulation, the Member shall comply with all other parts of this Code.</p>	<p>Consistent except for elevation to shall and additional sentence that deal with circumstances in which there is a conflict with law or regulation.</p>	
AUST100.1.1	<p>The public interest is defined as the collective well-being of the community of people and institutions that the Members serve. The accountancy profession's public consists of Clients, credit providers, governments, employers, employees, investors, the business and financial community, and others who rely on the objectivity and integrity of Members to assist in maintaining the orderly functioning of commerce.</p>	AUST100.1.1	<p>The public interest is defined as the collective well-being of the community of people and institutions that the Members serve. The accountancy profession's public consists of Clients, credit providers, governments, Employers, employees, investors, the business and financial community, and others who rely on the objectivity and integrity of Members to assist in maintaining the orderly functioning of commerce.</p>	<p>Carry forward to AUST100.1.1</p>	
100.2	<p>This Code is in three parts. Part A establishes the fundamental principles of professional ethics for Members and provides a conceptual framework for applying those principles. The conceptual framework provides guidance on fundamental ethical principles.</p> <p>Members are required to apply this conceptual framework to identify threats to compliance with the fundamental principles, to evaluate their significance and, if such threats are other than Clearly Insignificant to apply safeguards to eliminate them or reduce them to an acceptable level such that compliance with the fundamental</p>	100.2A	<p>This Code contains three parts. Part A establishes the fundamental principles of professional ethics for Members and provides a conceptual framework that Members shall apply to:</p> <p>(a) Identify threats to compliance with the fundamental principles;</p> <p>(b) Evaluate the significance of the threats identified; and</p> <p>(c) Apply safeguards, when necessary, to eliminate the threats or reduce them to an Acceptable Level.² Safeguards are necessary when the Member determines that the threats</p>	<p>Generally consistent and additionally incorporates the reasonable person test.</p>	

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	principles is not compromised.	100.2B	are not at a level at which a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances available to the Member at that time, that compliance with the fundamental principles is not compromised. A Member shall use professional judgment in applying this conceptual framework.		
100.3	Parts B and C illustrate how the conceptual framework is to be applied in specific situations. They provide examples of safeguards that may be appropriate to address threats to compliance with the fundamental principles and also provide examples of situations where safeguards are not available to address the threats and consequently the activity or relationship creating the threats should be avoided. Part B applies to Members in Public Practice. Part C applies to Members in Business. Members in Public Practice may also find the guidance in Part C relevant to their particular circumstances.	100.3A 100.3B 100.3C	Parts B and C describe how the conceptual framework applies in certain situations. They provide examples of safeguards that may be appropriate to address threats to compliance with the fundamental principles. They Part B and C also describe situations where safeguards are not available to address the threats, and consequently, the circumstance or relationship creating the threats shall be avoided. Part B applies to Members in Public Practice . Part C applies to Members in Business . Members in Public Practice may also find Part C relevant to their particular circumstances.	Generally consistent.	
AUST100.3.1	Members are encouraged, when in doubt as to the propriety of any course of action and if the doubt cannot be resolved by reference to the Code, to seek the guidance of their professional body. The professional bodies should use their best endeavours to provide a basis on which the Member's concerns can be discussed, objectively and in confidence.	AUST100.3.1	Members are encouraged, when in doubt as to the propriety of any course of action and if the doubt cannot be resolved by reference to the Code, to seek the guidance of their professional body. The professional bodies should use their best endeavours to provide a basis on which the Member's concerns can be discussed, objectively and in confidence.	Carry forward AUST100.3.1	
AUST100.3.2	The fact that a Member is performing an	AUST100.3.2	The fact that a Member is performing an	Carry forward AUST100.3.2	

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	assignment in an honorary capacity should in no way compromise the standards required by this Code.		Engagement or Assignment in an honorary capacity shall in no way compromise the standards required by this Code.		
AUST100.3.3	The provisions of this Code applicable in the case of a company apply in the case of other enterprises. For this purpose, "other enterprise" means any business organisation, incorporated or otherwise, other than a company and includes a partnership or trust.	AUST100.3.3	The provisions of this Code applicable in the case of a company apply in the case of other enterprises. For this purpose, "other enterprise" means any business organisation, incorporated or otherwise, other than a company and includes a partnership or trust.	Carry forward AUST100.3.3	
		100.4	The use of the word "shall" in this Code imposes a requirement on the Member or Firm ² to comply with the specific provision in which "shall" has been used. Compliance is required unless an exception is permitted by this Code.	New paragraph.	
100.4	<p>Fundamental Principles</p> <p>A Member is required to comply with the following fundamental principles:</p> <ul style="list-style-type: none"> (a) Integrity (b) Objectivity (c) Professional competence and due care (d) Confidentiality (e) Professional behaviour <p>Each of these fundamental principles is discussed in more detail in Sections 110 –150.</p>	100.5	<p><i>Fundamental Principles</i></p> <p>A Member shall comply with the following fundamental principles:</p> <p>(a) Integrity – to be straightforward and honest in all professional and business relationships.</p> <p>(b) Objectivity – to not allow bias, conflict of interest or undue influence of others to override professional or business judgments.</p> <p>(c) Professional Competence and Due Care – to maintain professional knowledge and skill at the level required to ensure that a Client or Employer receives competent Professional Services² based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.</p> <p>(d) Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without</p>	Consistent with the requirement to comply now addressed as "shall". Has more detail re: fundamental principles.	

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			<p>proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the <u>Member</u> or third parties.</p> <p>(e) <i>Professional Behaviour</i> – to comply with relevant laws and regulations and avoid any action that discredits the profession.</p> <p>Each of these fundamental principles is discussed in more detail in Sections 110–150.</p>		
100.5	<p>Conceptual Framework Approach</p> <p>The circumstances in which Members operate may give rise to specific threats to compliance with the fundamental principles. It is impossible to define every situation that creates such threats and specify the appropriate mitigating action. In addition, the nature of engagements and work assignments may differ and consequently different threats may exist, requiring the application of different safeguards. A conceptual framework that requires a Member to identify, evaluate and address threats to compliance with the fundamental principles, rather than merely comply with a set of specific rules which may be arbitrary, is, therefore, in the public interest. This Code provides a framework to assist a Member to identify, evaluate and respond to threats to compliance with the fundamental principles. If identified threats are other than Clearly Insignificant, a Member should, where appropriate, apply safeguards to eliminate the threats or reduce them to an acceptable level, such that compliance with the fundamental principles is not compromised.</p>	100.6	<p><i>Conceptual Framework Approach</i></p> <p>The circumstances in which <u>Members</u> operate may create specific threats to compliance with the fundamental principles. It is impossible to define every situation that creates threats to compliance with the fundamental principles and specify the appropriate action. In addition, the nature of <u>Engagements</u> and work <u>Assignments</u> may differ and, consequently, different threats may be created, requiring the application of different safeguards. Therefore, this Code establishes a conceptual framework that requires a <u>Member</u> to identify, evaluate, and address threats to compliance with the fundamental principles. The conceptual framework approach assists <u>Members</u> in complying with the ethical requirements of this Code and meeting their responsibility to act in the public interest. It accommodates many variations in circumstances that create threats to compliance with the fundamental principles and can deter a <u>Member</u> from concluding that a situation is permitted if it is not specifically prohibited.</p>	Generally consistent.	
	Refer paragraph 100.15	100.7	<p>When a <u>Member</u> identifies threats to compliance with the fundamental principles and, based on an evaluation of those threats,</p>	<p>Generally consistent except for:</p> <ul style="list-style-type: none"> Elevation to shall 	

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			determines that they are not at an Acceptable Level , the Member shall determine whether appropriate safeguards are available and can be applied to eliminate the threats or reduce them to an Acceptable Level . In making that determination, the Member shall exercise professional judgment and take into account whether a reasonable and informed third party, weighing all the specific facts and circumstances available to the Member at the time, would be likely to conclude that the threats would be eliminated or reduced to an Acceptable Level by the application of the safeguards, such that compliance with the fundamental principles is not compromised.	<ul style="list-style-type: none"> More detail included in new IFAC paragraph. 	
100.6	A Member has an obligation to evaluate any threats to compliance with the fundamental principles when the Member knows, or could reasonably be expected to know, of circumstances or relationships that may compromise compliance with the fundamental principles.	100.8	A Member shall evaluate any threats to compliance with the fundamental principles when the Member knows, or could reasonably be expected to know, of circumstances or relationships that may compromise compliance with the fundamental principles.	Consistent except for elevation to shall.	
100.7	A Member should take qualitative as well as quantitative factors into account when considering the significance of a threat. If a Member cannot implement appropriate safeguards, the Member should decline or discontinue the specific professional service involved, or where necessary resign from the Client (in the case of a Member in Public Practice) or the employing organisation (in the case of a Member in Business).	100.9A 100.9B 100.9C	A Member shall take qualitative as well as quantitative factors into account when evaluating the significance of a threat. When applying the conceptual framework, a Member may encounter situations in which threats cannot be eliminated or reduced to an Acceptable Level , either because the threat is too significant or because appropriate safeguards are not available or cannot be applied. In such situations, the Member shall decline or discontinue the specific Professional Service involved or, when necessary, resign from the Engagement (in the case of a Member in Public Practice) or the employing organisation (in the	Generally consistent except for elevation to shall.	

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			case of a Member in bBusiness*).		
100.8	A Member may inadvertently violate a provision of this Code. Such an inadvertent violation, depending on the nature and significance of the matter, may not compromise compliance with the fundamental principles provided, once the violation is discovered, the violation is corrected promptly and any necessary safeguards are applied.	100.10	A Member may inadvertently violate a provision of this Code. Depending on the nature and significance of the matter, such an inadvertent violation may be deemed not to compromise compliance with the fundamental principles provided, once the violation is discovered, the violation is corrected promptly and any necessary safeguards are applied.	Consistent except for statement that inadvertent violations may be <u>deemed</u> not to compromise compliance with the fundamental principles.	
100.9	Parts B and C of the Code include examples that are intended to illustrate how the conceptual framework is to be applied. The examples are not intended to be, nor should they be interpreted as, an exhaustive list of all circumstances experienced by a Member that may create threats to compliance with the fundamental principles. Consequently, it is not sufficient for a Member merely to comply with the examples presented; rather, the framework should be applied to the particular circumstances encountered by the Member.			Paragraph deleted.	
		100.11	When a Member encounters unusual circumstances in which the application of a specific requirement of the Code would result in a disproportionate outcome or an outcome that may not be in the public interest, it is recommended that the Member consult with a member body or the relevant regulator.	New paragraph. Similar to Aust. 100.3.1	
100.10	Threats and Safeguards Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories: (a) Self-interest threats, which may occur as a result of the financial or other interests of a	100.12	<i>Threats and Safeguards</i> Threats may be created by a broad range of relationships and circumstances. When a relationship or circumstance creates a threat, such a threat could compromise, or could be perceived to compromise, a Member's compliance with the fundamental principles. A circumstance or relationship may create more than one threat, and	Consistent except for matters noted below. Further detail which highlight that there may be more than one threat and it may affect compliance with more than one principle.	

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	<p>Member or of an Immediate or Close Family member;</p> <p>(b) Self-review threats, which may occur when a previous judgment needs to be reevaluated by the Member responsible for that judgment;</p> <p>(c) Advocacy threats, which may occur when a Member promotes a position or opinion to the point that subsequent objectivity may be compromised;</p> <p>(d) Familiarity threats, which may occur when, because of a close relationship, a Member becomes too sympathetic to the interests of others; and</p> <p>(e) Intimidation threats, which may occur when a Member may be deterred from acting objectively by threats, actual or perceived.</p> <p>Parts B and C of the Code, respectively, provide examples of circumstances that may create these categories of threats for Members in Public Practice and Members in Business. Members in Public Practice may also find the guidance in Part C of the Code relevant to their particular circumstances.</p>		<p>a threat may affect compliance with more than one fundamental principle. Threats fall into one or more of the following categories:</p> <p>(a) Self-interest threat - the threat that a financial or other interest will inappropriately influence the Member's judgment or behaviour;</p> <p>(b) Self-review threat - the threat that a Member will not appropriately evaluate the results of a previous judgment made or service performed by the Member, or by another individual within the Member's Firm or employing organisation, on which the accountant will rely when forming a judgment as part of providing a current service;</p> <p>(c) Advocacy threat - the threat that a Member will promote a Client's or Employer's position to the point that the Member's objectivity is compromised;</p> <p>(d) Familiarity threat - the threat that due to a long or close relationship with a Client or Employer, a Member will be too sympathetic to their interests or too accepting of their work; and</p> <p>(e) Intimidation threat - the threat that a Member will be deterred from acting objectively because of actual or perceived pressures, including attempts to exercise undue influence over the Member.</p> <p>Parts B and C of this Code explain how these categories of threats may be created for Members in Public Practice and Members in Business, respectively. Members in Public Practice may also find Part C relevant to their particular circumstances.</p>	<p>Expands the previous judgment (self review threat) to services performed by the Firm or employing organisation.</p>	
100.11	Safeguards that may eliminate or reduce such threats to an acceptable level fall into two broad	100.13	Safeguards are actions or other measures that may eliminate threats or reduce them to an Acceptable Level . They fall into two broad	Generally consistent.	

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	<p>categories:</p> <p>(a) Safeguards created by the profession, legislation or regulation; and</p> <p>(b) Safeguards in the work environment.</p>		<p>categories:</p> <p>(a) Safeguards created by the profession, legislation or regulation; and</p> <p>(b) Safeguards in the work environment.</p>		
100.12	<p>Safeguards created by the profession, legislation or regulation include, but are not restricted to:</p> <ul style="list-style-type: none"> • Educational, training and experience requirements for entry into the profession. • Continuing professional development requirements. • Corporate governance regulations. • Professional standards. • Professional or regulatory monitoring and disciplinary procedures. • External review by a legally empowered third party of the reports, returns, communications or information produced by a Member. 	100.14	<p>Safeguards created by the profession, legislation or regulation include:</p> <ul style="list-style-type: none"> • Educational, training and experience requirements for entry into the profession. • Continuing professional development requirements. • Corporate governance regulations. • Professional standards. • Professional or regulatory monitoring and disciplinary procedures. • External review by a legally empowered third party of the reports, returns, communications or information produced by a Member. 	Generally consistent.	
100.13	<p>Parts B and C of the Code discuss safeguards in the work environment for Members in Public Practice and those in Business.</p>	100.15	<p>Parts B and C of this Code discuss safeguards in the work environment for Members in Public Practice and Members in Business, respectively.</p>	Generally consistent.	
100.14	<p>Certain safeguards may increase the likelihood of identifying or deterring unethical behaviour. Such safeguards, which may be created by the accounting profession, legislation, regulation or an employing organisation, include, but are not restricted to:</p> <ul style="list-style-type: none"> • Effective, well publicised complaints systems operated by the employing organisation, the profession or a regulator, which enable colleagues, employers and members of the 	100.16	<p>Certain safeguards may increase the likelihood of identifying or deterring unethical behaviour. Such safeguards, which may be created by the accounting profession, legislation, regulation, or an employing organisation, include:</p> <ul style="list-style-type: none"> • Effective, well-publicised complaint systems operated by the employing organisation, the profession or a regulator, which enable colleagues, employers and members of the public to draw attention to unprofessional or 	Generally consistent.	

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	consult with other appropriate persons within the Firm or employing organisation for help in obtaining resolution.		remains unresolved, the Member may wish to consult with other appropriate persons within the Firm or employing organisation for help in obtaining resolution.		
100.18	Where a matter involves a conflict with, or within, an organisation, a Member should also consider consulting with those charged with governance of the organisation, such as the board of directors or the audit committee.	100.19	Where a matter involves a conflict with, or within, an organisation, a Member shall determine whether to consult with Those Charged with Governance of the organisation, such as the board of directors or the audit committee.	Consistent except for elevation to shall.	
100.19	It may be in the best interests of the Member to document the substance of the issue and details of any discussions held or decisions taken, concerning that issue.	100.20	It may be in the best interests of the Member to document the substance of the issue, the details of any discussions held, and the decisions made concerning that issue.	Consistent.	
100.20	If a significant conflict cannot be resolved, a Member may wish to obtain professional advice from the relevant professional body or legal advisors, and thereby obtain guidance on ethical issues without breaching confidentiality. For example, a Member may have encountered a fraud, the reporting of which could breach the Member's responsibility to respect confidentiality. The Member should consider obtaining legal advice to determine whether there is a requirement to report.	100.21	If a significant conflict cannot be resolved, a Member may consider obtaining professional advice from the relevant professional body or from legal advisors. The Member generally can obtain guidance on ethical issues without breaching the fundamental principle of confidentiality if the matter is discussed with the relevant professional body on an anonymous basis or with a legal advisor under the protection of legal privilege. Instances in which the Member may consider obtaining legal advice vary. For example, a Member may have encountered a fraud, the reporting of which could breach the Member's responsibility to respect confidentiality. The Member may consider obtaining legal advice in that instance to determine whether there is a requirement to report.	Generally consistent. However, more detail provided in relation to the potential breach of confidentiality.	
100.21	If, after exhausting all relevant possibilities, the ethical conflict remains unresolved, a Member should, where possible, refuse to remain associated with the matter creating the conflict. The Member may determine that, in the circumstances, it is appropriate to withdraw from	100.22	If, after exhausting all relevant possibilities, the ethical conflict remains unresolved, a Member shall, where possible, refuse to remain associated with the matter creating the conflict. The Member shall determine whether, in the circumstances, it is appropriate to	Consistent except for elevation to shall.	

