

## AGENDA PAPER

**Item Number:** 2  
**Date of Meeting:** 22 August 2017  
**Subject:** Proposed compiled version of APES 110

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**Action required**     **For discussion**     **For noting**     **For information**

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### Purpose

To obtain Board approval to issue an updated Compiled APES 110 *Code of Ethics for Professional Accountants* (Compiled Code).

### Background

APES 110 *Code of Ethics for Professional Accountants* (the Code) was released in December 2010. Subsequently, due to international and local developments, APESB has issued the following amending standards:

- Amendment to the Definition of Public Interest Entity in APES 110 *Code of Ethics for Professional Accountants* (December 2011);
- Amendments to the Definitions and Auditor Independence Requirements in APES 110 *Code of Ethics for Professional Accountants* (May 2013);
- Amendments to APES 110 *Code of Ethics for Professional Accountants* due to revisions to IESBA's *Code of Ethics for Professional Accountants* (November 2013); and
- Amendments to APES 110 *Code of Ethics for Professional Accountants* due to revisions to IESBA's *Code of Ethics for Professional Accountants* (May 2017).

From time to time to assist Members, APESB issues a Compiled Code which compiles all amending standards with the original Code. The last Compiled Code was issued in November 2013.

### Key Considerations

In May 2017 APESB issued *Amendments to APES 110 Code of Ethics for Professional Accountants due to revisions to IESBA's Code of Ethics for Professional Accountants* (Amending Standard). The Amending Standard incorporates changes made by the International Ethics Standards Board for Accountants (IESBA) for:

- Responding to Non-Compliance with Laws and Regulations (NOCLAR); and
- Non-assurance Services to Audit and Assurance Clients (NAS).

The Amending NOCLAR/NAS Standard was released as a separate document, but included the following key amendments to the Code:

- Addition of Section 225 *Responding to Non-Compliance with Laws and Regulations* (refer to pages 42 – 52 of Agenda Item 2(a));
- Amendments to the sub section Provision of non-assurance services to audit clients set out in paragraphs 290.159 – 290.183 (refer to pages 88 – 95 of Agenda Item 2(a));
- Amendments to the sub section Provision of non-assurance services to assurance clients set out in paragraphs 291.138 – 290.147 (refer to pages 128 – 130 of Agenda Item 2(a));
- Addition of Section 360 *Responding to Non-Compliance with Laws and Regulations* (refer to pages 150 – 157 of Agenda Item 2(a)); and
- Consequential amendments for the NOCLAR/NAS provisions.

Other than these changes, the Code remains unchanged from the 2013 Compiled version.

Due to these substantive changes, which include new sections as well as changes to several existing provisions, Technical Staff are of the view that a new version of the Compiled Code should be issued for the benefit of stakeholders.

Technical Staff have drafted a revised compiled code (refer to Agenda item 2(a)) that incorporates the Amending Standard into the extant version of the Compiled Code issued in November 2013. The details of the compilation and the complete list of all paragraphs affected by the amending standards are set out on pages 3 – 8 of Agenda Item 2(a) Compiled Code 2017.

### **Staff Recommendation**

The Board approve for issue the Compiled APES 110 *Code of Ethics for Professional Accountants* (2017).

### **Material Presented**

Agenda Item 2(a)      Compiled APES 110 *Code of Ethics for Professional Accountants*  
(Marked up).

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**Date:**            3 August 2017