

ED 03/18	APES 110	High level summary of changes
Proposed Inducements Provisions in APES 110 (July 2018)	Compiled (Sept 2017)	
Note that paragraphs are presented in the order of the proposed Inducements Exposure Draft (July 2018)		
Code of Ethics for Professional Accountants (including Independence Standards)		
Glossary (consistency of Glossary definitions vs Definitions in extant APES 110)		
Inducement	- (350.1)	New definition including examples of Inducements based on content in the extant Code.
Part 2 - Members in Business (Including Employment Relationships of Members in Public Practice)		
Section 250 Inducements, including Gifts and Hospitality		
250.1	-	New introductory paragraph to remind Members of their obligation to comply with the fundamental principles and apply the conceptual framework set out in section 120.
250.2	350.2	
250.3	-	New introductory paragraph which clarifies the need to comply with relevant laws and regulations when offering and accepting Inducements & that this section does not address NOCLAR.
250.4 A1	350.1	New definition of Inducements which includes additional examples of Inducements (compared to extant Code).
R250.5	-	New requirement to obtain an understanding of relevant local laws and legislation surrounding Inducements, such as bribery and/or corruption laws.
250.6 A1	-	New application material explaining Inducements may cause threats to compliance with the fundamental principles even if the Inducement is not prohibited by laws and regulations.
R250.7	350.7	Requirement has been revised to include the concept of the reasonable and informed third party test.
R250.8	350.4, 350.3	
250.9 A1	-	New application material explaining the term improperly influence.
250.9 A2	-	New application material explaining a breach of the fundamental principle of integrity occurs when the intent behind the Inducement is to improperly influence behaviour of an individual.
250.9 A3	- (350.3)	New application material to assist in determining whether there is an actual or perceived intent to improperly influence behaviour.

ED 03/18	APES 110	High level summary of changes
Proposed Inducements Provisions in APES 110 (July 2018)	Compiled (Sept 2017)	
250.10 A1	-	New application paragraph that clarifies that threats to compliance with the fundamental principles may still be created even if the Member does not offer or accept the Inducement.
250.10 A2	350.4	Revisions to examples of action to reflect new definition of safeguards (including the addition of a new safeguard).
250.11 A1	- (350.8)	New application paragraph that clarifies the conceptual framework applies to assess and evaluate threats to the fundamental principles when an Inducement is offered without any intent to improperly influence behaviour.
250.11 A2	- (350.3, 350.4)	New application paragraph that clarifies the threats are at an Acceptable Level if the Inducement is trivial and inconsequential and there is no intent to improperly influence behaviour.
250.11 A3	-	New application material which provides examples of Inducements that might create threats even in the absence of an actual or perceived intent to improperly influence behaviour.
250.11 A4	-	New application material clarifying that factors outlined in paragraph 250.9 A3 are relevant in evaluating the level of threats created through offering or receiving Inducements.
250.11 A5	-	New application material providing examples of actions that might eliminate threats.
250.11 A6	350.4	Revisions to examples of action to reflect new definition of safeguards (including the addition of new safeguards).
R250.12	350.2	Requirement revised to clarify that Members must remain alert to Inducements offered to or by Immediate or Close Family members.
R250.13	-	New requirement to advise an Immediate or Close Family Member not to offer or accept an Inducement if there is intent to improperly influence the behaviour of the Member or of the counterparty.
250.13 A1	350.4	New application material providing guidance surrounding Inducements offered to or by Immediate and Close Family members.
250.13 A2	-	
250.14 A1	-	
250.14 A2	-	
250.15 A1	-	New application material that cross references to applicable requirements in section 240 for Members offered an Inducement by their employing organisation that relates to financial interests, compensation and incentives.