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	the Engagement Team or specific assignment, or to resign altogether from the Engagement, the Firm or the employing organisation.		withdraw from the Engagement Team * or specific Assignment , or to resign altogether from the Engagement , the Firm or the employing organisation .		
Section 110 Integrity					
110.1	The principle of integrity imposes an obligation on all Members to be straightforward and honest in professional and business relationships. Integrity also implies fair dealing and truthfulness.	110.1	The principle of integrity imposes an obligation on all Members to be straightforward and honest in all professional and business relationships. Integrity also implies fair dealing and truthfulness.	Consistent.	
110.2	A Member should not be associated with reports, returns, communications or other information where they believe that the information: (a) Contains a materially false or misleading statement; (b) Contains statements or information furnished recklessly; or (c) Omits or obscures information required to be included where such omission or obscurity would be misleading.	110.2	A Member shall not knowingly be associated with reports, returns, communications or other information where the Member believes that the information: (a) Contains a materially false or misleading statement; (b) Contains statements or information furnished recklessly; or (c) Omits or obscures information required to be included where such omission or obscurity would be misleading. When a Member becomes aware that the accountant-Member has been associated with such information, the accountant-Member shall take steps to be disassociated from that information.	Consistent except for elevation to shall and the matter noted below. Inclusion of a mandatory requirement to take steps to disassociate from misleading information.	
110.3	A Member will not be considered to be in breach of paragraph 110.2 if the Member provides a modified report in respect of a matter contained in paragraph 110.2.	110.3	A Member will be deemed not to be in breach of paragraph 110.2 if the Member provides a modified report in respect of a matter contained in paragraph 110.2.	Consistent.	
Section 120 Objectivity					
120.1	The principle of objectivity imposes an obligation on all Members not to compromise their	120.1	The principle of objectivity imposes an obligation on all Members not to compromise their	Consistent.	

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	professional or business judgment because of bias, conflict of interest or the undue influence of others.		professional or business judgment because of bias, conflict of interest or the undue influence of others.		
120.2	A Member may be exposed to situations that may impair objectivity. It is impracticable to define and prescribe all such situations. Relationships that bias or unduly influence the professional judgment of the Member should be avoided.	120.2A 120.2B	A <u>Member</u> may be exposed to situations that may impair objectivity. It is impracticable to define and prescribe all such situations. A <u>Member</u> shall not perform a <u>Professional Service</u> if a circumstance or relationship biases or unduly influences the <u>Member's</u> professional judgment with respect to that service.	Generally consistent except for the elevation to shall.	
Section 130 Professional Competence and Due Care					
130.1	The principle of professional competence and due care imposes the following obligations on Members: (a) To maintain professional knowledge and skill at the level required to ensure that Clients or employers receive competent professional service; and (b) To act diligently in accordance with applicable technical and professional standards when providing their services.	130.1	The principle of professional competence and due care imposes the following obligations on all <u>Members</u> : (a) To maintain professional knowledge and skill at the level required to ensure that <u>Clients</u> or <u>Employers</u> receive competent <u>Professional Service</u> ; and (b) To act diligently in accordance with applicable technical and professional standards when providing <u>Professional</u> their <u>S</u> ervices.	Consistent.	
130.2	Competent professional service_ requires the exercise of sound judgment in applying professional knowledge and skill in the performance of such service. Professional competence may be divided into two separate phases: (a) Attainment of professional competence; and	130.2	Competent <u>Professional Service</u> requires the exercise of sound judgment in applying professional knowledge and skill in the performance of such service. Professional competence may be divided into two separate phases: (a) Attainment of professional competence; and	Consistent.	

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	(b) Maintenance of professional competence.		(b) Maintenance of professional competence.		
130.3	The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical professional and business developments. Continuing professional development develops and maintains the capabilities that enable a Member to perform competently within the professional environments.	130.3	The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical, professional and business developments. Continuing professional development enables a Member to develop and maintain the capabilities to perform competently within the professional environment.	Consistent.	
130.4	Diligence encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis.	130.4	Diligence encompasses the responsibility to act in accordance with the requirements of an Engagement or Assignment , carefully, thoroughly and on a timely basis.	Consistent.	
130.5	A Member should take steps to ensure that those working under the Member's authority in a professional capacity have appropriate training and supervision.	130.5	A Member shall take reasonable steps to ensure that those working under the Member's authority in a professional capacity have appropriate training and supervision.	Consistent except for elevation to shall.	
130.6	Where appropriate, a Member should make Clients, employers or other users of their services aware of limitations inherent in the services to avoid the misinterpretation of an expression of opinion as an assertion of fact.	130.6	Where appropriate, a Member shall make Clients, Employers or other users of their accountant's Professional services aware of the limitations inherent in the services.	Consistent except for elevation to shall and deletion of the explanation of why Members need to avoid the misinterpretation of an expression of opinion as an assertion of fact.	
Section 140 Confidentiality					
140.1	The principle of confidentiality imposes an obligation on Members to refrain from: (a) Disclosing outside the Firm or employing organisation confidential information acquired as a result of professional and business relationships without proper and specific authority from the Client or employer or unless there is a legal duty to disclose; and (b) Using confidential information acquired as a result of professional and business relationships to their personal advantage or the advantage of third parties.	140.1	The principle of confidentiality imposes an obligation on all Members to refrain from: (a) Disclosing outside the Firm or employing organisation confidential information acquired as a result of professional and business relationships without proper and specific authority from the Client or Employer or unless there is a legal or professional right or duty to disclose; and (b) Using confidential information acquired as a result of professional and business relationships to their personal advantage or the	No longer specifies that proper and specific authority be from the Client or employer.	

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			advantage of third parties.		
140.2	A Member should maintain confidentiality even in a social environment. The Member should be alert to the possibility of inadvertent disclosure, particularly in circumstances involving long association with a business associate or a Close or Immediate Family member.	140.2	A Member shall maintain confidentiality, including in a social environment, being alert to the possibility of inadvertent disclosure, particularly to a close business associate or a <u>Close or Immediate Family</u> member.	Consistent except for elevation to shall.	
140.3	A Member should also maintain confidentiality of information disclosed by a prospective Client or employer.	140.3	A Member shall maintain confidentiality of information disclosed by a prospective <u>Client</u> or <u>Employer</u>.	Consistent except for elevation to shall.	
140.4	A Member should also consider the need to maintain confidentiality of information within the Firm or employing organisation.	140.4	A Member shall maintain confidentiality of information within the <u>Firm</u> or employing <u>organisation</u>.	Consistent except for elevation to shall.	
140.5	A Member should take all reasonable steps to ensure that staff under the Member's control and persons from whom advice and assistance is obtained respect the Member's duty of confidentiality.	140.5	A Member shall take reasonable steps to ensure that staff under the <u>Member's</u> control and persons from whom advice and assistance is obtained respect the <u>Member's</u> duty of confidentiality.	Consistent except for elevation to shall.	
140.6	The need to comply with the principle of confidentiality continues even after the end of relationships between a Member and a Client or employer unless otherwise agreed. When a Member changes employment or acquires a new Client, the Member is entitled to use prior experience. The Member should not, however, use or disclose any confidential information either acquired or received as a result of a professional or business relationship.	140.6A 140.6B	The need to comply with the principle of confidentiality continues even after the end of relationships between a <u>Member</u> and a <u>Client</u> or <u>Employer unless otherwise agreed</u> . When a <u>Member</u> changes employment or acquires a new <u>Client</u> , the <u>Member</u> is entitled to use prior experience. The <u>Member</u> shall not, however, use or disclose any confidential information either acquired or received as a result of a professional or business relationship.	Consistent except for elevation to shall.	
140.7	The following are circumstances where Members are or may be required to disclose confidential information or when such disclosure may be appropriate: (a) Disclosure is authorised by the Client or the	140.7	The following are circumstances where <u>Members</u> are or may be required to disclose confidential information or when such disclosure may be appropriate: (a) Disclosure is <u>authorised</u> by the <u>Client</u> or the <u>Employer</u> ;	Consistent except for the inclusion of additional examples.	

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	<p>employer;</p> <p>(b) Disclosure is required or permitted by law; and</p> <p>(c) There is a professional duty or right to disclose, when not prohibited by law, and provided that the Client or employer consents:</p> <p>(i) To comply with the quality review of a member body or professional body;</p> <p>(ii) To respond to an inquiry or investigation by a member body or regulatory body;</p> <p>(iii) To protect the professional interests of a Member in legal proceedings; or</p> <p>(iv) To comply with technical standards and ethics requirements.</p>		<p>(b) Disclosure is required by law, and for example:</p> <p>(i) Production of documents or other provision of evidence in the course of legal proceedings; or</p> <p>(ii) Disclosure to the appropriate public authorities of infringements of the law that come to light; and</p> <p>(c) There is a professional duty or right to disclose, when not prohibited by law, <u>and provided that the Client or Employer consents:</u></p> <p>(i) To comply with the quality review of a member body or professional body;</p> <p>(ii) To respond to an inquiry or investigation by a member body or regulatory body;</p> <p>(iii) To protect the professional interests of a Member in legal proceedings; or</p> <p>(iv) To comply with technical standards and ethics requirements.</p>		
AUST140.7.1	Members considering disclosing confidential information of a Client or employer without their consent, on the basis that such disclosure is permitted by law, are advised to first obtain legal advice, and to also consider consulting their professional body.	AUST140.7.1	Members considering disclosing confidential information of a Client or <u>Employer</u> without their consent, on the basis that such disclosure is permitted by law, <u>shall consider are advised to first obtaining legal advice, and/or to also consider consulting with their Professional Body.</u>	<p>Carry forward to AUST 140.7.1</p> <p>CA- Retain paragraph but write in terms of "shall consider"</p> <p>CW - Agree with the comment.</p>	
140.8	<p>Where disclosure is not required by law, but the Member is permitted to disclose confidential information, Members should consider the following points:</p> <p>(a) Whether the interests of all parties, including third parties whose interests may be affected, could be harmed by the disclosure;</p> <p>(b) Whether all the relevant information is known and substantiated, to the extent it is practicable; when the situation involves unsubstantiated facts, incomplete information</p>	140.8	<p>In deciding whether <u>Where disclosure is not required by law, but the Member is permitted</u> to disclose confidential information, relevant factors to consider include:</p> <p>(a) Whether the interests of all parties, including third parties whose interests may be affected, could be harmed if the Client or employer consents to the disclosure of information by the disclosure Member;</p> <p>(b) Whether all the relevant information is known and substantiated, to the extent it is</p>	Generally consistent.	

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	<p>or unsubstantiated conclusions, professional judgment should be used in determining the type of disclosure to be made, if any; and</p> <p>(c) The type of communication that is expected and to whom it is addressed; in particular, Members should be satisfied that the parties to whom the communication is addressed are appropriate recipients.</p>		<p>practicable; when the situation involves unsubstantiated facts, incomplete information or unsubstantiated conclusions, professional judgment shall be used in determining the type of disclosure to be made, if any;</p> <p>(c) The type of communication that is expected and to whom it is addressed; and</p> <p>(d) Whether the parties to whom the communication is addressed are appropriate recipients.</p>		
Section 150 Professional Behaviour					
150.1	The principle of professional behaviour imposes an obligation on Members to comply with relevant laws and regulations and avoid any action or omission that may bring discredit to the profession. This includes actions or omissions which a reasonable and informed third party, having knowledge of all relevant information, would conclude negatively affects the good reputation of the profession.	150.1	The principle of professional behaviour imposes an obligation on all Members to comply with relevant laws and regulations and avoid any action or omission that the Member knows or should know may discredit the profession. This includes actions or omissions which that a reasonable and informed third party, weighing all the specific facts and circumstances available to the Member at that time, would be likely to conclude adversely affects the good reputation of the profession.	Consistent however requires the consideration of all facts and circumstances available. This is a change from the requirement to have knowledge of all relevant information.	
150.2	In marketing and promoting themselves and their work, Members should not bring the profession into disrepute. Members should be honest and truthful and should not: <p>(a) Make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained; or</p> <p>(b) Make disparaging references or unsubstantiated comparisons to the work of others.</p>	150.2	In marketing and promoting themselves and their work, Members shall not bring the profession into disrepute. Members shall be honest and truthful and not: <p>(a) Make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained; or</p> <p>(b) Make disparaging references or unsubstantiated comparisons to the work of others.</p>	Consistent except for elevation to shall.	

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**PART B: PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE (IFAC Heading)
MEMBERS IN PUBLIC PRACTICE (APES Heading)**

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
Section 200 Introduction					
200.1	This Part of the Code illustrates how the conceptual framework contained in Part A is to be applied by Members in Public Practice. The examples in the following sections are not intended to be, nor should they be interpreted as, an exhaustive list of all circumstances experienced by a Member in Public Practice that may create threats to compliance with the principles. Consequently, it is not sufficient for a Member in Public Practice merely to comply with the examples presented; rather, the framework should be applied to the particular circumstances faced.	200.1	This Part of the Code describes how the conceptual framework contained in Part A applies in certain situations to Members in Public Practice . This Part does not describe all of the circumstances and relationships that could be encountered by a Member in Public Practice that create or may create threats to compliance with the fundamental principles. Therefore, the Member in Public Practice is encouraged to be alert for such circumstances and relationships.	Generally consistent.	
200.2	A Member in Public Practice should not engage in any business, occupation or activity that impairs or might impair integrity, objectivity or the good reputation of the profession and as a result would be incompatible with the rendering of Professional Services.	200.2	A Member in Public Practice shall not knowingly engage in any business, occupation, or activity that impairs or might impair integrity, objectivity or the good reputation of the profession and as a result would be incompatible with the fundamental principles.	Consistent except for elevation to shall. Rendering of Professional Services deleted and replaced with fundamental principles.	
AUST200.2.1	The simultaneous engagement in another business, occupation or activity unrelated to the provision of Professional Services to Clients which has the effect of not allowing the accountant to properly conduct the practice in accordance with the fundamental principles of professional conduct is inconsistent and incompatible with the practice of	AUST200.2.1	The simultaneous engagement in another business, occupation or activity unrelated to the provision of Professional Services to Clients which has the effect of not allowing the Member in Public Practice accountant to properly conduct the practice in accordance with the fundamental principles of the Code and professional conduct is inconsistent and/or incompatible with the practice of public accountancy.	Carry forward to AUST200.2.1	

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	public accountancy.				
AUST200.2.2	<p>A business, occupation or activity is inconsistent and incompatible with the provision of Professional Services to Clients when it:</p> <p>(a) Creates or would create conflict of interest with existing Clients;</p> <p>(b) Impairs or would impair integrity, objectivity or independence in providing Professional Services to Clients;</p> <p>(c) Impairs or would impair to a material extent the ability to provide Professional Services to the general public;</p> <p>(d) Impairs or would impair the good reputation of the profession.</p>	AUST200.2.2	<p>A business, occupation or activity is inconsistent and incompatible with the provision of Professional Services to Clients when it:</p> <p>(a) Creates or would create conflict of interest with existing Clients;</p> <p>(b) Impairs or would impair integrity, objectivity or independence in providing Professional Services to Clients;</p> <p>(c) Impairs or would impair to a material extent the ability to provide Professional Services to the general public;</p> <p>(d) Impairs or would impair the good reputation of the profession.</p>	Carry forward to AUST200.2.2	
200.3	<p>Threats and Safeguards</p> <p>Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories:</p> <p>(a) Self-interest;</p> <p>(b) Self-review;</p> <p>(c) Advocacy;</p> <p>(d) Familiarity; and</p> <p>(e) Intimidation</p> <p>These threats are discussed further in Part A of the Code.</p> <p>The nature and significance of the threats may differ depending on whether they arise in relation to</p>	200.3	<p><i>Threats and Safeguards</i></p> <p>Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances and relationships. The nature and significance of the threats may differ depending on whether they arise in relation to the provision of services to an Audit Client and whether the audit Client is a Public Interest Entity, to an Assurance Client that is not an Audit Client, or to a non-Assurance Client.</p> <p>Threats fall into one or more of the following categories:</p> <p>(a) Self-interest;</p> <p>(b) Self-review;</p> <p>(c) Advocacy;</p>	Consistent, except for change in terminology relating to different types of Clients ranging from audit Clients to non audit Clients. However, the coverage is similar.	

