

## Schedule 1

# Code of Ethics

## Compliance

This Code of Ethics (“the code”) applies to all members of ATAINZ.

It applies to their work as tax practitioners and in any other actions that reflect on their work as tax practitioners.

Members must take all reasonable steps to comply with the code.

Members must also ensure that anyone working for them in tax practice (such as employees and contractors) complies with the code, regardless of whether those people are members of ATAINZ.

A member who asks or authorises another person to breach the code may be considered to have breached the code as if he or she took the actions herself.

Nothing in the code requires any person to breach legal obligations.

Unless specified, no requirement limits another.

## Interpretation

Wherever there is doubt, the requirements of this Code of Ethics must be interpreted in ways that uphold the integrity and good name of the tax practice profession.

For the purposes of interpreting this Code of Ethics and any related guidelines or explanations, the following definitions apply:

|                        |   |
|------------------------|---|
| Client                 | Anyone who engages the services of a tax practice you own, operate or work for in employment or on contract. For purposes of requirement 1.4 (conflicts of interest), “client” also includes any company or other entity that the client substantially controls or has a significant interest in. |
| Client information     | Any information about a client’s affairs acquired in the course of your professional relationship.  |
| Client funds           | Any money that is to be held on behalf of a client. Client funds do not include professional fees, nor any personal money of your own or your family’s.   |
| Disciplinary Committee | The <u>ATAINZ</u> Disciplinary Committee  |
| Family                 | Spouse or partner, and dependents.  |
| Financial interest     | Any interest in equity or other security, debenture, loan or other debt instrument, including rights and obligations to buy such an interest and derivatives directly related to such an interest.  |
| Income                 | Fees, commissions, gifts, or any other money or non-monetary rewards in exchange for performing a service.  |
| Money                  | Money includes cash, foreign currency, bank deposits, cheques, bills of exchange, promissory notes, and any other instrument that can be paid into a financial institution.   |
| Tax practice           | Provision of services relating to tax, financial information, financial advice, insolvency or trusteeship.  |

|               |   |
|---------------|---|
| Profession    | Unless otherwise specified, “profession” means the profession of tax practice.  |
| <u>ATAINZ</u> | <u>The Accountants and Tax Agents Institute of New Zealand (Incorporated).</u>  |
| Trust account | An account or accounts established with a reputable financial institution for the sole purpose of holding client funds. |
| Work for      | Work for in tax practice or associated activities, either in employment or on contract.                                 |
| You           | Any member of <u>ATAINZ</u> .   |

## Code of Ethics requirements

### 1) INTEGRITY

- a) You will practice your profession with integrity, independence and objectivity.
- b) You will practice your profession honestly, ensuring that all statements you make are truthful and accurate.
- c) You will comply with all relevant laws and regulations, and encourage your clients to comply.
- d) You will serve your client’s interests faithfully, putting aside any compromising interests or loyalties.
- e) If you become aware of a conflict of interest or potential conflict of interest, you will inform all affected parties of all relevant details as soon as possible, and you will recommend that all affected clients take independent advice.
- f) You will also decide on appropriate steps to deal with the conflict and inform all affected parties of those steps.
- g) If two or more clients are involved in a dispute, you must not advise both on the matter.
- h) You may not work for a client if doing so would be likely to disadvantage that client.

### 2) RESPECTING YOUR CLIENT’S TRUST AND CONFIDENCE

- a) You will respect your client’s confidence.
- b) You will not reveal any client information to anyone outside your tax practice unless (a) you have proper authority or (b) you are required to by law or as part of legal proceedings or (c) you need to disclose information in order to defend yourself or another member of your tax practice at a disciplinary or judicial hearing.
- c) You will not use client information to benefit yourself or anyone else other than your client.
- d) In all of your dealings with client funds, you will maintain the highest standards of trusteeship.
- e) You will keep client funds separate from your own in a trust account that is audited annually. You will use client funds only for purposes the client intended, in accordance with the client’s written instructions. You will at all times be able to account for all client funds. You will provide an annual statement to each client clearly stating any movement in that client’s funds.

### 3) SERVICE

- a) You will be open and transparent in all of your professional dealings with clients or potential clients. You will keep clients well informed about all matters relating to your work for them.
- b) You will provide services that are appropriate to your client's needs and are authorised by your client.
- c) You will carry out all of your work in a competent manner, complying with all relevant professional and accounting standards. You will take appropriate steps to maintain your competence.
- d) You will carry out all of your work in a careful and timely manner.
- e) You will charge fair and reasonable fees.

### 4) PROFESSIONAL CONDUCT

- a) You won't do anything that will bring ATAINZ or the profession of tax practice into disrepute.
- b) You will behave fairly and honourably towards everyone you deal with in relation to your work. This requirement covers advertising and seeking business, taking on new work and handing over work to other tax practitioners, dealing with complaints, and all other actions you take in relation to your work.
- c) If you believe another member of ATAINZ has breached the law or this Code of Ethics, you must inform ATAINZ as soon as you can, provided there is no compelling ethical or legal reason for keeping the information confidential.