ED 03/18	APES 110	High level summary of changes
Proposed Inducements Provisions in APES 110 (July 2018)	Compiled (Sept 2017)	
250.15 A2	-	New application material that cross references to applicable requirements in section 260 for Members offered an Inducement that may result in NOCLAR.
250.15 A3	- (350.5, 350.6)	New application material that cross references to applicable requirements in section 270 for Members facing pressure to offer or accept Inducements.
Part 3 - Members In Public Practice		
Section 340 Inducements, including Gift and Hospitality		
340.1	-	New introductory paragraph to remind Members of their obligation to comply with the fundamental principles and apply the conceptual framework set out in section 120.
340.2	260.1	
340.3	-	New introductory paragraph which clarifies the need to comply with relevant laws and regulations when offering and accepting Inducements & that this section does not address NOCLAR.
340.4 A1	260.2	New definition of Inducements which includes additional examples of Inducements (compared to extant Code).
R340.5	-	New requirement to obtain an understanding of relevant local laws and legislation surrounding Inducements, such as bribery or corruption laws.
340.6 A1	-	New application material explaining Inducements may cause threats to compliance with the fundamental principles even if the Inducement is not prohibited by laws and regulations.
R340.7	- (350.7)	New requirement for Members in Public Practice not to offer, or encourage others to offer, Inducements which appear to have the intent to improperly influence behaviour of the recipient.
R340.8	260.3, 260.2	
340.9 A1	-	New application material explaining the term improperly influence.
340.9 A2	-	New application material explaining a breach of the fundamental principle of integrity occurs when the intent behind the Inducement is to improperly influence behaviour of an individual.
340.9 A3	260.2	New application material to assist in determining whether there is an actual or perceived intent to improperly influence behaviour.
340.10 A1	-	New application paragraph that clarifies that threats to compliance with the fundamental principles may still be created even if the Member does not offer or accept the Inducement.

ED 03/18	APES 110	High level summary of changes
Proposed Inducements Provisions in APES 110 (July 2018)	Compiled (Sept 2017)	
340.10 A2	- (350.4)	New application material that provide examples of action that might be safeguards.
340.11 A1	- (260.2, 260.3)	New application paragraph that clarifies the conceptual framework applies to assess and evaluate threats to the fundamental principles when an Inducement is offered without any intent to improperly influence behaviour.
340.11 A2	- (350.3, 350.4)	New application paragraph that clarifies threats are at an Acceptable Level if the Inducement is trivial and inconsequential and there is no intent to improperly influence behaviour.
340.11 A3	-	New application material which provides examples of Inducements that might create threats even in the absence of an actual or perceived intent to improperly influence behaviour.
340.11 A4	-	New application material clarifying that factors outlined in paragraph 340.9 A3 are relevant in evaluating the level of threats created through offering or receiving Inducements.
340.11 A5	-	New application material providing examples of actions that might eliminate threats.
340.11 A6	-	New application material offering examples of safeguards to threats when accepting or offering Inducements.
R340.12	-	New requirement that Members remain alert to Inducements offered to or by Immediate and Close Family members.
R340.13	-	New requirement to advise an Immediate or Close Family Member not to offer or accept an Inducement if there is intent to improperly influence the behaviour of the Member or of the counterparty.
340.13 A1	-	New application material providing guidance surrounding Inducements to or by Immediate and Close Family members
340.13 A2	-	
340.14 A1	-	
340.14 A2	-	
340.15 A1	-	New application material that cross references to applicable requirements in section 360 for Members offered an Inducement that may result in NOCLAR.
340.15 A2	-	New application material that cross references to applicable requirements in section 420 for Firms, Network Firms or Audit Team members offered gifts or hospitality from an Audit Client.
340.15 A3	-	New application material that cross references to applicable requirements in section 906 for Firms or Assurance Team members offered gifts or hospitality from an Assurance Client.

ED 03/18	APES 110	High level summary of changes
Proposed Inducements Provisions in APES 110 (July 2018)	Compiled (Sept 2017)	
Part 4A - Independence for Audit and Review Engagements		
Section 420 Gifts and Hospitality		
420.1	-	New introductory paragraph to remind Firms of their obligation to comply with the fundamental principles and apply the conceptual framework set out in section 120.
420.2	290.225	
R420.3	290.225	
420.3 A1	-	New application material which cross references to applicable requirements in section 340 which apply if the Firm, Network Firm or Audit Team member is offering or accepting an Inducement from an Audit Client.
420.2 A2	-	New application material which cross references to applicable requirements in section 340 which prohibit Inducements even when trivial or inconsequential if the intent is to improperly influence behaviour.
Part 4B - Independence for Assurance Engagements Other Than Audit and Review Engagements		
Section 906 Gifts and Hospitality		
906.1	-	New introductory paragraph to remind Firms of their obligation to comply with the fundamental principles and apply the conceptual framework set out in section 120.
906.2	291.155	
R906.3	291.155	
906.3 A1	-	New application material which cross references to applicable requirements in section 340 which apply if the Firm or Assurance Team member is offering or accepting an Inducement from an Assurance Client.
906.3 A2	-	New application material which cross references to applicable requirements in section 340 which prohibit Inducements even when trivial or inconsequential if the intent is to improperly influence behaviour.