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	the provision of services to a Financial Statement Audit Client, a non-financial statement audit Assurance Client or a non-Assurance Client.		(d) Familiarity; and (e) Intimidation. These threats are discussed further in Part A of this Code.		
200.4	<p>Examples of circumstances that may create self-interest threats for a Member in Public Practice include, but are not limited to:</p> <ul style="list-style-type: none"> • A Financial Interest in a Client. • Jointly holding a Financial Interest with a Client. • Undue dependence on total fees from a Client. • Having a close business relationship with a Client. • Concern about the possibility of losing a Client. • Potential employment with a Client. • Contingent Fees relating to an Assurance Engagement. • A loan to or from an Assurance Client or any of its Directors or Officers 	200.4	<p>Examples of circumstances that create self-interest threats for a Member in Public Practice include:</p> <ul style="list-style-type: none"> • A member of the Assurance Team having a Direct Financial Interest* in the Assurance Client. • A Firm having undue dependence on total fees from a Client. • A member of the Assurance Team having a significant close business relationship with an Assurance Client. • A Firm being concerned about the possibility of losing a significant Client. • A member of the Audit Team* entering into employment negotiations with the Audit Client. • A Firm entering into a Contingent Fee arrangement relating to an Assurance Engagement. • A Member discovering a significant error when evaluating the results of a previous Professional Service performed by a Member of the Member's Firm. 	Generally consistent except for the last issue which discusses an accountant discussing an error relating to previous work performed by the Firm. This is in the existing Code in paragraph 200.5	
200.5	<p>Examples of circumstances that may create self-review threats include, but are not limited to:</p> <ul style="list-style-type: none"> • The discovery of a significant error during a re-evaluation of the work of the Member in Public Practice. • Reporting on the operation of financial systems after being involved in their design or 	200.5	<p>Examples of circumstances that create self-review threats for a Member in Public Practice include:</p> <ul style="list-style-type: none"> • A Firm issuing an assurance report on the effectiveness of the operation of financial systems after designing or implementing the systems. • A Firm having prepared the original data 	Generally consistent, except for the matter noted above.	

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	<p>implementation.</p> <ul style="list-style-type: none"> • Having prepared the original data used to generate records that are the subject matter of the Engagement. • A member of the Assurance Team, being, or having recently been, a Director or Officer of that Client. • A member of the Assurance Team being, or having recently been, employed by the Client in a position to exert direct and significant influence over the subject matter of the Engagement. • Performing a service for a Client that directly affects the subject matter of the Assurance Engagement. 		<p>used to generate records that are the subject matter of the Assurance Engagement.</p> <ul style="list-style-type: none"> • A member of the Assurance Team being, or having recently been, a Director or Officer* of the Client. • A member of the Assurance Team being, or having recently been, employed by the Client in a position to exert significant influence over the subject matter of the Engagement. • The Firm performing a service for an Assurance Client that directly affects the subject matter information of the Assurance Engagement. 		
200.6	<p>Examples of circumstances that may create advocacy threats include, but are not limited to:</p> <ul style="list-style-type: none"> • Promoting shares in a Listed Entity when that entity is a Financial Statement Audit Client. • Acting as an advocate on behalf of an Assurance Client in litigation or disputes with third parties. 	200.6	<p>Examples of circumstances that create advocacy threats for a Member in Public Practice include:</p> <ul style="list-style-type: none"> • The Firm promoting shares in an Audit Client. • A Member acting as an advocate on behalf of an audit Client in litigation or disputes with third parties. 	<ul style="list-style-type: none"> - Listed entity now expanded to Audit Clients. - Assurance Client amended to Audit Client. 	
200.7	<p>Examples of circumstances that may create familiarity threats include, but are not limited to:</p> <ul style="list-style-type: none"> • A member of the Engagement Team having a Close or Immediate Family relationship with a Director or Officer of the Client. • A member of the Engagement Team having a Close or Immediate Family relationship with an employee of the Client who is in a position to exert direct and significant influence over the subject matter of the Engagement. • A former Partner of the Firm being a Director or Officer of the Client or an employee in a 	200.7	<p>Examples of circumstances that create familiarity threats for a Member in Public Practice include:</p> <ul style="list-style-type: none"> • A member of the Engagement Team having a Close or Immediate Family member who is a Director or Officer of the Client. • A member of the Engagement Team having a Close or Immediate Family member who is an employee of the Client who is in a position to exert significant influence over the subject matter of the Engagement. • A Director or Officer of the Client or an 	Generally consistent.	

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	<p>position to exert direct and significant influence over the subject matter of the Engagement.</p> <ul style="list-style-type: none"> Accepting gifts or preferential treatment from a Client, unless the value is Clearly Insignificant. Long association of senior personnel with the Assurance Client. 		<p>employee in a position to exert significant influence over the subject matter of the Engagement having recently served as the Engagement Partner.</p> <ul style="list-style-type: none"> A Member accepting gifts or preferential treatment from a Client, unless the value is trivial or inconsequential. Senior personnel having a long association with the Assurance Client. 	A former Partner of the Firm now limited to Engagement Partner.	
200.8	<p>Examples of circumstances that may create intimidation threats include, but are not limited to:</p> <ul style="list-style-type: none"> Being threatened with dismissal or replacement in relation to a Client Engagement. Being threatened with litigation. Being pressured to reduce inappropriately the extent of work performed in order to reduce fees. 	200.8	<p>Examples of circumstances that create intimidation threats for a Member in Public Practice include:</p> <ul style="list-style-type: none"> A Member being threatened with dismissal from a Client Engagement. An Audit Client indicating that it will not award a planned non-assurance contract to the Firm if the Firm continues to disagree with the Client's accounting treatment for a particular transaction. A Firm being threatened with litigation by the Client. A Firm being pressured to reduce inappropriately the extent of work performed in order to reduce fees. A Member feeling pressured to agree with the judgment of a Client employee because the employee has more expertise on the matter in question. A Member being informed by a Partner of the Firm that a planned promotion will not occur unless the Member accountant agrees with an Audit Client's inappropriate accounting treatment. 	<p>Consistent</p> <p>New paragraph.</p> <p>Consistent</p> <p>Consistent</p> <p>New paragraph.</p> <p>New paragraph.</p>	

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200.9	A Member in Public Practice may also find that specific circumstances give rise to unique threats to compliance with one or more of the fundamental principles. Such unique threats obviously cannot be categorised. In either professional or business relationships, a Member in Public Practice should always be on the alert for such circumstances and threats.		Refer paragraph 200.10	No value in carrying it forward? Now covered by paragraph 200.10	
200.10	Safeguards that may eliminate or reduce threats to an acceptable level fall into two broad categories: (a) Safeguards created by the profession, legislation or regulation; and (b) Safeguards in the work environment. Examples of safeguards created by the profession, legislation or regulation are described in paragraph 100.12 of the Code.	200.9	Safeguards that may eliminate or reduce threats to an <u>Acceptable Level</u> fall into two broad categories: (a) Safeguards created by the profession, legislation or regulation; and (b) Safeguards in the work environment. Examples of safeguards created by the profession, legislation or regulation are described in paragraph 100.14 of Part A of this Code.	Generally consistent.	
	Refer paragraph 200.9 and 200.11	200.10	A <u>Member in Public Practice</u> shall exercise judgment to determine how best to deal with threats that are not at an <u>Acceptable Level</u>, whether by applying safeguards to eliminate the threat or reduce it to an <u>Acceptable Level</u> or by terminating or declining the relevant <u>Engagement</u>. In exercising this judgment, a <u>Member in Public Practice</u> shall consider whether a reasonable and informed third party, weighing all the specific facts and circumstances available to the <u>Member</u> at that time, would be likely to conclude that the threats would be eliminated or reduced to an <u>Acceptable Level</u> by the application of safeguards, such that compliance with the fundamental principles is not compromised. This consideration will be affected by matters such as the significance of the threat, the	Similar to paragraph 200.9 and a portion of 200.11 of the existing Code and has been elevated to a mandatory requirement by the use of "shall".	

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			nature of the Engagement and the structure of the Firm .		
200.11	In the work environment, the relevant safeguards will vary depending on the circumstances. Work environment safeguards comprise Firm-wide safeguards and engagement-specific safeguards. A Member in Public Practice should exercise judgment to determine how to best deal with an identified threat. In exercising this judgment a Member in Public Practice should consider what a reasonable and informed third party, having knowledge of all relevant information, including the significance of the threat and the safeguards applied, would reasonably conclude to be acceptable. This consideration will be affected by matters such as the significance of the threat, the nature of the Engagement and the structure of the Firm.	200.11	In the work environment, the relevant safeguards will vary depending on the circumstances. Work environment safeguards comprise Firm -wide safeguards and Engagement -specific safeguards.	Consistent subject to comments above.	
200.12	Firm-wide safeguards in the work environment may include: <ul style="list-style-type: none"> • Leadership of the Firm that stresses the importance of compliance with the fundamental principles. • Leadership of the Firm that establishes the expectation that members of an assurance team will act in the public interest. • Policies and procedures to implement and monitor quality control of Engagements. • Documented policies regarding the identification of threats to compliance with the fundamental principles, the evaluation of the significance of these threats and the identification and the application of safeguards to eliminate or reduce the threats, other than those that are Clearly Insignificant, 	200.12	Examples of Firm -wide safeguards in the work environment include: <ul style="list-style-type: none"> • Leadership of the Firm that stresses the importance of compliance with the fundamental principles. • Leadership of the Firm that establishes the expectation that members of an Assurance Team will act in the public interest. • Policies and procedures to implement and monitor quality control of Engagements. • Documented policies regarding the need to identify threats to compliance with the fundamental principles, evaluate the significance of those threats, and apply safeguards to eliminate or reduce the threats to an Acceptable Level or, when appropriate safeguards are not available or cannot be applied, terminate or decline the relevant 	Except for the matters noted below generally consistent Amended to state that when safeguards are not available, to decline the Engagement.	

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	<p>to an acceptable level.</p> <ul style="list-style-type: none"> • For Firms that perform Assurance Engagements, documented Independence policies regarding the identification of threats to Independence, the evaluation of the significance of these threats and the evaluation and application of safeguards to eliminate or reduce the threats, other than those that are Clearly Insignificant, to an acceptable level. • Documented internal policies and procedures requiring compliance with the fundamental principles. • Policies and procedures that will enable the identification of interests or relationships between the Firm or members of Engagement Teams and Clients. • Policies and procedures to monitor and, if necessary, manage the reliance on revenue received from a single Client. • Using different Partners and Engagement Teams with separate reporting lines for the provision of non-assurance services to an Assurance Client. • Policies and procedures to prohibit individuals who are not members of an Engagement Team from inappropriately influencing the outcome of the Engagement. • Timely communication of a Firm's policies and procedures, including any changes to them, to all partners and professional staff, and appropriate training and education on such policies and procedures. • Designating a member of senior management to be responsible for overseeing the adequate functioning of the Firm's quality 		<p>Engagement.</p> <ul style="list-style-type: none"> • Documented internal policies and procedures requiring compliance with the fundamental principles. • Policies and procedures that will enable the identification of interests or relationships between the Firm or members of Engagement teams and Clients. • Policies and procedures to monitor and, if necessary, manage the reliance on revenue received from a single Client. • Using different partners and Engagement Teams with separate reporting lines for the provision of non-assurance services to an Assurance Client. • Policies and procedures to prohibit individuals who are not members of an Engagement Team from inappropriately influencing the outcome of the Engagement. • Timely communication of a Firm's policies and procedures, including any changes to them, to all Partners and professional staff, and appropriate training and education on such policies and procedures. • Designating a member of senior management to be responsible for overseeing the adequate functioning of the Firm's quality control system. • Advising Partners and professional staff of Assurance Clients and related entities from which Independence* is required. • A disciplinary mechanism to promote compliance with policies and procedures. • Published policies and procedures to encourage and empower staff to communicate to senior levels within the Firm 	<p>The 5th bullet point in the existing Code on the Firm's documented independence policies not carried forward.</p>	

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	<p>control system.</p> <ul style="list-style-type: none"> • Advising Partners and professional staff of those Assurance Clients and Related Entities from which they must be independent. • A disciplinary mechanism to promote compliance with policies and procedures. • Published policies and procedures to encourage and empower staff to communicate to senior levels within the Firm any issue relating to compliance with the fundamental principles that concerns them. 		<p>any issue relating to compliance with the fundamental principles that concerns them.</p>		
200.13	<p>Engagement-specific safeguards in the work environment may include:</p> <ul style="list-style-type: none"> • Involving an additional professional accountant to review the work done or otherwise advise as necessary. • Consulting an independent third party, such as a committee of independent Directors, a professional regulatory body or another professional accountant. • Discussing ethical issues with those charged with governance of the Client. • Disclosing to those charged with governance of the Client the nature of services provided and extent of fees charged. • Involving another Firm to perform or re-perform part of the Engagement. • Rotating senior assurance team personnel. 	200.13	<p>Examples of Engagement-specific safeguards in the work environment include:</p> <ul style="list-style-type: none"> • Having a Member who was not involved with the non-assurance service review the non-assurance work performed or otherwise advise as necessary. • Having a Member who was not a member of the Assurance Team review the assurance work performed or otherwise advise as necessary. • Consulting an independent third party, such as a committee of independent Directors, a professional regulatory body or another Member. • Discussing ethical issues with Those Charged with Governance of the Client. • Disclosing to Those Charged with Governance of the Client the nature of services provided and extent of fees charged. • Involving another Firm to perform or re-perform part of the Engagement. • Rotating senior assurance team personnel. 	<p>Generally consistent except for paragraph noted below.</p> <p>New paragraph.</p>	

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200.14	Depending on the nature of the Engagement, a Member in Public Practice may also be able to rely on safeguards that the Client has implemented. However it is not possible to rely solely on such safeguards to reduce threats to an acceptable level.	200.14	Depending on the nature of the Engagement , a Member in Public Practice may also be able to rely on safeguards that the Client has implemented. However it is not possible to rely solely on such safeguards to reduce threats to an Acceptable Level .	Consistent.	
200.15	Safeguards within the Client's systems and procedures may include: <ul style="list-style-type: none"> When a Client appoints a Firm in public practice to perform an Engagement, persons other than management ratify or approve the appointment. The Client has competent employees with experience and seniority to make managerial decisions. The Client has implemented internal procedures that ensure objective choices in commissioning non-Assurance Engagements. The Client has a corporate governance structure that provides appropriate oversight and communications regarding the Firm's services. 	200.15	Examples of safeguards within the Client's systems and procedures include: <ul style="list-style-type: none"> The Client requires persons other than management to ratify or approve the appointment of a Firm to perform an Engagement. The Client has competent employees with experience and seniority to make managerial decisions. The Client has implemented internal procedures that ensure objective choices in commissioning non-assurance Engagements. The Client has a corporate governance structure that provides appropriate oversight and communications regarding the Firm's services. 	Generally consistent.	
Section 210 Professional Appointment					
210.1	Client Acceptance Before accepting a new Client relationship, a Member in Public Practice should consider whether acceptance would create any threats to compliance	210.1	<i>Client Acceptance</i> Before accepting a new Client relationship, a Member in Public Practice shall determine whether acceptance would create any threats	Generally consistent except for elevation to shall.	

