



**INDEPENDENT REGULATORY BOARD FOR
AUDITORS**

COMMITTEE FOR AUDITOR ETHICS

**Final Pronouncement: Revisions to the IRBA
Code of Professional Conduct for Registered
Auditors Addressing Tax Planning and Related
Services**

Johannesburg / 12 December 2024

In October 2024, the Independent Regulatory Board for Auditors (IRBA) approved the [Final Pronouncement: Revisions to the IRBA Code of Professional Conduct for Registered Auditors \(IRBA Code\) Addressing Tax Planning and Related Services](#), for prescription and use by registered auditors (auditors).

Key Amendments

To move away from a purely mechanical and legalistic approach, the goal of the amendments to the IRBA Code relating to Tax Planning and Related Services is to provide a principles-based framework and an ethical benchmark applicable to tax planning services and activities. Among other matters, this framework:

- Explains the types of threats to compliance with the fundamental ethics principles of the IRBA Code that might be created when auditors are involved in tax planning.
- Describes how auditors act in the public interest through using their expertise and experience to assist clients in meeting their tax planning goals, thereby facilitating compliance with tax laws and regulations and contributing to the effective functioning of tax systems.
- Outlines the respective responsibilities of auditors, clients or management and, where applicable, those charged with governance.
- Sets a clear principle that auditors recommend or otherwise advise on a tax planning arrangement only if they have determined that there is a credible basis in laws and regulations to do so.
- Requires a “stand-back consideration” aligned to the public interest, through a consideration of the reputational, commercial and wider economic consequences that could arise from how stakeholders might view the tax planning arrangement.
- Provides practical guidance to assist auditors in navigating situations of uncertainty when carrying out tax planning.

- Deals with other practical matters, including disagreements with the client, management or those charged with governance and documentation.

These amendments are especially relevant in the context of the rising public scrutiny of tax avoidance schemes, which can damage companies' credibility and corporate reputation, as well as result in risk litigation and harm to the public interest. Responding to increased public interest concerns, the fundamental goal of these amendments is to ensure an ethical, credible basis for advising on tax planning arrangements, thereby restoring public and institutional trust on a topic that is core to the social contract between corporations and the market that supports them.

South African Adaptations and Amendments to the IRBA Code

Consistent with the extant IRBA Code (Revised November 2024), any reference to “professional accountant” and/or “accountant” in the amendments to the IRBA Final Pronouncement has been replaced with the term “registered auditor”.

Effective Date

The revisions to Section 380 – *Tax Planning Services* and consequential amendments to Section 321 – *Second Opinions* will be effective for tax planning services beginning after 30 June 2025. Early adoption of the provisions is permitted.

Implementation Material

A [video](#) from the CFAE Tax Planning and Related Services Task Group Chairperson, presenting and highlighting the revisions, is available for viewing.

The following material is available on the IRBA or the International Ethics Standards Board for Accountants (IESBA) website:

- [Strengthening Ethical Behavior in Tax Planning Infographic.](#)
- [Strengthening Ethical Behavior in Tax Planning Fact Sheet.](#)
- [Webinars for the Recently Released Standards on Tax Planning and Related Services.](#)
- [Slides from the IESBA's May 13 Webinar on the Tax Planning and Related Services Final Pronouncement.](#)

Due Process

The adoption of these revisions to the IESBA Code of Ethics for Professional Accountants (including International Independence Standards) issued during April 2024 follows the issue of the proposed amendments of the Exposure Draft: [Proposed Revisions to the Code Addressing Tax Planning and Related Services](#) for public comment via [Government Gazette No. 48356 of 31 March 2023 \(Board Notice 426 of 2023\)](#).

A Board Notice will be released in the Government Gazette, advising on the publication of the revisions to the IRBA Code, pursuant to the provisions of Section 10(1)(a) of the Auditing Profession Act, as amended.

Should you have any further queries, please do not hesitate to contact the Standards Department by emailing standards@irba.co.za.

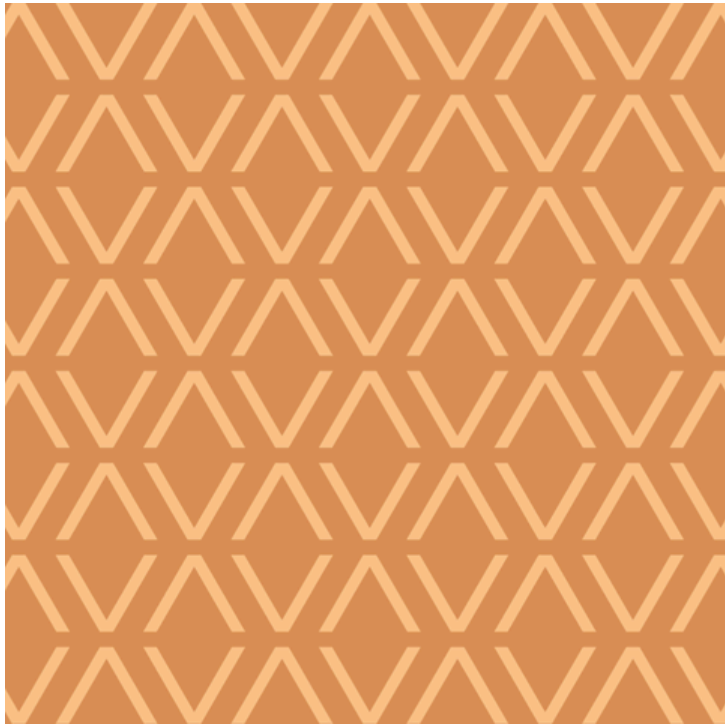
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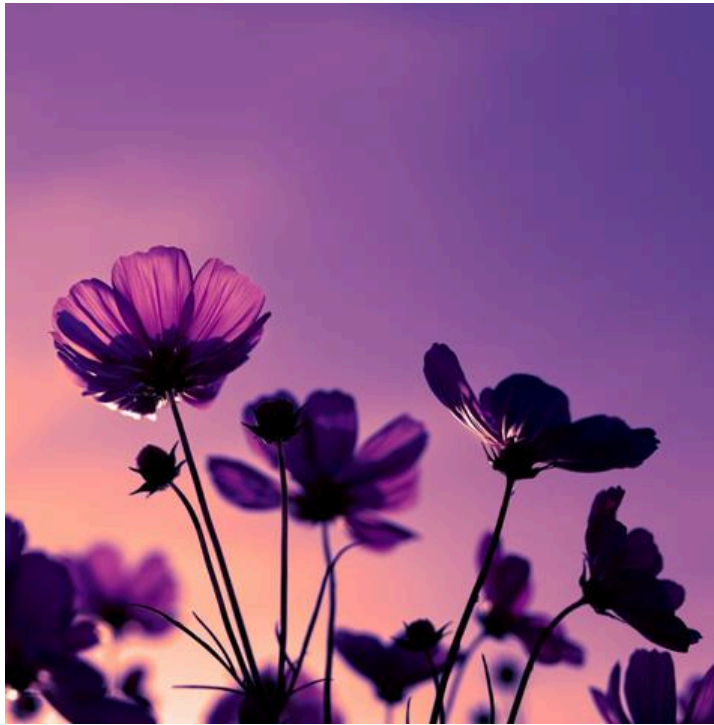
About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibilities of the Committee for Auditor Ethics are to assist the IRBA to determine what constitutes improper conduct by registered auditors by developing rules and guidelines for professional ethics, including a code of professional conduct; interact on any matter relating to its functions and powers with professional bodies and any other body or organ of state with an interest in the auditing profession; and provide advice to registered auditors on matters of professional ethics and conduct.







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