



**20 February 2023**

**To: Members of the Hong Kong Institute of CPAs  
All other interested parties**

**INVITATION TO COMMENT ON INTERNATIONAL ETHICS STANDARDS BOARD  
FOR ACCOUNTANTS (IESBA) EXPOSURE DRAFT**

***PROPOSED REVISIONS TO THE CODE ADDRESSING TAX PLANNING AND  
RELATED SERVICES***

***Comments to be received by 18 April 2023***

The Hong Kong Institute of Certified Public Accountants' (Institute) Ethics Committee is seeking comments on the IESBA's Exposure Draft (ED), *Proposed Revisions to the Code Addressing Tax Planning and Related Services*.

The proposed revisions respond to public interest concerns about tax avoidance and the role played by consultants, including professional tax advisers, in light of revelations in recent years such as the [Paradise](#) and [Pandora](#) Papers. The proposals strengthen the ethical expectations for professional accountants in business and in public practice when performing tax planning activities for employing organizations or providing tax planning services to clients, respectively.

Among other matters, the proposed ethical framework:

- Explains the types of threats to compliance with the fundamental ethics principles of the Code that might be created when professional accountants are involved in tax planning.
- Sets a clear principle that professional accountants recommend or otherwise advise on a tax planning arrangement only if they have determined that there is a credible basis in laws and regulations for it.
- Requires consideration of the reputational, commercial and wider economic consequences that could arise from the way stakeholders might view the tax planning arrangement before determining whether to proceed with the recommendation or advice.
- Provides practical guidance to assist professional accountants in navigating situations of uncertainty when carrying out tax planning.
- Deals with other practical matters, including disagreement with the client or management or those charged with governance, and documentation.

The development of the proposals has been informed by extensive fact finding and outreach to stakeholders, including three global roundtables held in April 2022.

The ED has been posted on the Institute's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/Code-of-Ethics>

Questions for respondents have been included in Section X "Guide for Respondents" of the ED to solicit specific feedback on the proposals.



In accordance with the Institute's due process, comments are invited from any interested party and the Institute would like to hear from both those who do agree and those who do not agree with the contents of the ED.

Comments should be supported by specific reasoning and should be submitted in written form.

To allow your comments on the ED to be considered, comments are requested by the due date shown above.

Comments may be sent by mail, fax or e-mail to:

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Hong Kong Institute of Certified Public Accountants  
37/F., Wu Chung House  
213 Queen's Road East  
Hong Kong

Fax number (+852) 2865 6776

E-mail: [commentletters@hki CPA.org.hk](mailto:commentletters@hki CPA.org.hk)

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.