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	with the fundamental principles. Potential threats to integrity or professional behaviour may be created from, for example, questionable issues associated with the Client (its owners, management and activities).		to compliance with the fundamental principles. Potential threats to integrity or professional behaviour may be created from, for example, questionable issues associated with the Client (its owners, management or activities).		
210.2	Client issues that, if known, could threaten compliance with the fundamental principles include, for example, Client involvement in illegal activities (such as money laundering), dishonesty or questionable financial reporting practices.	210.2	Client issues that, if known, could threaten compliance with the fundamental principles include, for example, Client involvement in illegal activities (such as money laundering), dishonesty or questionable financial reporting practices.	Consistent.	
210.3	The significance of any threats should be evaluated. If identified threats are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level.	210.3A 210.3B	A Member in Public Practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate them or reduce them to an Acceptable Level. Examples of such safeguards include: <ul style="list-style-type: none"> • Obtaining knowledge and understanding of the Client, its owners, managers and those responsible for its governance and business activities; or • Securing the Client's commitment to improve corporate governance practices or internal controls. 	New Code's paragraph 210.3 is consistent with paragraphs 210.3 and 210.4 of the existing Code and now elevated to shall.	
210.4	Appropriate safeguards may include obtaining knowledge and understanding of the Client, its owners, managers and those responsible for its governance and business activities, or securing the Client's commitment to improve corporate governance practices or internal controls.			Included in New IFAC paragraph 210.3.	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
210.5	Where it is not possible to reduce the threats to an acceptable level, a Member in Public Practice should decline to enter into the Client relationship.	210.4	Where it is not possible to reduce the threats to an Acceptable Level , the Member in Public Practice shall decline to enter into the Client relationship.	Consistent except for elevation to shall.	
210.6	Acceptance decisions should be periodically reviewed for recurring Client Engagements.	210.5	It is recommended that a Member in Public Practice periodically review acceptance decisions for recurring Client Engagements .	Generally consistent.	
210.7	Engagement Acceptance A Member in Public Practice should agree to provide only those services that the Member in Public Practice is competent to perform. Before accepting a specific Client Engagement, a Member in Public Practice should consider whether acceptance would create any threats to compliance with the fundamental principles. For example, a self-interest threat to professional competence and due care is created if the Engagement Team does not possess, or cannot acquire, the competencies necessary to properly carry out the Engagement.	210.6A 210.6B 210.6C	<i>Engagement Acceptance</i> The fundamental principle of professional competence and due care imposes an obligation on a Member in Public Practice to provide only those services that the Member in Public Practice is competent to perform. Before accepting a specific Client Engagement, a Member in Public Practice shall determine whether acceptance would create any threats to compliance with the fundamental principles. For example, a self-interest threat to professional competence and due care is created if the Engagement Team does not possess, or cannot acquire, the competencies necessary to properly carry out the Engagement .	Generally consistent except for elevation to shall.	
210.8	A Member in Public Practice should evaluate the significance of identified threats and, if they are other than Clearly Insignificant, safeguards should be applied as necessary to eliminate them or reduce them to an acceptable level. Such safeguards may include:	210.7A	A Member in Public Practice shall evaluate the significance of threats and apply safeguards, when necessary, to eliminate them or reduce them to an Acceptable Level.	Generally consistent except for elevation to shall.	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<ul style="list-style-type: none"> Acquiring an appropriate understanding of the nature of the Client's business, the complexity of its operations, the specific requirements of the Engagement and the purpose, nature and scope of the work to be performed. Acquiring knowledge of relevant industries or subject matters. Possessing or obtaining experience with relevant regulatory or reporting requirements. Assigning sufficient staff with the necessary competencies. Using experts where necessary. Agreeing on a realistic time frame for the performance of the Engagement. Complying with quality control policies and procedures designed to provide reasonable assurance that specific Engagements are accepted only when they can be performed competently. 	210.7B	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> Acquiring an appropriate understanding of the nature of the Client's business, the complexity of its operations, the specific requirements of the Engagement and the purpose, nature and scope of the work to be performed. Acquiring knowledge of relevant industries or subject matters. Possessing or obtaining experience with relevant regulatory or reporting requirements. Assigning sufficient staff with the necessary competencies. Using experts where necessary. Agreeing on a realistic time frame for the performance of the Engagement. Complying with quality control policies and procedures designed to provide reasonable assurance that specific Engagements are accepted only when they can be performed competently. 		
210.9	When a Member in Public Practice intends to rely on the advice or work of an expert, the Member in Public Practice should evaluate whether such reliance is warranted. The Member in Public Practice should consider factors such as reputation, expertise, resources available and applicable professional and ethical standards. Such information may be gained from prior association with the expert or from consulting others.	<p>210.8A</p> <p>210.8B</p>	<p>When a Member in Public Practice intends to rely on the advice or work of an expert, the Member in Public Practice shall determine whether such reliance is warranted.</p> <p>Factors to consider include: reputation, expertise, resources available and applicable professional and ethical standards. Such information may be gained from prior association with the expert or from consulting others.</p>	Generally consistent except for elevation to shall.	
	<p>Changes in a Professional Appointment</p> <p>Note: Proposed Accountants refer to paragraphs 210.10, 210.11, 210.14, 210.15,</p>			Paragraph To be carried forward?	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	210.16, and 210.17 of the Code. Existing Accountants refer to paragraphs 210.12, 210.13, and 210.16, of the Code.				
210.10	A Member in Public Practice who is asked to replace another professional accountant in public practice (the proposed accountant), or who is considering tendering for an Engagement currently held by another professional accountant, should determine whether there are any reasons, professional or other, for not accepting the Engagement, such as circumstances that threaten compliance with the fundamental principles. For example, there may be a threat to professional competence and due care if a proposed accountant accepts the Engagement before knowing all the pertinent facts.	210.9A 210.9B	<i>Changes in a Professional Appointment</i> A Member in Public Practice who is asked to replace another Member in Public Practice, or who is considering tendering for an Engagement currently held by another Member in Public Practice, shall determine whether there are any reasons, professional or otherwise, for not accepting the Engagement, such as circumstances that create threats to compliance with the fundamental principles that cannot be eliminated or reduced to an Acceptable Level by the application of safeguards. For example, there may be a threat to professional competence and due care if a Member in Public Practice accepts the Engagement before knowing all the pertinent facts.	Consistent except for elevation to shall.	
210.11	The significance of the threats should be evaluated. This may require direct communication with the Existing Accountant to establish the facts and circumstances behind the proposed change so that the Member in Public Practice can decide whether it would be appropriate to accept the Engagement. For example, the apparent reasons for the change in appointment may not fully reflect the facts and may indicate disagreements with the Existing Accountant that may influence the decision as to whether to accept the appointment.	210.10A 210.10B	A Member in Public Practice shall evaluate the significance of any threats. Depending on the nature of the Engagement, This may require direct communication with the Existing Accountant to establish the facts and circumstances regarding the proposed change so that the Member in Public Practice can decide whether it would be appropriate to accept the Engagement. For example, the apparent reasons for the change in appointment may not fully reflect the facts and may indicate disagreements with the Existing Accountant that may influence the decision to accept the appointment.	Generally consistent except for elevation to shall.	
210.15	Such safeguards may include:	210.11A	Safeguards shall be applied when necessary to eliminate any threats or reduce them to an	Refer comments at existing APES 110 paragraph 210.15. Also	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	(b) On receipt of permission, request in writing of the existing auditor last appointed all information which ought to be made available to the proposed accountant to enable a decision to be made as to whether the Audit Engagement or the nomination be accepted.		accountant Member in Public Practice should shall , in the absence of exceptional circumstances, decline the Audit Engagement or the nomination. (b) On receipt of permission, request in writing of the existing auditor last appointed all information which ought to be made available to the proposed Member in Public Practice accountant to enable a decision to be made as to whether the Audit Engagement or the nomination be accepted.		
210.18	<i>A Member in Public Practice may be asked to undertake work that is complementary or additional to the work of the Existing Accountant. Such circumstances may give rise to potential threats to professional competence and due care resulting from, for example, a lack of or incomplete information. Safeguards against such threats include notifying the Existing Accountant of the proposed work, which would give the Existing Accountant the opportunity to provide any relevant information needed for the proper conduct of the work.</i>	210.12A 210.12B 210.12C	A Member in Public Practice may be asked to undertake work that is complementary or additional to the work of the Existing Accountant . Such circumstances may create threats to professional competence and due care resulting from, for example, a lack of or incomplete information. The significance of any threats shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an Acceptable Level. An example of such a safeguard is notifying the Existing Accountant of the proposed work, which would give the Existing Accountant the opportunity to provide any relevant information needed for the proper conduct of the work.	Consistent with existing APES 110 paragraph 210.18. -Elevation to shall.	
210.12	An Existing Accountant is bound by confidentiality. The extent to which the Existing Accountant can and should discuss the affairs of a Client with a proposed accountant will depend on: (a) Whether the Client's permission to do so has been obtained; or	210.13	An Existing Accountant is bound by confidentiality. Whether that Member is permitted or required to discuss the affairs of a Client with a proposed accountant will depend on the nature of the Engagement and on: (a) Whether the Client's permission to do so has	Broadly consistent with a cross reference to Section 140 which was previously included in paragraph 210.13 of the existing Code.	

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Comment [c2]: By whom? Need to include Member.

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	(b) The legal or ethical requirements relating to such communications and disclosure, which may vary by jurisdiction.		been obtained; or (b) The legal or ethical requirements relating to such communications and disclosure, which may vary by jurisdiction. Circumstances where the Member is or may be required to disclose confidential information or where such disclosure may otherwise be appropriate are set out in Section 140 of Part A of this Code.		
210.13	In the absence of specific instructions by the Client, an Existing Accountant should not ordinarily volunteer information about the Client's affairs. Circumstances where it may be appropriate to disclose confidential information are set out in Section 140 of the Code.			Paragraph deleted but elements of it included in new Code's paragraph 210.13.	
210.14	If identified threats are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level.			Paragraph deleted.	
210.15	Such safeguards may include: <ul style="list-style-type: none"> • Discussing the Client's affairs fully and freely with the Existing Accountant; • Asking the Existing Accountant to provide known information on any facts or circumstances, that, in the Existing Accountant's opinion, the proposed accountant should be aware of before deciding whether to accept the Engagement; • When replying to requests to submit tenders, stating in the tender that, before accepting the Engagement, contact with the Existing Accountant will be requested 	210.11	<i>Safeguards shall be applied when necessary to eliminate any threats or reduce them to an Acceptable Level. Examples of such safeguards include:</i> <ul style="list-style-type: none"> • <i>When replying to requests to submit tenders, stating in the tender that, before accepting the Engagement, contact with the existing accountant will be requested so that inquiries may be made as to whether there are any professional or other reasons why the appointment should not be accepted;</i> • <i>Asking the existing accountant to provide known information on any facts or circumstances that, in the existing</i> 	Refer new IFAC paragraph 210.11. First bullet point deleted. Remaining items consistent. Additional point included regarding obtaining necessary information from other sources. IFAC new Code paragraph depicted is prior to changes made in accordance with APESB drafting conventions.	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	so that inquiries may be made as to whether there are any professional or other reasons why the appointment should not be accepted.		<p><i>accountant's opinion, the proposed accountant needs to be aware of before deciding whether to accept the Engagement; or</i></p> <ul style="list-style-type: none"> • <i>Obtaining necessary information from other sources.</i> <p><i>When the threats cannot be eliminated or reduced to an Acceptable Level through the application of safeguards, a Member in Public Practice shall, unless there is satisfaction as to necessary facts by other means, decline the Engagement.</i></p>		
210.16	Where the Existing Accountant provides information, it should be provided honestly and unambiguously. If the proposed accountant is unable to communicate with the Existing Accountant, the proposed accountant should try to obtain information about any possible threats by other means such as through inquiries of third parties or background investigations on senior management or those charged with governance of the Client.	<p>210.14A</p> <p>210.14B</p> <p>210.14C</p>	<p>A Member in Public Practice will generally need to obtain the Client's permission, preferably in writing, to initiate discussion with an</p> <p>Once that permission is obtained, the shall comply with relevant legal and other regulations governing such requests. Where the Existing Accountant provides information, it shall be provided honestly and unambiguously.</p> <p>If the proposed accountant is unable to communicate with the Existing Accountant, the proposed accountant shall take reasonable steps to obtain information about any possible threats by other means, such as through inquiries of third parties or background investigations of senior management or Those Charged with Governance of the Client.</p>	Generally consistent except for elevation to shall. Additional background commentary provided in relation to obtaining Client's permission.	
210.17	Where the threats cannot be eliminated or reduced to an acceptable level through the application of safeguards, a proposed accountant should, unless there is satisfaction as to necessary facts by other			Included in new IFAC paragraph 210.11 – consistent.	

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	means, decline the Engagement.				
210.18	A Member in Public Practice may be asked to undertake work that is complementary or additional to the work of the Existing Accountant. Such circumstances may give rise to potential threats to professional competence and due care resulting from, for example, a lack of or incomplete information. Safeguards against such threats include notifying the Existing Accountant of the proposed work, which would give the Existing Accountant the opportunity to provide any relevant information needed for the proper conduct of the work.	210.12	<i>A Member in Public Practice may be asked to undertake work that is complementary or additional to the work of the existing accountant. Such circumstances may create threats to professional competence and due care resulting from, for example, a lack of or incomplete information. The significance of any threats shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an Acceptable Level. An example of such a safeguard is notifying the existing accountant of the proposed work, which would give the existing accountant the opportunity to provide any relevant information needed for the proper conduct of the work.</i>	Generally consistent with new IFAC paragraph 210.12.	
AUST210.18.1	The wishes of the Client must be paramount in the choice of professional advisers, whether or not special skills are involved. Accordingly a Member in Public Practice must not attempt to restrict in any way the Client's freedom of choice in obtaining special advice and, when appropriate, must encourage the Client to do so.	AUST210.18.1A AUST210.18.1B	The wishes of the Client must be paramount in the choice of professional advisers, whether or not special skills are involved. Accordingly a Member in Public Practice shall not attempt to restrict in any way the Client's freedom of choice in obtaining special advice and, when appropriate, shall must encourage the Client to do so.	Carry forward to AUST210.18.1. Change terminology to shall.	
Section 220 Conflicts of Interest					
220.1	A Member in Public Practice should take reasonable steps to identify circumstances that could pose a conflict of interest. Such circumstances may give rise to threats to compliance with the fundamental principles. For example, a threat to objectivity may be created when a Member in Public Practice competes directly with a Client or has a joint venture or similar arrangement with a major competitor of a	220.1A 220.1B	A Member in Public Practice shall take reasonable steps to identify circumstances that could pose a conflict of interest. Such circumstances may create threats to compliance with the fundamental principles. For example, a threat to objectivity may be created when a Member in Public Practice competes directly with a Client or has a joint	Generally consistent except for elevation to shall.	

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	Client. A threat to objectivity or confidentiality may also be created when a Member in Public Practice performs services for Clients whose interests are in conflict or the Clients are in dispute with each other in relation to the matter or transaction in question.		venture or similar arrangement with a major competitor of a Client . A threat to objectivity or confidentiality may also be created when a Member in Public Practice performs services for Clients whose interests are in conflict or the Clients are in dispute with each other in relation to the matter or transaction in question.		
220.2	A Member in Public Practice should evaluate the significance of any threats. Evaluation includes considering, before accepting or continuing a Client relationship or specific Engagement, whether the Member in Public Practice has any business interests, or relationships with the Client or a third party that could give rise to threats. If threats are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level.	220.2	A Member in Public Practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate the threats or reduce them to an Acceptable Level. Before accepting or continuing a Client relationship or specific Engagement, the Member in Public Practice shall evaluate the significance of any threats created by business interests or relationships with the Client or a third party.	Generally consistent except for elevation to shall.	
220.3	Depending upon the circumstances giving rise to the conflict, safeguards should ordinarily include the Member in Public Practice: (a) Notifying the Client of the Firm's business interest or activities that may represent a conflict of interest, and obtaining their consent to act in such circumstances; or (b) Notifying all known relevant parties that the Member in Public Practice is acting for two or more parties in respect of a matter where their respective interests are in conflict, and obtaining their consent to so act; or (c) Notifying the Client that the Member in Public Practice does not act exclusively for any one Client in the provision of proposed services (for example, in a particular	220.3	Depending upon the circumstances giving rise to the conflict, application of one of the following safeguards is generally necessary: (a) Notifying the Client of the Firm 's business interest or activities that may represent a conflict of interest and obtaining their consent to act in such circumstances; or (b) Notifying all known relevant parties that the Member in Public Practice is acting for two or more parties in respect of a matter where their respective interests are in conflict and obtaining their consent to so act; or (c) Notifying the Client that the Member in Public Practice does not act exclusively for any one Client in the provision of proposed services (for example, in a particular market sector or with respect to a specific service) and	Consistent	

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	market sector or with respect to a specific service) and obtaining their consent to so act.		obtaining their consent to so act.		
220.4	<p>Where a Firm becomes aware of a possible conflict between the interests of two or more Clients, all reasonable steps should be taken to manage the conflict and thereby avoid any adverse consequences. These steps should include the following safeguards, except where they are inappropriate:</p> <p>(a) The use of separate Engagement Teams; and</p> <p>(b) Procedures to prevent access to information (e.g., strict physical separation of such teams, confidential and secure data filing); and</p> <p>(c) Clear guidelines for members of the Engagement Team on issues of security and confidentiality; and</p> <p>(d) The use of confidentiality agreements signed by employees and Partners of the Firm; and</p> <p>(e) Regular review of the application of safeguards by a senior individual not involved with relevant Client Engagements.</p>	<p>220.4A</p> <p>220.4B</p>	<p><u>Where a Firm becomes aware of a possible conflict between the interests of two or more Clients, all reasonable steps should be taken to manage the conflict and thereby avoid any adverse consequences.</u></p> <p>The Member in Public Practice shall also determine whether to apply one or more of the following additional safeguards:</p> <p>(a) The use of separate <u>Engagement Teams</u>;</p> <p>(b) Procedures to prevent access to information (e.g., strict physical separation of such teams, confidential and secure data filing);</p> <p>c) Clear guidelines for members of the <u>Engagement Team</u> on issues of security and confidentiality;</p> <p>(d) The use of confidentiality agreements signed by employees and partners of the <u>Firm</u>; and</p> <p>(e) Regular review of the application of safeguards by a senior individual not involved with relevant <u>Client Engagements</u>.</p>	Generally consistent except for elevation to shall.	
220.5	Where a conflict of interest poses a threat to one or more of the fundamental principles, including objectivity, confidentiality or professional behaviour, that cannot be eliminated or reduced to	220.5	Where a conflict of interest creates a threat to one or more of the fundamental principles, including objectivity, confidentiality, or professional behaviour, that cannot be	Generally consistent except for elevation to shall.	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	an acceptable level through the application of safeguards, the Member in Public Practice should conclude that it is not appropriate to accept a specific Engagement or that resignation from one or more conflicting Engagements is required.		eliminated or reduced to an Acceptable Level through the application of safeguards, the Member in Public Practice shall not accept a specific Engagement or shall resign from one or more conflicting Engagements .		
220.6	Where a Member in Public Practice has requested consent from a Client to act for another party (which may or may not be an existing Client) in respect of a matter where the respective interests are in conflict and that consent has been refused by the Client, then they must not continue to act for one of the parties in the matter giving rise to the conflict of interest.	220.6	Where a Member in Public Practice has requested consent from a Client to act for another party (which may or may not be an existing Client) in respect of a matter where the respective interests are in conflict and that consent has been refused by the Client , the Member in Public Practice shall not continue to act for one of the parties in the matter giving rise to the conflict of interest.	Generally consistent except for change in terminology to shall.	
Section 230 Second Opinions					
230.1	Situations where a Member in Public Practice is asked to provide a second opinion on proposed accounting presentations or interpretations of Accounting Standards or application of Auditing Standards or other standards or principles to specific circumstances or transactions by or on behalf of a company or an entity that is not an existing Client may give rise to threats to compliance with the fundamental principles. For example, there may be a threat to professional competence and due care in circumstances where the second opinion is not based on the same set of facts that were made available to the Existing Accountant, or is based on inadequate evidence. The significance of the threat will depend on the circumstances of the request and all the other available facts and assumptions relevant to the expression of a professional judgment.	230.1	Situations where a Member in Public Practice is asked to provide a second opinion on the proposed accounting presentations or interpretations of accounting standards or application of accounting, auditing standards, reporting or other standards or principles to specific circumstances or transactions by or on behalf of a company or an entity that is not an existing Client may create threats to compliance with the fundamental principles. For example, there may be a threat to professional competence and due care in circumstances where the second opinion is not based on the same set of facts that were made available to the Existing Accountant or is based on inadequate evidence. The existence and significance of any threat will depend on the circumstances of the request and all the other available facts and assumptions relevant to the expression of a professional judgment.	Generally consistent.	

