

## **GUIDANCE FACTSHEET**

### **CODE OF ETHICS AND CONDUCT**

The Code of Ethics and Conduct (the Code) sets out the ethical requirements for ACCA members, affiliates, registered students, ACCA firms, regulated non-members and all persons who otherwise agree to be bound by the Code. The Code is published in the ACCA Rulebook at [accaglobal.com/rulebook](https://accaglobal.com/rulebook).

This factsheet has no regulatory status. It is issued for guidance purposes only, and in the event of any conflict between the content of this factsheet and the content of the ACCA Rulebook, the latter shall at all times take precedence. Therefore, this factsheet should not be regarded by a member as a substitute for familiarising themselves with the appropriate regulations or, where necessary, obtaining specific advice concerning a specific situation.

## CONTENTS

INTRODUCTION .....	3
RESTRUCTURE OF THE CODE .....	3
NEW STRUCTURE OF THE CODE.....	3
GUIDE TO THE CODE OF ETHICS AND CONDUCT.....	3
SECTION A: IESBA CODE .....	3
Italicised content previously within Section A: IESBA Code .....	4
SECTIONS B AND C: SUPPLEMENTARY REQUIREMENTS AND GUIDANCE .....	4
SCOPE AND AUTHORITY OF THE CODE.....	4
WHO DOES THE CODE APPLY TO? .....	5
NON-COMPLIANCE WITH THE CODE .....	5
THE FUNDAMENTAL PRINCIPLES.....	5
THE CONCEPTUAL FRAMEWORK .....	6
INTERNATIONAL INDEPENDENCE STANDARDS.....	7
OTHER AREAS RELEVANT TO PROFESSIONAL ACCOUNTANTS IN BUSINESS .....	7
OTHER AREAS RELEVANT TO PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE .....	8
RESOURCES AND GUIDANCE .....	8
Ethics webpages .....	8
CCAB ethical dilemmas case studies .....	8
CCAB guidance on boundaries of personal and professional life in ethics .....	8
Professional conduct in relation to taxation .....	9
FURTHER INFORMATION .....	9

## INTRODUCTION

The Code of Ethics and Conduct forms part of the **ACCA Rulebook**. It establishes the ethical requirements for ACCA members, affiliates, registered students, ACCA firms, regulated non-members and all persons who otherwise agree to be bound by it.

## RESTRUCTURE OF THE CODE

The Code of Ethics and Conduct was restructured on 1 July 2025 as part of a series of planned modernisation and improvements to the ACCA Rulebook. Following the restructure, there are now three separate documents which, collectively, form the Code of Ethics and Conduct (the Code). Previously, these sections of the Code were consolidated into one single document.

The creation of three separate documents makes updates to the Code more manageable, especially given the increasing number of complex and extensive revisions to the IESBA Code. It also mitigates the risk of errors and omissions and streamlines our governance processes.

## NEW STRUCTURE OF THE CODE

The restructured Code consists of:

- **Guide to the Code of Ethics and Conduct**
- **Section A: International Code of Ethics for Professional Accountants (including International Independence Standards)** published by the International Ethics Standards Board for Accountants
- **Sections B and C: Supplementary Requirements and Guidance for Professional Accountants in Public Practice and Business.**

## GUIDE TO THE CODE OF ETHICS AND CONDUCT

The Guide sets out the new structure of the Code and includes guidance on the scope and authority of the Code, who it applies to, and non-compliance.

In paragraphs 6 to 22 of the Guide, we've replicated the information in the 'Guide' section of the IESBA Handbook in order to provide context and aid understanding and compliance. Key concepts are highlighted in bold.

As part of the restructure, we've also reviewed and revised the Guide to ensure the content remains relevant and up to date. For example, the Guide gives more prominence to the information on the IFAC copyright and permissions statement and contains additional information under Further Guidance.

## SECTION A: IESBA CODE

The IESBA Code continues to form an integral part of the restructured Code. We adopt the IESBA Code in full, using the original American English language text and interpretation. We also adopt any revisions to the IESBA Code in their entirety and unaltered.

ACCA publishes the latest edition of the IESBA Handbook as a separate downloadable Adobe PDF on the **Rulebook: Code of Ethics and Conduct** page of the ACCA website (with permission from IFAC), making it directly available to our members.