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230.2	When asked to provide such an opinion, a Member in Public Practice should evaluate the significance of the threats and, if they are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level. Such safeguards include seeking Client permission to contact the Existing Accountant, describing the limitations surrounding any opinion in communications with the Client and providing the Existing Accountant with a copy of the opinion.	<u>230.2A</u> <u>230.2B</u>	When asked to provide such an opinion, a Member in Public Practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate them or reduce them to an Acceptable Level. Examples of such safeguards include seeking Client permission to contact the Existing Accountant, describing the limitations surrounding any opinion in communications with the Client and providing the Existing Accountant with a copy of the opinion.	Generally consistent except for elevation to shall.	
230.3	If the company or entity seeking the opinion will not permit communication with the Existing Accountant, a Member in Public Practice should consider whether, taking all the circumstances into account, it is appropriate to provide the opinion sought.	<u>230.3</u>	If the company or entity seeking the opinion will not permit communication with the Existing Accountant, a Member in Public Practice shall determine whether, taking all the circumstances into account, it is appropriate to provide the opinion sought.	Consistent except for elevation to shall.	
Section 240 Fees and Other Types of Remuneration					
240.1	When entering into negotiations regarding their services, a Member in Public Practice may quote whatever fee is deemed to be appropriate. The fact that one Member in Public Practice may quote a fee lower than another is not in itself unethical. Nevertheless, there may be threats to compliance with the fundamental principles arising from the level of fees quoted. For example, a self interest threat to professional competence and due care is created if the fee quoted is so low that it may be difficult to perform the Engagement in accordance with applicable technical and professional standards for that price.	240.1	When entering into negotiations regarding Professional Services, a Member in Public Practice may quote whatever fee is deemed appropriate. The fact that one Member in Public Practice may quote a fee lower than another is not in itself unethical. Nevertheless, there may be threats to compliance with the fundamental principles arising from the level of fees quoted. For example, a self-interest threat to professional competence and due care is created if the fee quoted is so low that it may be difficult to perform the Engagement in accordance with applicable technical and professional standards for that price.	Generally consistent.	
240.2	The significance of such threats will depend on factors such as the level of fee quoted and the services to which it applies. In view of these potential threats, safeguards should be considered	<u>240.2A</u>	The existence and significance of any threats created will depend on factors such as the level of fee quoted and the services to which it applies.	Consistent except for elevation to shall.	

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	<p>and applied as necessary to eliminate them or reduce them to an acceptable level. Safeguards which may be adopted include:</p> <ul style="list-style-type: none"> • Making the Client aware of the terms of the Engagement and, in particular, the basis on which fees are charged and which services are covered by the quoted fee. • Assigning appropriate time and qualified staff to the task. 	<p>240.2B</p> <p>240.2C</p>	<p>The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an <u>Acceptable Level</u>.</p> <p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Making the <u>Client</u> aware of the terms of the <u>Engagement</u> and, in particular, the basis on which fees are charged and which services are covered by the quoted fee. • Assigning appropriate time and qualified staff to the task. 		
240.3	<p>Contingent Fees</p> <p>Contingent Fees are widely used for certain types of non-Assurance Engagements¹. They may, however, give rise to threats to compliance with the fundamental principles in certain circumstances. They may give rise to a self-interest threat to objectivity. The significance of such threats will depend on factors including:</p> <ul style="list-style-type: none"> • The nature of the Engagement. • The range of possible fee amounts. • The basis for determining the fee. • Whether the outcome or result of the transaction is to be reviewed by an independent third party. 	240.3	<p>Contingent <u>Fees</u> are widely used for certain types of non-<u>Assurance Engagements</u>.² They may, however, create threats to compliance with the fundamental principles in certain circumstances. They may create a self-interest threat to objectivity. The existence and significance of such threats will depend on factors including:</p> <ul style="list-style-type: none"> • The nature of the <u>Engagement</u>. • The range of possible fee amounts. • The basis for determining the fee. • Whether the outcome or result of the transaction is to be reviewed by an independent third party. 	Generally consistent.	
240.4	<p>The significance of such threats should be evaluated and, if they are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate or reduce them to an acceptable level. Such safeguards may</p>	240.4A	<p>The significance of any such threats shall be evaluated and safeguards applied when necessary to eliminate or reduce them to an <u>Acceptable Level</u>.</p>	Generally consistent except for elevation to shall. Deletion of the term clearly insignificant. In the last bullet point objective third party	

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¹ Contingent Fees for non-assurance services provided to Assurance Clients are discussed in paragraphs 290.210 to AUST290.212.1 of the Code.
² Contingent fees for non-assurance services provided to [Audit Clients](#) and other [Assurance Clients](#) are discussed in Sections 290 and 291 of this part of the Code.

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>include:</p> <ul style="list-style-type: none"> • An advance written agreement with the Client as to the basis of remuneration. • Disclosure to intended users of the work performed by the Member in Public Practice and the basis of remuneration. • Quality control policies and procedures. • Review by an objective third party of the work performed by the Member in Public Practice 	<p>240.4B</p>	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> • An advance written agreement with the Client as to the basis of remuneration. • Disclosure to intended users of the work performed by the Member in Public Practice and the basis of remuneration. • Quality control policies and procedures. • Review by an independent third party of the work performed by the Member in Public Practice. 	<p>changed to independent third party.</p>	
<p>240.5</p>	<p>Referral fees and commissions</p> <p>A Member in Public Practice may receive a referral fee or commission relating to a Client. For example, where the Member in Public Practice does not provide the specific service required, a fee may be received for referring a continuing Client to another Member in Public Practice or other expert. A Member in Public Practice may receive a commission from a third party (e.g., a software vendor, financial advisor) in connection with the sale of goods or services to a Client. Accepting such a referral fee or commission may give rise to self-interest threats to objectivity and professional competence and due care.</p>	<p>240.5</p>	<p>In certain circumstances, a Member in Public Practice may receive a referral fee or commission relating to a Client. For example, where the Member in Public Practice does not provide the specific service required, a fee may be received for referring a continuing Client to another Member in Public Practice or other expert. A Member in Public Practice may receive a commission from a third party (e.g., a software vendor) in connection with the sale of goods or services to a Client. Accepting such a referral fee or commission creates a self-interest threat to objectivity and professional competence and due care.</p>	<p>Consistent.</p>	
<p>240.6</p>	<p>A Member in Public Practice may also pay a referral fee to obtain a Client, for example, where the Client continues as a Client of another Member in Public Practice but requires specialist services not offered by the Existing Accountant. The payment of such a referral fee may also create a self-interest threat to objectivity and professional</p>	<p>240.6</p>	<p>A Member in Public Practice may also pay a referral fee to obtain a Client, for example, where the Client continues as a Client of another Member in Public Practice but requires specialist services not offered by the Existing Accountant. The payment of such a referral fee also creates a self-interest threat to objectivity and professional</p>	<p>Consistent.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	competence and due care.		competence and due care.		
240.7	<p>A Member in Public Practice should not pay or receive a referral fee or commission, unless the Member in Public Practice has established safeguards to eliminate the threats or reduce them to an acceptable level. The safeguards required to reduce the threat to an acceptable level are to inform the Client in writing of:</p> <ul style="list-style-type: none"> the existence of such arrangement; the identity of the other party or parties; and the method of calculation of the agency fee, commission or other benefit occurring directly or indirectly to the member. 	<p>240.7A</p> <p>240.7B</p>	<p>The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an Acceptable Level.</p> <p>Examples of such. The safeguards required to reduce the threat to an Acceptable Level are to inform the Client in writing of include:</p> <ul style="list-style-type: none"> Disclosing to the Client any arrangements to pay a referral fee to another Member for the work referred. Disclosing to the Client any arrangements to receive a referral fee for referring the Client to another Member in Public Practice. Obtaining advance agreement from the Client for commission arrangements in connection with the sale by a third party of goods or services to the Client. the existence of such an arrangement; the identity of the other party or parties; and the method of calculation of the agency fee, commission or other benefit occurring directly or indirectly to the Member. 	<p>The existing Code lists specific safeguards required. In contrast, the new IFAC paragraph provides examples of safeguards that can be applied.</p>	
240.8	A Member in Public Practice may purchase all or part of another Firm on the basis that payments will be made to individuals formerly owning the Firm or to their heirs or estates. Such payments are not regarded as commissions or referral fees for the	240.8	A Member in Public Practice may purchase all or part of another Firm on the basis that payments will be made to individuals formerly owning the Firm or to their heirs or estates. Such payments are not regarded as commissions or referral fees	Consistent.	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	purpose of Sections 240.5 – 240.7 of the Code.		for the purpose of paragraphs 240.5-240.7- the Code above.		
Section 250 Marketing Professional Services					
250.1	When a Member in Public Practice solicits new work through Advertising or other forms of marketing, there may be potential threats to compliance with the fundamental principles. For example, a self-interest threat to compliance with the principle of professional behaviour is created if services, achievements or products are marketed in a way that is inconsistent with that principle.	250.1	When a <u>Member in Public Practice</u> solicits new work through <u>Advertising*</u> , or other forms of marketing, there may be a threat to compliance with the fundamental principles. For example, a self-interest threat to compliance with the principle of professional behaviour is created if services, achievements, or products are marketed in a way that is inconsistent with that principle.	Consistent.	
250.2	<p>A Member in Public Practice should not bring the profession into disrepute when marketing their services.</p> <p>The Member in Public Practice should be honest and truthful and should not:</p> <ul style="list-style-type: none"> • Make exaggerated claims for services offered, qualifications possessed or experience gained; or • Make disparaging references to unsubstantiated comparisons to the work of another. • Falsely advertise or mislead potential Clients. 	250.2	<p>A <u>Member in Public Practice</u> shall not bring the profession into disrepute when marketing Professional Services. The <u>Member in Public Practice</u> shall be honest and truthful and not:</p> <ul style="list-style-type: none"> • Make exaggerated claims for services offered, qualifications possessed, or experience gained; or • Make disparaging references or unsubstantiated comparisons to the work of another. • If the <u>Member in Public Practice</u> is in doubt about whether a proposed form of advertising or marketing is appropriate, the <u>Member in Public Practice</u> shall consider consulting with the relevant professional body; • <u>Falsely advertise or mislead potential Clients.</u> 	<p>Consistent except for:</p> <ul style="list-style-type: none"> • elevation to shall • deletion of third bullet point • addition of requirement to consult the relevant professional body when in doubt. 	
Section 260 Gifts and Hospitality					
260.1	A Member in Public Practice, or an Immediate or	260.1	A <u>Member in Public Practice</u> , or an <u>Immediate</u> or	Consistent.	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	Close Family member, may be offered gifts and hospitality from a Client. Such an offer ordinarily gives rise to threats to compliance with the fundamental principles. For example, self-interest threats to objectivity may be created if a gift from a Client is accepted; intimidation threats to objectivity may result from the possibility of such offers being made public.		<u>Close Family</u> member, may be offered gifts and hospitality from a Client. Such an offer may create threats to compliance with the fundamental principles. For example, a self-interest or familiarity threat to objectivity may be created if a gift from a Client is accepted; an intimidation threat to objectivity may result from the possibility of such offers being made public.		
260.2	The significance of such threats will depend on the nature, value and intent behind the offer. Where gifts or hospitality which a reasonable and informed third party, having knowledge of all relevant information, would consider Clearly Insignificant are made a Member in Public Practice may conclude that the offer is made in the normal course of business without the specific intent to influence decision making or to obtain information. In such cases, the Member in Public Practice may generally conclude that there is no significant threat to compliance with the fundamental principles.	260.2	The existence and significance of any threat will depend on the nature, value, and intent of the offer. Where gifts or hospitality are offered that a reasonable and informed third party, weighing all the specific facts and circumstances, would consider trivial and inconsequential, a Member in Public Practice may conclude that the offer is made in the normal course of business without the specific intent to influence decision making or to obtain information. In such cases, the Member in Public Practice may generally conclude that any threat to compliance with the fundamental principles is at an <u>Acceptable Level</u> .	Generally consistent.	
260.3	If evaluated threats are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level. When the threats cannot be eliminated or reduced to an acceptable level through the application of safeguards, a Member in Public Practice should not accept such an offer.	260.3	A Member in Public Practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate the threats or reduce them to an <u>Acceptable Level</u>. When the threats cannot be eliminated or reduced to an <u>Acceptable Level</u> through the application of safeguards, a Member in Public Practice shall not accept such an offer.	Consistent except for elevation to shall.	
Section 270 Custody of Client Assets					
270.1	A Member in Public Practice should not assume custody of Client monies or other assets unless permitted to do so by law and, if so, in compliance with any additional legal duties imposed on a Member in Public Practice holding such assets.	<u>270.1</u>	A Member in Public Practice shall not assume custody of Client monies or other assets unless permitted to do so by law and, if so, in compliance with any additional legal duties imposed on a Member in Public Practice holding such assets.	Consistent except for elevation to shall.	

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270.2	The holding of Client assets creates threats to compliance with the fundamental principles; for example, there is a self-interest threat to professional behaviour and may be a self interest threat to objectivity arising from holding Client assets. To safeguard against such threats, a Member in Public Practice entrusted with money (or other assets) belonging to others should: (a) Keep such assets separately from personal or firm assets; (b) Use such assets only for the purpose for which they are intended; (c) At all times, be ready to account for those assets, and any income, dividends or gains generated, to any persons entitled to such accounting; and (d) Comply with all relevant laws and regulations relevant to the holding of and accounting for such assets.	270.2A 270.2B	The holding of <u>Client</u> assets creates threats to compliance with the fundamental principles; for example, there is a self-interest threat to professional behaviour and may be a self interest threat to objectivity arising from holding <u>Client</u> assets. A Member in Public Practice entrusted with money (or other assets) belonging to others shall therefore: (a) Keep such assets separately from personal or <u>Firm</u> assets; (b) Use such assets only for the purpose for which they are intended; (c) At all times be ready to account for those assets and any income, dividends, or gains generated, to any persons entitled to such accounting; and (d) Comply with all relevant laws and regulations relevant to the holding of and accounting for such assets.	Consistent except for elevation to shall.	
270.3	In addition, Members in Public Practice should be aware of threats to compliance with the fundamental principles through association with such assets, for example, if the assets were found to derive from illegal activities, such as money laundering. As part of Client and Engagement acceptance procedures for such services, Members in Public Practice should make appropriate inquiries about the source of such assets and should consider their legal and regulatory obligations. They may also consider seeking legal advice.	270.3A 270.3B	As part of Client and <u>Engagement</u> acceptance procedures for services that may involve the holding of <u>Client</u> assets, a <u>Member in Public Practice</u> shall make appropriate inquiries about the source of such assets and consider legal and regulatory obligations. For example, if the assets were derived from illegal activities, such as money laundering, a threat to compliance with the fundamental principles would be created. In such situations, the <u>Member</u> may consider seeking legal advice.	Generally consistent except for elevation to shall.	
Section 280 Objectivity – All Services					
280.1	A Member in Public Practice should consider when providing any Professional Service whether there	280.1A	A <u>Member in Public Practice</u> shall determine when providing any <u>Professional Service</u>	Generally consistent except for elevation to shall.	

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	are threats to compliance with the fundamental principle of objectivity resulting from having interests in, or relationships with, a Client or Directors, Officers or employees. For example, a familiarity threat to objectivity may be created from a family or close personal or business relationship, or where a person in a Firm has a mutual business interest with an Officer or employee of a Client or has an interest in a joint venture with a Client.	280.2B	whether there are threats to compliance with the fundamental principle of objectivity resulting from having interests in, or relationships with, a Client or its Directors, Officers or employees. For example, a familiarity threat to objectivity may be created from a family or close personal or business relationship.		
280.2	Section 290 provides specific guidance on independence requirements for Members in Public Practice when performing an Assurance Engagement.	280.2	A Member in Public Practice who provides an assurance service shall be independent of the assurance Client. Independence of mind and in appearance is necessary to enable the Member in Public Practice to express a conclusion, and be seen to express a conclusion, without bias, conflict of interest, or undue influence of others. Sections 290 and 291 provide specific guidance on Independence requirements for Members in Public Practice when performing Assurance Engagements .	Requirement to be independent of assurance Clients clearly stated. Remaining paragraph consistent.	
280.3	The existence of threats to objectivity when providing any Professional Service will depend upon the particular circumstances of the Engagement and the nature of the work that the Member in Public Practice is performing.	280.3	The existence of threats to objectivity when providing any Professional Service will depend upon the particular circumstances of the Engagement and the nature of the work that the Member in Public Practice is performing.	Consistent.	
280.4	A Member in Public Practice should evaluate the significance of identified threats and, if they are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level. Such safeguards may include: <ul style="list-style-type: none"> • Withdrawing from the Engagement Team. • Supervisory procedures. 	280.4A 280.4B	A Member in Public Practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate them or reduce them to an Acceptable Level. Examples of such safeguards include: <ul style="list-style-type: none"> • Withdrawing from the Engagement team. • Supervisory procedures. • Terminating the financial or business 	Consistent except for elevation to shall.	

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	<ul style="list-style-type: none"> • Terminating the financial or business relationship giving rise to the threat. • Discussing the issue with higher levels of management within the Firm. • Discussing the issue with those charged with governance of the Client. 		<p>relationship giving rise to the threat.</p> <ul style="list-style-type: none"> • Discussing the issue with higher levels of management within the Firm. • Discussing the issue with those charged with governance of the Client. <p>If safeguards cannot eliminate or reduce the threat to an Acceptable Level, the Member shall decline or terminate the relevant Engagement.</p>	<p>Additional commentary to decline Engagement if threats cannot be eliminated or reduced to an Acceptable Level.</p>	

**PART C: PROFESSIONAL ACCOUNTANTS IN BUSINESS (IFAC Heading)
MEMBERS IN BUSINESS (APES Heading)**

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
Section 300 Introduction					
300.1	This Part of the Code illustrates how the conceptual framework contained in Part A is to be applied by Members in Business.	300.1	This Part of the Code describes how the conceptual framework contained in Part A applies in certain situations to Members in Business . This Part does not describe all of the circumstances and relationships that could be encountered by a Member in Business that create or may create threats to compliance with the fundamental principles. Therefore, the Member in Business is encouraged to be alert for such circumstances and relationships.	Generally Consistent however further detail added.	
300.2	Investors, creditors, employers and other sectors of the business community, as well as governments and the public at large, all may rely on the work of Members in Business. Members in Business may be solely or jointly responsible for the preparation and reporting of financial and other information, which both their employing organisations and third parties may rely on. They may also be responsible for providing effective financial management and competent advice on a variety of business-related matters.	300.2	Investors, creditors, Employers and other sectors of the business community, as well as governments and the public at large, all may rely on the work of Members in Business . Members in Business may be solely or jointly responsible for the preparation and reporting of financial and other information, which both their employing organisations and third parties may rely on. They may also be responsible for providing effective financial management and competent advice on a variety of business-related matters.	Consistent.	
300.3	A Member in Business may be a salaried employee, a Partner, a Director (whether executive or non-executive), an owner manager, a volunteer or otherwise working for one or more employing organisations. The legal form of the relationship with the employing organisation, if any, has no bearing on the ethical responsibilities incumbent on	300.3	A Member in Business may be a salaried employee, a Partner , Director (whether executive or non-executive), an owner manager, a volunteer or another working for one or more employing organisations . The legal form of the relationship with the employing organisation , if any, has no bearing on the ethical responsibilities incumbent on	Generally consistent.	

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	the Member in Business.		the Member in Business .		
300.4	A Member in Business has a responsibility to further the legitimate aims of their employing organisation. This Part of the Code does not seek to hinder a Member in Business from properly fulfilling that responsibility, but considers circumstances in which conflicts may be created with the absolute duty to comply with the fundamental principles.	300.4	A Member in Business has a responsibility to further the legitimate aims of the accountant's Member's employing organisation . This Code does not seek to hinder a Member in Business from properly fulfilling that responsibility, but addresses circumstances in which compliance with the fundamental principles may be compromised.	Generally consistent. The "absolute duty to comply" has been removed in the revised Code.	
300.5	A Member in Business often holds a senior position within an organisation. The more senior the position, the greater will be the ability and opportunity to influence events, practices and attitudes. A Member in Business is expected, therefore, to encourage an ethics-based culture in an employing organisation that emphasises the importance that senior management places on ethical behaviour.	300.5	A Member in Business may hold a senior position within an organisation . The more senior the position, the greater will be the ability and opportunity to influence events, practices and attitudes. A Member in Business is expected, therefore, to encourage an ethics-based culture in an employing organisation that emphasises the importance that senior management places on ethical behaviour.	Consistent.	
300.6	The examples presented in the following sections are intended to illustrate how the conceptual framework is to be applied and are not intended to be, nor should they be interpreted as, an exhaustive list of all circumstances experienced by a Member in Business that may create threats to compliance with the principles. Consequently, it is not sufficient for a Member in Business merely to comply with the examples; rather, the framework should be applied to the particular circumstances faced.			Explanatory paragraph deleted.	
		300.6	A Member in Business shall not knowingly engage in any business, occupation, or activity that impairs or might impair integrity, objectivity or the good reputation of the profession and as a result would be incompatible with the fundamental principles.	New paragraph.	
300.7	Threats and Safeguards	300.7	Compliance with the fundamental principles may	Generally consistent. However,	

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	<p>Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories:</p> <ul style="list-style-type: none"> (a) Self-interest; (b) Self-review; (c) Advocacy; (d) Familiarity; and (e) Intimidation. <p>These threats are discussed further in Part A of the Code.</p>		<p>potentially be threatened by a broad range of circumstances and relationships. Threats fall into one or more of the following categories:</p> <ul style="list-style-type: none"> (a) Self-interest; (b) Self-review; (c) Advocacy; (d) Familiarity; and (e) Intimidation. <p>These threats are discussed further in Part A of this the Code.</p>	reference made not only to circumstances but also to relationships.	
300.8	<p>Examples of circumstances that may create self-interest threats for a Member in Business include, but are not limited to:</p> <ul style="list-style-type: none"> • Financial Interests, loans or guarantees. • Incentive compensation arrangements. • Inappropriate personal use of corporate assets. • Concern over employment security. • Commercial pressure from outside the employing organisation. 	300.8	<p>Examples of circumstances that may create self-interest threats for a Member in Business include:</p> <ul style="list-style-type: none"> • Holding a Financial Interest in, or receiving a loan or guarantee from the employing organisation. • Participating in incentive compensation arrangements offered by the employing organisation. • Inappropriate personal use of corporate assets. • Concern over employment security. • Commercial pressure from outside the employing organisation. 	Generally consistent with further detail added.	
300.9	<p>Circumstances that may create self-review threats include, but are not limited to, business decisions or data being subject to review and justification by the same Member in Business responsible for making those decisions or preparing that data.</p>	300.9	<p>An example of a circumstance that creates a self-review threat for a Member in Business is determining the appropriate accounting treatment for a business combination after performing the feasibility study that supported the acquisition decision.</p>	In the revised Code a specific example has been provided.	
300.10	<p>When furthering the legitimate goals and objectives of their employing organisations Members in Business may promote the organisation's position,</p>	300.10	<p>When furthering the legitimate goals and objectives of their employing organisations, Members in Business may promote the organisation's position,</p>	Consistent.	

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	provided any statements made are neither false nor misleading. Such actions generally would not create an advocacy threat.		provided any statements made are neither false nor misleading. Such actions generally would not create an advocacy threat.		
300.11	<p>Examples of circumstances that may create familiarity threats include, but are not limited to:</p> <ul style="list-style-type: none"> • A Member in Business in a position to influence financial or nonfinancial reporting or business decisions having an Immediate or Close Family member who is in a position to benefit from that influence. • Long association with business contacts influencing business decisions. • Acceptance of a gift or preferential treatment, unless the value is Clearly Insignificant. 	300.11	<p>Examples of circumstances that may create familiarity threats for a Member in Business include:</p> <ul style="list-style-type: none"> • Being responsible for the employing organisation's financial reporting when an Immediate or Close Family member employed by the entity makes decisions that affect the entity's financial reporting. • Long association with business contacts influencing business decisions. • Accepting a gift or preferential treatment, unless the value is trivial and inconsequential. 	<p>Consistent with the exceptions noted below.</p> <p>First bullet point example modified.</p>	
300.12	<p>Examples of circumstances that may create intimidation threats include, but are not limited to:</p> <ul style="list-style-type: none"> • Threat of dismissal or replacement of the Member in Business or a Close or Immediate Family member over a disagreement about the application of an accounting principle or the way in which financial information is to be reported. • A dominant personality attempting to influence the decision making process, for example with regard to the awarding of contracts or the application of an accounting principle. 	300.12	<p>Examples of circumstances that may create intimidation threats for a Member in Business include:</p> <ul style="list-style-type: none"> • Threat of dismissal or replacement of the Member in Business or a Close or Immediate Family member over a disagreement about the application of an accounting principle or the way in which financial information is to be reported. • A dominant personality attempting to influence the decision making process, for example with regard to the awarding of contracts or the application of an accounting principle. 	Generally consistent.	
300.13	Members in Business may also find that specific circumstances give rise to unique threats to compliance with one or more of the fundamental principles. Such unique threats obviously cannot be categorised. In all professional and business relationships, Members in Business should always			Paragraph deleted.	

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	be on the alert for such circumstances and threats.				
300.14	Safeguards that may eliminate or reduce to an acceptable level, the threats faced by Members in Business, fall into two broad categories: (a) Safeguards created by the profession, legislation or regulation; and (b) Safeguards in the work environment.	300.13	Safeguards that may eliminate or reduce threats to an Acceptable Level fall into two broad categories: (a) Safeguards created by the profession, legislation or regulation; and (b) Safeguards in the work environment. Examples of safeguards created by the profession, legislation or regulation are detailed in paragraph 100.14 of Part A of this Code.	Generally consistent. Incorporates existing paragraph 300.15.	
300.15	Examples of safeguards created by the profession, legislation or regulation are detailed in paragraph 100.12 of the Code.			Refer new IFAC paragraph 300.13.	
300.16	Safeguards in the work environment include, but are not restricted to: <ul style="list-style-type: none"> The employing organisation's systems of corporate oversight or other oversight structures. The employing organisation's ethics and conduct programs. Recruitment procedures in the employing organisation emphasizing the importance of employing high calibre competent staff. Strong internal controls. Appropriate disciplinary processes. Leadership that stresses the importance of ethical behaviour and the expectation that employees will act in an ethical manner. Policies and procedures to implement and monitor the quality of employee performance. Timely communication of the employing 	300.14	Safeguards in the work environment include: <ul style="list-style-type: none"> The employing organisation's systems of corporate oversight or other oversight structures. The employing organisation's ethics and conduct programs. Recruitment procedures in the employing organisation emphasizing the importance of employing high caliber competent staff. Strong internal controls. Appropriate disciplinary processes. Leadership that stresses the importance of ethical behaviour and the expectation that employees will act in an ethical manner. Policies and procedures to implement and monitor the quality of employee performance. Timely communication of the employing organisation's policies and procedures, including any changes to them, to all 	Generally consistent.	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>organisation's policies and procedures, including any changes to them, to all employees and appropriate training and education on such policies and procedures.</p> <ul style="list-style-type: none"> • Policies and procedures to empower and encourage employees to communicate to senior levels within the employing organisation any ethical issues that concern them without fear of retribution. • Consultation with another appropriate Member. 		<p>employees and appropriate training and education on such policies and procedures.</p> <ul style="list-style-type: none"> • Policies and procedures to empower and encourage employees to communicate to senior levels within the employing organisation any ethical issues that concern them without fear of retribution. • Consultation with another appropriate Member. 		
300.17	In circumstances where a Member in Business believes that unethical behaviour or actions by others will continue to occur within the employing organisation, they should consider seeking legal advice. In those extreme situations where all available safeguards have been exhausted and it is not possible to reduce the threat to an acceptable level, a Member in Business may conclude that it is appropriate to resign from the employing organisation	300.15	In circumstances where a Member in Business believes that unethical behaviour or actions by others will continue to occur within the employing organisation , the Member in Business may consider obtaining legal advice. In those extreme situations where all available safeguards have been exhausted and it is not possible to reduce the threat to an Acceptable Level , a Member in Business may conclude that it is appropriate to resign from the employing organisation .	Consistent except for "should" changed to "may".	
Section 310 Potential Conflicts					
310.1	A Member in Business has a professional obligation to comply with the fundamental principles. There may be times, however, when their responsibilities to an employing organisation and the professional obligations to comply with the fundamental principles are in conflict. Ordinarily, a Member in Business should support the legitimate and ethical objectives established by the employer and the rules and procedures drawn up in support of those objectives. Nevertheless, where compliance with the fundamental principles is threatened, a Member in Business_ must consider	310.1A	A Member in Business shall comply with the fundamental principles. There may be times, however, when a Member 's responsibilities to an employing organisation and professional obligations to comply with the fundamental principles are in conflict. A Member in Business is expected to support the legitimate and ethical objectives established by the Employer and the rules and procedures drawn up in support of those objectives.	Elevation to shall. Member required to apply the conceptual framework where there is a threat to compliance with the fundamental principles.	

Comment [CW6]: This is in effect repeating what is in Section 100.5. is this required?

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	a response to the circumstances.	310.1 B	Nevertheless, where Where a relationship or circumstance creates a threat to compliance with the fundamental principles, a Member in Business shall apply the conceptual framework approach described in Section 100 to determine a response to the threat.		
310.2	<p>As a consequence of responsibilities to an employing organisation, a Member in Business may be under pressure to act or behave in ways that could directly or indirectly threaten compliance with the fundamental principles. Such pressure may be explicit or implicit; it may come from a supervisor, manager, Director or another individual within the employing organisation. A Member in Business may face pressure to:</p> <ul style="list-style-type: none"> • Act contrary to law or regulation. • Act contrary to technical or professional standards. • Facilitate unethical or illegal earnings management strategies. • Lie to, or otherwise intentionally mislead (including misleading by remaining silent) others, in particular: <ul style="list-style-type: none"> – The auditors of the employing organisation; or – Regulators. • Issue, or otherwise be associated with, a financial or non-financial report that materially misrepresents the facts, including statements in connection with, for example: <ul style="list-style-type: none"> – The Financial Statements; – Tax compliance; – Legal compliance; or • Reports required by securities regulators. 	310.2	<p>As a consequence of responsibilities to an employing organisation, a Member in Business may be under pressure to act or behave in ways that could create threats to compliance with the fundamental principles. Such pressure may be explicit or implicit; it may come from a supervisor, manager, Director or another individual within the employing organisation. A Member in Business may face pressure to:</p> <ul style="list-style-type: none"> • Act contrary to law or regulation. • Act contrary to technical or professional standards. • Facilitate unethical or illegal earnings management strategies. • Lie to others, or otherwise intentionally mislead (including misleading by remaining silent) others, in particular: <ul style="list-style-type: none"> ○ The auditors of the employing organisation; or ○ Regulators. • Issue, or otherwise be associated with, a financial or non-financial report that materially misrepresents the facts, including statements in connection with, for example: <ul style="list-style-type: none"> ○ The Financial Statements; ○ Tax compliance; ○ Legal compliance; or • Reports required by securities regulators. 	Generally consistent.	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
310.3	The significance of threats arising from such pressures, such as intimidation threats, should be evaluated and, if they are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level. Such safeguards may include: <ul style="list-style-type: none"> Obtaining advice where appropriate from within the employing organisation, an independent professional advisor or a relevant professional body. The existence of a formal dispute resolution process within the employing organisation. Seeking legal advice. 	310.3A 310.3B	The significance of any threats arising from such pressures, such as intimidation threats, shall be evaluated and safeguards applied when necessary to eliminate them or reduce them to an <u>Acceptable Level</u> . Examples of such safeguards include: <ul style="list-style-type: none"> Obtaining advice, where appropriate, from within the employing <u>organisation</u>, an independent professional advisor or a relevant professional body. Using a formal dispute resolution process within the employing <u>organisation</u>. Seeking legal advice. 	Consistent except for: <ul style="list-style-type: none"> Removal of Clearly Insignificant. Elevation to shall. 	
Section 320 Preparation and Reporting of Information					
320.1	Members in Business are often involved in the preparation and reporting of information that may either be made public or used by others inside or outside the employing organisation. Such information may include financial or management information, for example, forecasts and budgets, Financial Statements, management discussion and analysis, and the management letter of representation provided to the auditors as part of an audit of financial statements. A Member in Business should prepare or present such information fairly, honestly and in accordance with relevant professional standards so that the information will be understood in its context.	320.1A 320.1B	<u>Members in Business</u> are often involved in the preparation and reporting of information that may either be made public or used by others inside or outside the employing <u>organisation</u> . Such information may include financial or management information, for example, forecasts and budgets, financial statements, management's discussion and analysis, and the management letter of representation provided to the auditors during the audit of the entity's <u>Financial Statements</u> . A Member in Business shall prepare or present such information fairly, honestly and in accordance with relevant professional standards so that the information will be understood in its context.	Consistent except for elevation to shall.	
320.2	A Member in Business who has responsibility for the preparation or approval of the general purpose	320.2	A Member in Business who has responsibility for the preparation or approval of the general	Consistent except for elevation to	

Comment [c7]: Drafting convention issue.
Needs to include "A Member shall" otherwise not clear on whom the obligation is imposed.