We highlight revisions to the IESBA Handbook in our Rulebook Commentary and provide the context and rationale for the updates. This includes signposting to the IESBA Final Pronouncement and further detailed IESBA guidance to assist professional accountants understand the revisions to the IESBA Handbook.

## ITALICISED CONTENT PREVIOUSLY WITHIN SECTION A: IESBA CODE

In the previous Code, Section A: IESBA Code was augmented by additional ACCA requirements and guidance in *italics*. As part of the restructure, we've reviewed the *italicised* content and mapped each requirement across to a new location, either within the **Guide, the new sub-sections B14 to B18 in the Supplementary Requirements and Guidance for Professional Accountants in Public Practice, or Regulatory factsheets and guidance**. The **Mapping Document** sets out where the *italicised* content previously within Section A: IESBA Code is now located in the Code (including any conforming amendments).

## SECTIONS B AND C: SUPPLEMENTARY REQUIREMENTS AND GUIDANCE

The Supplementary Requirements and Guidance for Professional Accountants in Public Practice and Business also continues to form part of the Code.

Following the restructure, the **Supplementary Requirements and Guidance for Professional Accountants in Public Practice** includes **five new sub-sections**:

- **Section B14: Conflicts of Interest**
- **Section B15: Professional Appointments**
- **Section B16: Second Opinions**
- **Section B17: Fees and Other Types of Remuneration**
- **Section B18: Custody of Client Assets.**

The new sub-sections contain the requirements and guidance previously included in Section A: IESBA Code as *italicised* content. In each new sub-section, we clearly indicate the section of the IESBA Code that is supplemented by these requirements and guidance.

As part of the restructure, we've reviewed and revised the content of the Supplementary Requirements and Guidance to ensure it remains relevant and up to date. This includes amendments arising from changes to statutory legislation and other regulations within the ACCA Rulebook, and alignment with the content of recently updated regulatory guidance factsheets. There are also minor amendments to language, grammar and weblinks. We've also improved the signposting to further advice and support from Technical Advisory Services and guidance factsheets.

## SCOPE AND AUTHORITY OF THE CODE

Where there may be perceived to be any conflict between the requirements of the IESBA Code in Section A and the supplementary requirements and guidance in Sections B and C, the more stringent requirements shall apply.

Where statutory and regulatory requirements are concerned, ACCA members, affiliates, registered students, ACCA firms and regulated non-members and all persons who otherwise agree to be bound by the Code are reminded that they must also refer to, and comply with, the legislation and regulatory requirements of the countries in which they work.

In some specialist areas of work, such as audit, assurance of sustainability reporting, insolvency, financial services and legal services, professional accountants are subject to a variety of statutory and regulatory requirements. Where the Code imposes a more stringent requirement than statutory and regulatory requirements, or vice versa, the more stringent requirement will apply, unless prohibited by law or regulation.

## WHO DOES THE CODE APPLY TO?

The Code applies to **professional accountants**, which is interpreted in the context of the Code as members or, where appropriate, students, affiliates ACCA firms, regulated non-members or persons who otherwise agree to be bound by the Code.

ACCA members, affiliates, registered students, regulated non-members and all persons who otherwise agree to be bound by the Code are required to observe proper standards of conduct. The Code applies to all ACCA members, affiliates, registered students, regulated non-members and all persons who otherwise agree to be bound by the Code in relation to all matters connected to their professional lives. This means that in matters connected to their professional lives, they must refrain from taking any action which amounts to a departure from the standards set out in the Code. In both their professional and personal lives, they must also refrain from what is described in ACCA's bye-law 8 as misconduct.

Registered students and affiliates are bound by the ethical requirements of ACCA, as affirmed by their declaration on the application forms to be enrolled as registered students.

Registered students remain bound by ACCA's ethical requirements during the period between successful completion of the examinations and their admission to membership (ie those having affiliate status). On admission to membership they become subject to the same requirements in their new capacity.

The Code is binding on all members of ACCA, and any principal or responsible individual in an ACCA firm. This includes any specified person in relation to the firm who is not a member of ACCA. It is also binding on the staff of an ACCA firm, regardless of whether or not they are members of ACCA or any other professional body.

## NON-COMPLIANCE WITH THE CODE

An ACCA member, affiliate, registered student, regulated non-member or person who otherwise agrees to be bound by the Code who fails to comply with the Code (incorporating the IESBA Code) will be liable to disciplinary action. Two committees have been appointed by Council to enforce ACCA's ethical standards: Disciplinary Committee and Appeal Committee. The committees derive their powers from the bye-laws and regulations. If you fail to observe the ethical standards expected, you may be required to answer a complaint before ACCA's Disciplinary Committee.

It is not possible to specify all those combinations of circumstances in which a professional accountant may be held by Disciplinary Committee to have fallen below the ethical standards expected. However, the Code (which may be added to or varied from time to time) sets out ACCA's ethical requirements in relation to those professional situations that most commonly arise.

## THE FUNDAMENTAL PRINCIPLES

**Section A: IESBA Code (Part 1)** of the Code requires all professional accountants to comply with the fundamental principles of ethics which establish the standard of behaviour expected of the professional accountant.

The five fundamental principles are set out below:

- **Integrity** – to be straightforward and honest in all professional and business relationships.
- **Objectivity** – to exercise professional or business judgment without being compromised by:
  - (i) Bias;
  - (ii) Conflict of interest; or
  - (iii) Undue influence of, or undue reliance on, individuals, organizations, technology or other factors.
- **Professional Competence and Due Care** – to:
  - (i) Attain and maintain professional knowledge and skill at the level required to ensure that a client or employing organization receives competent professional service, based on current technical and professional standards and relevant legislation; and
  - (ii) Act diligently and in accordance with applicable technical and professional standards.
- **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships.
- **Professional behavior** – to:
  - (i) Comply with relevant laws and regulations;
  - (ii) Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships; and
  - (iii) Avoid any conduct that the professional accountant knows or should know might discredit the profession.

## THE CONCEPTUAL FRAMEWORK

**Section A: IESBA Code (Part 1)** of the Code also requires professional accountants to apply the conceptual framework to identify, evaluate and address **threats** to compliance with the fundamental principles. Applying the conceptual framework requires you to have an **inquiring mind**, exercise **professional judgment**, and use the **reasonable and informed third party test**.

The conceptual framework specifies an approach for a professional accountant to:

- (a) Identify threats to compliance with the fundamental principles;
- (b) Evaluate the threats identified; and
- (c) Address the threats by eliminating or reducing them to an acceptable level.

The conceptual framework recognizes that the existence of conditions, policies and procedures established by the profession, legislation, regulation, the firm, or the employing organization might impact the identification of threats. Those conditions, policies and procedures might also be a relevant factor in your evaluation of whether a threat is at an **acceptable level**. When threats are not at an acceptable level, the conceptual framework requires you to address those threats. Applying **safeguards** is one way that threats might be addressed. Safeguards are actions individually or in combination that you take that effectively reduce threats to an acceptable level.

Threats to compliance with the fundamental principles fall into one or more of the following categories:

- **Self-interest threat** – the threat that a financial or other interest will inappropriately influence a professional accountant’s judgment or behavior;
- **Self-review threat** – the threat that a professional accountant will not appropriately evaluate the results of a previous judgment made, or an activity performed by the accountant or by another individual within the accountant’s firm or employing organization, on which the accountant will rely when forming a judgment as part of performing a current activity;
- **Advocacy threat** – the threat that a professional accountant will promote a client’s or employing organization’s position to the point that the accountant’s objectivity is compromised;
- **Familiarity threat** – the threat that due to a long or close relationship with a client, or employing organization, a professional accountant will be too sympathetic to their interests or too accepting of their work; and
- **Intimidation threat** – the threat that a professional accountant will be deterred from acting objectively because of actual or perceived pressures, including attempts to exercise undue influence over the accountant.

## INTERNATIONAL INDEPENDENCE STANDARDS

Within the Code, **Section A: IESBA Code** requires professional accountants in public practice to comply with the fundamental principles and be independent when performing **audit, review and other assurance engagements**. The conceptual framework applies to independence in the same way as it does to the fundamental principles.