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	Financial Statements of an employing organisation should ensure that those Financial Statements are presented in accordance with the applicable financial reporting standards and any professional standards which apply.		purpose Financial Statements of an employing organisation shall be satisfied that those Financial Statements are presented in accordance with the applicable financial reporting standards.	shall.	
320.3	A Member in Business should maintain information for which they are responsible in a manner that: (a) Describes clearly the true nature of business transactions, assets or liabilities; (b) Classifies and records information in a timely and proper manner; and (c) Represents the facts accurately and completely in all material respects.	320.3	A Member in Business shall take reasonable steps to maintain information for which the Member in Business is responsible in a manner that: (a) Describes clearly the true nature of business transactions, assets, or liabilities; (b) Classifies and records information in a timely and proper manner; and (c) Represents the facts accurately and completely in all material respects.	Generally consistent except for elevation to shall.	
320.4	Threats to compliance with the fundamental principles, for example self-interest or intimidation threats to objectivity or professional competence and due care, may be created where a Member in Business may be pressured (either externally or by the possibility of personal gain) to become associated with misleading information or to become associated with misleading information through the actions of others.	320.4	Threats to compliance with the fundamental principles, for example, self-interest or intimidation threats to objectivity or professional competence and due care, are created where a Member in Business is pressured (either externally or by the possibility of personal gain) to become associated with misleading information or to become associated with misleading information through the actions of others.	Generally consistent.	
320.5	The significance of such threats will depend on factors such as the source of the pressure and the degree to which the information is, or may be, misleading. The significance of the threats should be evaluated and, if they are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level. Such safeguards may include consultation with superiors within the employing organisation, for example, the audit committee or other body responsible for governance, or with a relevant professional body.	320.5A 320.5B 320.5C	The significance of such threats will depend on factors such as the source of the pressure and the degree to which the information is, or may be, misleading. The significance of the threats shall be evaluated and safeguards applied when necessary to eliminate them or reduce them to an Acceptable Level. Such safeguards include consultation with	Consistent except for elevation to shall.	

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APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<ul style="list-style-type: none"> Incomplete, restricted or otherwise inadequate information for performing the duties properly. Insufficient experience, training and/or education. Inadequate resources for the proper performance of the duties. 		<ul style="list-style-type: none"> Incomplete, restricted or otherwise inadequate information for performing the duties properly. Insufficient experience, training and/or education. Inadequate resources for the proper performance of the duties. 		
330.3	<p>The significance of such threats will depend on factors such as the extent to which the Member in Business is working with others, relative seniority in the business and the level of supervision and review applied to the work. The significance of the threats should be evaluated and, if they are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level. Safeguards that may be considered include:</p> <ul style="list-style-type: none"> Obtaining additional advice or training. Ensuring that there is adequate time available for performing the relevant duties. Obtaining assistance from someone with the necessary expertise. Consulting, where appropriate, with: <ul style="list-style-type: none"> superiors within the employing organisation; independent experts; or <p>a relevant professional body.</p>	<p>330.3A</p> <p>330.3B</p> <p>330.3C</p>	<p>The significance of the threat will depend on factors such as the extent to which the Member in Business is working with others, relative seniority in the business, and the level of supervision and review applied to the work.</p> <p>A Member in Business shall evaluate the significance of the threat shall be evaluated and apply safeguards applied when necessary to eliminate the threat or reduce it to an Acceptable Level.</p> <p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> Obtaining additional advice or training. Ensuring that there is adequate time available for performing the relevant duties. Obtaining assistance from someone with the necessary expertise. Consulting, where appropriate, with: <ul style="list-style-type: none"> Superiors within the employing organisation; Independent experts; or A relevant professional body. 	<p>Generally consistent except for:</p> <ul style="list-style-type: none"> elevation to shall clearly insignificant deleted. 	
330.4	<p>Where threats cannot be eliminated or reduced to an acceptable level, Members in Business should consider whether to refuse to perform the duties in question. If the Member in Business determines</p>	330.4	<p>When threats cannot be eliminated or reduced to an Acceptable Level, Members in Business shall determine whether to refuse to perform the duties in question. If the Member in</p>	<p>Consistent except for elevation to shall.</p>	

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	that refusal is appropriate the reasons for doing so should be clearly communicated.		Business determines that refusal is appropriate, the reasons for doing so shall be clearly communicated.		
Section 340 Financial Interests					
340.1	<p>Members in Business may have Financial Interests, or may know of Financial Interests of Immediate or Close Family members, that could, in certain circumstances, give rise to threats to compliance with the fundamental principles. For example, self-interest threats to objectivity or confidentiality may be created through the existence of the motive and opportunity to manipulate price sensitive information in order to gain financially. Examples of circumstances that may create self-interest threats include, but are not limited to situations where the Member in Business or an Immediate or Close Family member:</p> <ul style="list-style-type: none"> • Holds a Direct or Indirect Financial Interest in the employing organisation and the value of that Financial Interest could be directly affected by decisions made by the Member in Business; • Is eligible for a profit related bonus and the value of that bonus could be directly affected by decisions made by the Member in Business; • Holds, directly or indirectly, share options in the employing organisation, the value of which could be directly affected by decisions made by the Member in Business; • Holds, directly or indirectly, share options in the employing organisation which are, or will soon be, eligible for conversion; or <p>May qualify for share options in the employing organisation or performance related bonuses if</p>	340.1	<p>Members in Business may have Financial Interests, or may know of Financial Interests of Immediate or Close Family members, that, in certain circumstances, may create threats to compliance with the fundamental principles. For example, self-interest threats to objectivity or confidentiality may be created through the existence of the motive and opportunity to manipulate price sensitive information in order to gain financially. Examples of circumstances that may create self-interest threats include situations where the Member in Business or an Immediate or Close Family member:</p> <ul style="list-style-type: none"> • Holds a Direct or Indirect Financial Interest in the employing organisation and the value of that Financial Interest could be directly affected by decisions made by the Member in Business; • Is eligible for a profit related bonus and the value of that bonus could be directly affected by decisions made by the Member in Business; • Holds, directly or indirectly, share options in the employing organisation, the value of which could be directly affected by decisions made by the Member in Business; • Holds, directly or indirectly, share options in the employing organisation which are, or will soon be, eligible for conversion; or <p>May qualify for share options in the employing organisation or performance related bonuses if</p>	Consistent.	

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			and on the legal restrictions and other regulations around potential insider trading.		
340.3	If threats are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate or reduce them to an acceptable level. Such safeguards may include: <ul style="list-style-type: none"> • Policies and procedures for a committee independent of management to determine the level or form of remuneration of senior management. • Disclosure of all relevant interests, and of any plans to trade in relevant shares to those charged with the governance of the employing organisation, in accordance with any internal policies. • Consultation, where appropriate, with superiors within the employing organisation. • Consultation, where appropriate, with those charged with the governance of the employing organisation or relevant professional bodies. • Internal and external audit procedures. • Up-to-date education on ethical issues and the legal restrictions and other regulations around potential insider trading. 			Refer above.	
340.4	A Member in Business should neither manipulate information nor use confidential information for personal gain.	340.3	A Member in Business shall neither manipulate information nor use confidential information for personal gain.	Consistent except for elevation to shall.	
Section 350 Inducements					
350.1	Receiving Offers A Member in Business or an Immediate or Close Family member may be offered an inducement.	350.1	<i>Receiving Offers</i> A <u>Member in Business</u> or an <u>Immediate or Close Family</u> member may be offered an inducement.	Consistent.	

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	Inducements may take various forms, including gifts, hospitality, preferential treatment and inappropriate appeals to friendship or loyalty.		Inducements may take various forms, including gifts, hospitality, preferential treatment, and inappropriate appeals to friendship or loyalty.		
350.2	Offers of inducements may create threats to compliance with the fundamental principles. When a Member in Business or an Immediate or Close Family member is offered an inducement, the situation should be carefully considered. Self interest threats to objectivity or confidentiality are created where an inducement is made in an attempt to unduly influence actions or decisions, encourage illegal or dishonest behaviour or obtain confidential information. Intimidation threats to objectivity or confidentiality are created if such an inducement is accepted and it is followed by threats to make that offer public and damage the reputation of either the Member in Business or an Immediate or Close Family member.	350.2A 350.2B	Offers of inducements may create threats to compliance with the fundamental principles. When a Member in Business or an Immediate or Close Family member is offered an inducement, the situation shall be evaluated. Self-interest threats to objectivity or confidentiality are created when an inducement is made in an attempt to unduly influence actions or decisions, encourage illegal or dishonest behavior, or obtain confidential information. Intimidation threats to objectivity or confidentiality are created if such an inducement is accepted and it is followed by threats to make that offer public and damage the reputation of either the Member in Business or an Immediate or Close Family member.	Consistent except for elevation to shall.	
350.3	The significance of such threats will depend on the nature, value and intent behind the offer. If a reasonable and informed third party, having knowledge of all relevant information, would consider the inducement insignificant and not intended to encourage unethical behaviour, then a Member in Business may conclude that the offer is made in the normal course business and may generally conclude that there is no significant threat to compliance with the fundamental principles.	350.3	The existence and significance of any threats will depend on the nature, value and intent behind the offer. If a reasonable and informed third party, weighing all the specific facts and circumstances, would consider the inducement insignificant and not intended to encourage unethical behaviour, then a Member in Business may conclude that the offer is made in the normal course of business and may generally conclude that there is no significant threat to compliance with the fundamental principles.	Generally consistent.	
350.4	If evaluated threats are other than Clearly Insignificant, safeguards should be considered and applied as necessary to eliminate them or reduce them to an acceptable level. When the threats cannot be eliminated or reduced to an acceptable level through the application of safeguards, a Member in Business should not accept the inducement.	350.4	The significance of any threats shall be evaluated and safeguards applied when necessary to eliminate them or reduce them to an Acceptable Level . When the threats cannot be eliminated or reduced to an Acceptable Level through the application of safeguards, a Member in Business shall not accept the inducement. As the real or apparent threats to compliance with the fundamental principles do not merely arise from	Consistent except for: <ul style="list-style-type: none"> Elevation to shall Clearly insignificant deleted. 	

Comment [c9]: Need to impose the obligation on the Member

Comment [c10]: Evaluated by whom? Need to address it to the Member?

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>As the real or apparent threats to compliance with the fundamental principles do not merely arise from acceptance of an inducement but, sometimes, merely from the fact of the offer having been made, additional safeguards should be adopted. A Member in Business should assess the risk associated with all such offers and consider whether the following actions should be taken:</p> <p>(a) Where such offers have been made, immediately inform higher levels of management or those charged with governance of the employing organisation;</p> <p>(b) Inform third parties of the offer – for example, a professional body or the employer of the individual who made the offer; a Member in Business should, however, consider seeking legal advice before taking such a step; and</p> <p>(c) Advise Immediate or Close Family members of relevant threats and safeguards where they are potentially in positions that might result in offers of inducements, for example as a result of their employment situation; and</p> <p>(d) Inform higher levels of management or those charged with governance of the employing organisation where Immediate or Close Family members are employed by competitors or potential suppliers of that organisation.</p>		<p>acceptance of an inducement but, sometimes, merely from the fact of the offer having been made, additional safeguards shall be adopted. A Member in Business shall evaluate any threats created by such offers and determine whether to take one or more of the following actions:</p> <p>(a) Informing higher levels of management or those charged with governance of the employing organisation immediately when such offers have been made;</p> <p>(b) Informing third parties of the offer – for example, a professional body or the employer of the individual who made the offer; a Member in Business may however, consider seeking legal advice before taking such a step; and</p> <p>(c) Advising Immediate or Close Family members of relevant threats and safeguards where they are potentially in positions that might result in offers of inducements, for example, as a result of their employment situation; and</p> <p>(d) Informing higher levels of management or those charged with governance of the employing organisation where Immediate or Close Family members are employed by competitors or potential suppliers of that organisation.</p>		
350.5	<p>Making Offers</p> <p>A Member in Business may be in a situation where they are expected to, or are under other pressure to, offer inducements to subordinate the judgment of another individual or organisation, influence a decision making process or obtain confidential</p>	350.5	<p><i>Making Offers</i></p> <p>A Member in Business may be in a situation where the Member in Business is expected, or is under other pressure, to offer inducements to influence the judgment or decision-making process of an individual or organisation, or obtain confidential</p>	Consistent.	

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	information.		information.		
350.6	Such pressure may come from within the employing organisation, for example, from a colleague or superior. It may also come from an external individual or organisation suggesting actions or business decisions that would be advantageous to the employing organisation possibly influencing the Member in Business improperly.	350.6	Such pressure may come from within the employing organisation , for example, from a colleague or superior. It may also come from an external individual or organisation suggesting actions or business decisions that would be advantageous to the employing organisation , possibly influencing the Member in Business improperly.	Consistent.	
350.7	A Member in Business should not offer an inducement to improperly influence professional judgment of a third party.	350.7	A Member in Business shall not offer an inducement to improperly influence professional judgment of a third party.	Consistent except for elevation to shall.	
350.8	Where the pressure to offer an unethical inducement comes from within the employing organisation, the Member should follow the principles and guidance regarding ethical conflict resolution set out in Part A of this Code.	350.8	Where the pressure to offer an unethical inducement comes from within the employing organisation, the Member shall follow the principles and guidance regarding ethical conflict resolution set out in Part A of this Code.	Consistent except for elevation to shall.	

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DEFINITIONS

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>In this Code the following expressions have the following meanings assigned to them:</p> <p>Advertising The communication to the public of information as to the services or skills provided by Members in Public Practice with a view to procuring professional business.</p> <p>Assurance Client An entity in respect of which a Firm conducts an Assurance Engagement.</p> <p>Assurance Engagement An Engagement in which a conclusion is expressed by a practitioner or Auditor-General or his/her delegate designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria. This would include an Engagement in accordance with the Australian Auditing Standard AUS 108</p>		<p>In this <i>Code of Ethics for Members</i> the following expressions have the following meanings assigned to them:</p> <p>Acceptable Level A level at which a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances available to the Member at that time, that compliance with the fundamental principles is not compromised.</p> <p>Advertising The communication to the public of information as to the services or skills provided by Members in Public Practice with a view to procuring professional business.</p> <p>Assurance Client The responsible party that is the person (or persons) who: (a) In a direct reporting Engagement, is responsible for the subject matter; or (b) In an assertion-based Engagement, is responsible for the subject matter information and may be responsible for the subject matter.</p> <p>Assurance Engagement An Engagement in which a Member in Public Practice expresses a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria. (For guidance on assurance Engagements see the</p>	<p>Consistent except for the following:</p> <p><i>Acceptable Level</i> – newly defined term.</p> <p><i>Assurance Client</i> – definition revised.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>"Framework for Assurance Engagements" issued by the former Australian Auditing & Assurance Standards Board (AuASB) or in accordance with specific relevant standards for assurance Engagements.</p> <p>Assurance Team</p> <p>(a) All professionals participating in the Assurance Engagement; and</p> <p>(b) All others within a Firm who can directly influence the outcome of the Assurance Engagement, including:</p> <p>(i) those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the Assurance Engagement Partner in connection with the performance of the Assurance Engagement.</p> <p>(ii) those who provide consultation regarding technical or industry specific issues, transactions or events for the Assurance Engagement; and</p> <p>(iii) those who provide quality control for the Assurance Engagement.</p> <p>Audit Client An entity in respect of which a Firm conducts an Audit Engagement. When the Audit Client is a Listed Entity, disclosing entity or registered scheme, Audit Client will always include its Related Entities.</p> <p>Audit Engagement An Assurance Engagement to provide a high level of assurance that a financial report is free of material misstatement, such as an Engagement in accordance</p>		<p>International Framework for Assurance Engagements issued by the International Auditing and Assurance Standards Board which describes the elements and objectives of an assurance Engagement and identifies Engagements to which International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs) and International Standards on Assurance Engagements (ISAEs) apply.)</p> <p>Assurance team</p> <p>(a) All members of the Engagement team for the Assurance Engagement;</p> <p>(b) All others within a Firm who can directly influence the outcome of the Assurance Engagement, including:</p> <p>(i) those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the Assurance Engagement Partner in connection with the performance of the Assurance Engagement;</p> <p>(ii) those who provide consultation regarding technical or industry specific issues, transactions or events for the Assurance Engagement; and</p> <p>(iii) those who provide quality control for the Assurance Engagement, including those who perform the Engagement quality control review for the Assurance Engagement.</p> <p>Audit Client An entity in respect of which a Firm conducts an audit Engagement. When the Client is a listed entity, audit Client will always include its related entities. When the audit Client is not a listed entity, audit Client includes those related entities over which the Client has direct or indirect control.</p> <p>Audit Engagement A reasonable assurance Engagement in which a Member in Public Practice expresses an opinion whether financial statements are prepared, in all</p>	<p><i>Audit Client</i> definition revised.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>with Australian Auditing Standards. This includes a statutory audit which is an audit required by legislation or other regulation, and other audits conducted for the purposes of the Corporations Act.</p> <p>Audit Review Partner The Partner or other person in the Firm who is responsible for reviewing the conduct of the Audit Engagement and its performance, and for reviewing the auditor's report that is issued on behalf of the Firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. This definition does not extend to an auditor who performs merely a technical role in the audit and whose contact with the Audit Client is not material to the day-to-day conduct of the audit as a whole.</p> <p>Audit Team</p> <p>(a) All professionals participating in the Audit Engagement;</p> <p>(b) All others within a Firm who can directly influence the outcome of the Audit Engagement, including:</p> <ul style="list-style-type: none"> • those who recommend the compensation of, or who provide direct supervisory, including audit design and planning, management or other oversight of the Lead Engagement Partner in connection with the performance of the Audit Engagement. This includes those at all successively senior levels above the Lead Engagement Partner through the Firm's chief executive; • those who provide consultation regarding technical or industry specific issues, transactions or events for the Audit 		<p>material respects (or give a true and fair view or are presented fairly, in all material respects,), in accordance with an applicable financial reporting framework, such as an Engagement conducted in accordance with International Standards on Auditing. This includes a Statutory Audit, which is an audit required by legislation or other regulation.</p> <p>Audit Team</p> <p>(a) All members of the Engagement team for the audit Engagement;</p> <p>(b) All others within a Firm who can directly influence the outcome of the audit Engagement, including:</p> <p>(i) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the Engagement partner in connection with the performance of the audit Engagement including those at all successively senior levels above the Engagement partner through to the individual who is the Firm's Senior or Managing Partner (Chief Executive or equivalent);</p> <p>(ii) Those who provide consultation regarding technical or industry-specific issues, transactions or events for the Engagement; and</p>	<p><i>Audit Review Partner</i> not defined in the international Code. PM- Source?</p> <p>CW- May need to look at how this got in to APES 110? (Normally EQCR would cover it)</p> <p><i>Audit Team</i> generally consistent except (bii) which has the added phrase: including those who perform the Engagement quality control review for the Engagement.</p> <p><i>Clearly insignificant</i> deleted.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>Engagement; and</p> <ul style="list-style-type: none"> those who provide quality control for the Audit Engagement. <p>and</p> <p>(c) All those within a Network Firm who can directly influence the outcome of the Audit Engagement.</p> <p>Clearly Insignificant</p> <p>A matter that is deemed to be both trivial and inconsequential.</p> <p>Clients</p> <p>Those individuals, Firms, entities or organisations to whom services are provided by a Member in Public Practice in respect of Engagements of either a recurring or demand nature.</p> <p>Close Family</p> <p>A parent, child or sibling, who is not an Immediate Family member.</p> <p>Contingent Fee</p> <p>A fee calculated on a predetermined basis relating to the outcome or result of a transaction or the result of the work performed. A fee that is established by a court or other public authority is not a contingent fee.</p> <p>Direct Financial Interest</p> <p>A Financial Interest:</p> <ul style="list-style-type: none"> Owned directly by and under the control of an individual or entity (including those managed on a discretionary basis by others); or Beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or 		<p>(iii) Those who provide quality control for the Engagement, including those who perform the Engagement quality control review for the Engagement; and</p> <p>(c) All those within a network Firm who can directly influence the outcome of the audit Engagement.</p> <p>Close Family</p> <p>A parent, child or sibling who is not an Immediate Family Member.</p> <p>Contingent Fee</p> <p>A fee calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed by the Firm. A fee that is established by a court or other public authority is not a contingent fee.</p> <p>Direct financial interest</p> <p>A financial interest:</p> <ul style="list-style-type: none"> Owned directly by and under the control of an individual or entity (including those managed on a discretionary basis by others); or Beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has control, or the ability to influence investment decisions. 	<p><i>Clients</i> not defined.</p> <p><i>Contingent Fee</i> "result of the work performed" replaced by "result of the services performed by the Firm".</p> <p><i>Direct financial interest</i> second bullet point "or the ability to influence investment decisions" added.</p> <p><i>directors or officer</i> definition revised.</p> <p><i>Engagement</i> not defined in international Code.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>entity has control</p> <p>Directors Those charged with the governance of an entity, regardless of their title.</p> <p>Engagement An agreement, whether written or otherwise, between a Member in Public Practice and a Client relating to the provision of services by a Member in Public Practice. However, consultations with a prospective Client prior to such agreement are not part of an Engagement.</p> <p>Engagement Partner The Partner or other person in the Firm who is responsible for the Engagement and its performance, and for the report that is issued on behalf of the Firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>Engagement Quality Control Review A process designed to provide an objective evaluation, before the report is issued, of the significant judgments the Engagement Team made and the conclusions they reached in formulating the report.</p> <p>Engagement Quality Control Reviewer A Partner, other person in the assurance practice, suitably qualified external person, or a team made up of such individuals, with sufficient and appropriate experience and authority to objectively evaluate, before the report is issued, the significant judgements the engagement team made and the conclusions they reached in formulating the report.</p>		<p>Director or officer Those charged with the governance of an entity, or acting in an equivalent capacity, regardless of their title, which may vary from jurisdiction to jurisdiction.</p> <p>Engagement partner The partner or other person in the Firm who is responsible for the Engagement and its performance, and for the report that is issued on behalf of the Firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>Engagement quality control review A process designed to provide an objective evaluation, on or before the report is issued, of the significant judgments the Engagement team made and the conclusions it reached in formulating the report.</p> <p>Engagement team All partners and staff performing the Engagement.</p>	<p><i>Engagement Quality Control Reviewer</i> not defined in international Code.</p> <p><i>Engagement team</i> definition revised. Specifically includes individuals engaged by a network Firm who perform assurance procedures and expressly excludes external experts.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>Engagement Team All personnel performing an Engagement, including any experts contracted by the Firm in connection with that Engagement.</p> <p>Existing Accountant A professional accountant in public practice currently holding an audit appointment or carrying out accounting, taxation, consulting or similar services for a Client.</p> <p>Financial Interest An interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.</p> <p>Financial Statement Audit Client An entity in respect of which a Firm conducts a Financial Statement Audit Engagement. When the Client is a Listed Entity, Financial Statement Audit Client will always include its Related Entities.</p> <p>Financial Statement Audit Engagement A reasonable assurance engagement in which a</p>		<p>and any individuals engaged by the Firm or a network Firm who perform assurance procedures on the Engagement. This excludes external experts engaged by the Firm or a network Firm.</p> <p>Existing Accountant A Member in Public Practice currently holding an audit appointment or carrying out accounting, taxation, consulting or similar Professional Services for a Client.</p> <p>External Expert An individual (who is not a partner or a member of the professional staff, including temporary staff, of the Firm or a network Firm) or organisation possessing skills, knowledge and experience in a field other than accounting or auditing, whose work in that field is used to assist the Member in obtaining sufficient appropriate evidence.</p> <p>Financial interest An interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.</p>	<p><i>External Expert</i> newly defined term.</p> <p><i>Financial Statement Audit Client</i> not defined in international Code.</p> <p><i>Financial Statement Audit Engagement</i> not defined in international Code.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>professional accountant in public practice expresses an opinion whether financial statements are prepared in all material respects in accordance with an identified financial reporting framework, such as an Engagement conducted in accordance with International Standards on Auditing. This includes a Statutory Audit, which is a financial statement audit required by legislation or other regulation.</p> <p>Financial statements The balance sheets, income statements or profit and loss accounts, statements of changes in financial position (which may be presented in a variety of ways, for example, as a statement of cash flows or a statement of fund flows), notes and other statements and explanatory material which are identified as being part of the financial statements.</p> <p><u>Firm definition effective to 30 June 2008</u> Firm</p> <p>(a) A sole practitioner, partnership or corporation of professional accountants;</p> <p>(b) An entity that controls such parties;</p> <p>(c) An entity controlled by such parties; and</p> <p>(d) An Auditor-General's office or department.</p>		<p>Financial statements</p> <p>A structured representation of historical financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term can relate to a complete set of financial statements, but it can also refer to a single financial statement, for example, a balance sheet, or a statement of revenues and expenses, and related explanatory notes.</p> <p>Financial statements on which the <u>Firm</u> will express an opinion</p> <p>In the case of a single entity, the financial statements of that entity. In the case of consolidated financial statements, also referred to as group financial statements, the consolidated financial statements.</p> <p><u>Firm</u></p> <p>(a) A sole practitioner, partnership or corporation of <u>other entity of Members</u>;</p>	<p><i>Financial Statements</i> definition revised. Definition is now broader and not specifically limited to balance sheets income statements etc.</p> <p>Note interaction with Corps Act.</p> <p>Financial statements on which the Firm will express an opinion newly defined term.</p> <p><i>Firm definition effective to 30 June 2008</i> no longer required.</p> <p><i>Firm</i> definition – carry forward point (d) – auditor-general's office or department.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p><i>Firm definition effective from 1 July 2008</i> <i>Firm</i></p> <p>(a) A sole practitioner, partnership, corporation or other entity of professional accountants;</p> <p>(b) An entity that controls such parties through ownership, management or other means;</p> <p>(c) An entity controlled by such parties through ownership, management or other means; or</p> <p>(d) An Auditor-General's office or department</p> <p><i>Immediate Family</i> A spouse (or equivalent) or dependant.</p> <p><i>Independence</i> Independence is:</p> <p>(a) Independence of mind – the states of mind that permits the provision of an opinion without being affected by influences that compromise professional judgment, allowing an individual to act with integrity, and exercise objectivity and professional scepticism.</p> <p>(b) Independence in appearance – the avoidance of facts and circumstances that are so significant a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would reasonably conclude a Firm's, or a member of the Assurance Team's, integrity, objectivity or professional scepticism had been compromised.</p>		<p>(b) An entity that controls such parties, through ownership, management or other means; and</p> <p>(c) An entity controlled by such parties, through ownership, management or other means; or</p> <p><u>(d) An Auditor-General's office or department</u></p> <p><i>Historical financial information</i> Information expressed in financial terms in relation to a particular entity, derived primarily from that entity's accounting system, about economic events occurring in past time periods or about economic conditions or circumstances at points in time in the past.</p> <p><i>Immediate Family</i> A spouse (or equivalent) or dependant.</p> <p><i>Independence</i> Independence is:</p> <p>(a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism</p> <p>(b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that a Firm's, or a member of the audit or assurance team's, integrity, objectivity or professional skepticism has been compromised.</p>	<p><i>Historical financial information</i> newly defined term.</p> <p><i>Independence</i> definition generally consistent except that point (b) now includes "audit or assurance team's".</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>Indirect Financial Interest A financial interest beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has no control.</p> <p>Lead Engagement Partner In connection with an audit, the Partner or other person in the Firm who is responsible for the Audit Engagement and its performance, and for the auditor's report that is issued on behalf of the Firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>Listed Entity An entity whose shares, stock or debt are quoted or listed on a recognised stock exchange, or are marketed under the regulations of a recognised stock exchange or other equivalent body.</p> <p>Managerial Employee An employee who acts in a managerial capacity within the structure of the Firm, including providing oversight, in the provision of services to Clients.</p> <p>Member A member of a professional body that has adopted this Code as applicable to their membership, as defined by that professional body.</p>		<p>Indirect financial interest A financial interest beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has no control or ability to influence investment decisions.</p> <p>Key audit partner The Engagement partner, the individual responsible for the Engagement quality control review, and other audit partners, if any, on the Engagement team who make key decisions or judgments on significant matters with respect to the audit of the financial statements on which the Firm will express an opinion. Depending upon the circumstances and the role of the individuals on the audit, "other audit partners" may include, for example, audit partners responsible for significant subsidiaries or divisions.</p> <p>Listed entity An entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body.</p> <p>Member An individual who is a member of an IFAC member body.</p>	<p><i>Indirect Financial Interest</i> added "or ability to influence investment decisions".</p> <p>Key Audit Partner is a new definition and has a much broader scope than Lead Engagement Partner.</p> <p><i>Managerial Employee</i> not defined in international Code.</p> <p><i>Member, Member in Business & Member in Public Practice</i> is the terms used in Australia. -The Australian equivalent replaces <i>Professional Accountant with Member</i>.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>Member in Business A Member employed or engaged in an executive or non executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a Member contracted by such entities.</p> <p>Member in Public Practice A Member, irrespective of functional classification (e.g., audit, tax or consulting) in a Firm that provides Professional Services. This term is also used to refer to a Firm of members in public practice and means a practice entity and a participant in that practice entity as defined by the applicable professional body.</p> <p><u>Network definition effective from 01 July 2008</u> Network² A larger structure: (a) That is aimed at co-operation, and (b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.</p> <p><u>Network Firm definition effective to 30 June 2008</u> Network Firm An entity under common control, ownership or management with the Firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as being part of the Firm nationally or internationally.</p>		<p><u>Member in Business</u> A Member employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a Member contracted by such entities.</p> <p><u>Member in Public Practice</u> A Member, irrespective of functional classification (e.g., audit, tax or consulting) in a Firm that provides Professional Services. This term is also used to refer to a Firm of Members in Public Practice.</p> <p>Network A larger structure: (a) That is aimed at co-operation; and (b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.</p> <p>Network Firm A Firm or entity that belongs to a network.</p> <p>Office A distinct sub-group, whether organized on geographical or practice lines.</p>	<p><i>Network Firm definition effective to 30 June 2008 to be deleted.</i></p>	

²This definition is to be read in the context of the guidance provided in paragraphs 290.14-26

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p><u>Network Firm definition effective from 01 July 2008</u></p> <p>Network Firm A Firm or entity that belongs to a Network.</p> <p>Office A distinct sub-group, whether organised on geographical or practice lines.</p> <p>Officer An Officer within the meaning of the Corporations Act.</p> <p>Partner Any individual with authority to bind the Firm with respect to the performance of an Engagement.</p> <p>Professional Services Services requiring accountancy or related skills performed by a professional accountant including accounting, auditing, taxation, management consulting and financial management services.</p>		<p><u>Professional Services</u> Services requiring accountancy or related skills performed by a Member including accounting, auditing, taxation, management consulting and financial management services.</p> <p>Public interest entity (a) A listed entity; and (b) An entity (a) defined by regulation or legislation as a public interest entity or (b) for which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation may be promulgated by any relevant regulator, including an audit regulator.</p>	<p><i>Officer</i> – carry forward definition.</p> <p><i>Partner</i> – carry forward definition.</p> <p><i>Public interest entity</i> –not defined in Australia.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
	<p>Related Entity An entity that has any of the following relationships with the Client:</p> <p>(a) An entity that has direct or indirect control over the Client provided the Client is material to such entity;</p> <p>(b) An entity with a direct financial interest in the Client provided that such entity has significant influence over the Client and the interest in the Client is material to such entity;</p> <p>(c) An entity over which the Client has direct or indirect control;</p> <p>(d) An entity in which the Client, or an entity related to the Client under (c) above, has a Direct Financial Interest that gives it significant influence over such entity and the interest is material to the Client and its related entity in (c); and</p> <p>(e) An entity which is under common control with the Client (hereinafter a "sister entity") provided the sister entity and the Client are both material to the entity that controls both the Client and sister entity.</p>		<p>Related entity An entity that has any of the following relationships with the <u>Client</u>:</p> <p>(a) An entity that has direct or indirect control over the <u>Client</u> if the <u>Client</u> is material to such entity;</p> <p>(b) An entity with a direct financial interest in the <u>Client</u> if that entity has significant influence over the <u>Client</u> and the interest in the <u>Client</u> is material to such entity;</p> <p>(c) An entity over which the <u>Client</u> has direct or indirect control;</p> <p>(d) An entity in which the <u>Client</u>, or an entity related to the <u>Client</u> under (c) above, has a direct financial interest that gives it significant influence over such entity and the interest is material to the <u>Client</u> and its related entity in (c); and</p> <p>(e) An entity which is under common control with the <u>Client</u> (a "sister entity") if the sister entity and the <u>Client</u> are both material to the entity that controls both the <u>Client</u> and sister entity.</p> <p>Review <u>Client</u> An entity in respect of which a <u>Firm</u> conducts a review <u>Engagement</u>.</p> <p>Review <u>Engagement</u> An assurance <u>Engagement</u>, conducted in accordance with International Standards on Review <u>Engagements</u> or equivalent, in which a <u>Member in Public Practice</u> expresses a conclusion on whether, on the basis of the procedures which do not provide all the evidence that would be required in an audit, anything has come to the accountant's attention that causes the accountant to believe that the financial statements are not prepared in all material respects, in accordance</p>	<p><i>Review Client</i> newly defined term.</p> <p><i>Review Engagement</i> newly defined term.</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
			<p><i>Those charged with governance</i> The persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process.</p>	<p>GPFR.</p> <p><i>Those charged with governance</i> newly defined term in IFAC Code.</p> <p>APES standards uses the following definition which is consistent with the existing AUASB glossary:</p> <p><i>Those Charged with Governance</i> includes those persons accountable for ensuring that the entity achieves its objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and reporting to interested parties. Those Charged with Governance includes management only when it performs such functions.</p> <p><u><i>Revised AUASB for clarity standards uses the following definition:</i></u></p> <p><i>Those Charged with Governance</i> means the person(s) or organisation(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of a</p>	

APES 110 PARA. NO.	EXISTING APES 110 PARAGRAPH	CODE PARA. NO.	NEW IFAC PARAGRAPH	COMMENTS	CHANGE ACCEPTED (Y/N)
				governance board of a private or public sector entity, or an owner-manager.	