The International Independence Standards set out specific requirements and application material on how to apply the conceptual framework to maintain independence in relation to these engagements. The additional material that applies to professional accountants in public practice when providing assurance services is as follows:

**Section A: IESBA Code (Part 4A)** – Independence for Audit and Review Engagements, which applies when performing audit or review engagements.

**Section A: IESBA Code (Part 4B)** – Independence for Assurance Engagements Other than Audit and Review Engagements, which applies when performing assurance engagements that are not audit or review engagements.

## OTHER AREAS RELEVANT TO PROFESSIONAL ACCOUNTANTS IN BUSINESS

**Section A: IESBA Code (Part 2)** of the Code sets out additional material that applies to professional accountants in business when performing professional activities.

**Section C: Supplementary requirements and guidance** holds supplementary requirements and guidance relevant specifically to professional accountants in business.

Areas include disclosing confidential information, whistleblowing, conflicts of interest, inducements, and responding to non-compliance with laws and regulations.

Further information is provided in **Section A: IESBA Code (Glossary)**.

## OTHER AREAS RELEVANT TO PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE

**Section A: IESBA Code (Part 3)** of the Code sets out additional material that applies to professional accountants in public practice when performing professional activities.

**Section A: IESBA Code (Part 2)** of the Code is **also** applicable to individuals who are professional accountants in public practice when performing professional activities pursuant to their relationship with the firm, whether as a contractor, employee or owner.

**Section B: Supplementary requirements and guidance** holds supplementary requirements and guidance relevant specifically to professional accountants in public practice.

Areas include anti-money laundering, whistleblowing responsibilities, marketing professional services, the descriptions of professional accountants and firms, professional appointments, legal ownership and access to books and other documents, fees and other types of remuneration, professional liability of accountants and auditors, custody of clients' monies and other assets, conflicts of interest, inducements, second opinions and responding to non-compliance with laws and regulations.

Further information is provided in **Section A: IESBA Code (Glossary)**.

Additionally, some of the essential regulatory requirements which practitioners should be aware of are covered in **ACCA's factsheets and guidelines**.

## RESOURCES AND GUIDANCE

### ETHICS WEBPAGES

ACCA has put together a range of resources and guidance to help students, members and firms find out more about ethics. These can be found on the **Ethics** webpages.

### CCAB ETHICAL DILEMMAS CASE STUDIES

The UK and Ireland's Consultative Committee of Accountancy Bodies (CCAB) has developed five sets of **Ethical Dilemmas Case Studies** which illustrate how the Code can be applied by professional accountants working in business, not-for-profit, the public sector and public practice and as non-executive directors. The scenarios are not intended to cover every possible circumstance, but instead outline key principles and processes that could be considered when attempting to identify, evaluate and address ethical threats in line with our Code. These case studies illustrate the application of the 'conceptual framework' approach to resolving ethical dilemmas and focus on the fundamental principles.

### CCAB GUIDANCE ON BOUNDARIES OF PERSONAL AND PROFESSIONAL LIFE IN ETHICS

The CCAB has also produced guidance which focuses on the boundaries of professional and private behaviour for members of the CCAB accountancy bodies in the UK and Ireland. The **Guidance on Boundaries of Personal and Professional Life in Ethics** includes core principles that ACCA would apply when considering if you had acted in a manner likely to discredit the profession in your non-professional life.



## PROFESSIONAL CONDUCT IN RELATION TO TAXATION

The **Professional Conduct in Relation to Taxation** (PCRT) sets out the professional standards expected of a member when undertaking tax work. PCRT is a pan-professional document published by seven leading accountancy and tax bodies. As such, it represents an ‘industry standard’ about professional behaviour in tax matters. You must therefore be familiar with, and comply with, PCRT when advising on tax matters. Failure to do so may expose you to possible disciplinary action.

## FURTHER INFORMATION

Further information is available on the ACCA website at [www.accaglobal.com](http://www.accaglobal.com), or by contacting Technical Advice and Support in your region. If you are in doubt as to the correct course of action in particular cases, you may obtain further guidance from ACCA. It is advisable to seek guidance prior to embarking on a course of action.