



ICAEW Code of Ethics 2026

19 May 2026



Did you know?

ICAEW's revised Continuing Professional Development (CPD) Regulations bring in new CPD requirements. This includes a minimum number of hours and an ethics requirement.

This event could contribute to up to 1 hour of verifiable CPD, so long as you can demonstrate that the content is relevant to your role.

A copy of the registration email is acceptable evidence of verifiable CPD.

Find out how these changes affect you at [icaew.com/cpd](https://www.icaew.com/cpd)





Introduction

Victoria Andrew
Chair, ICAEW Ethics Standards Committee
Millcove Solution

Today's presenters

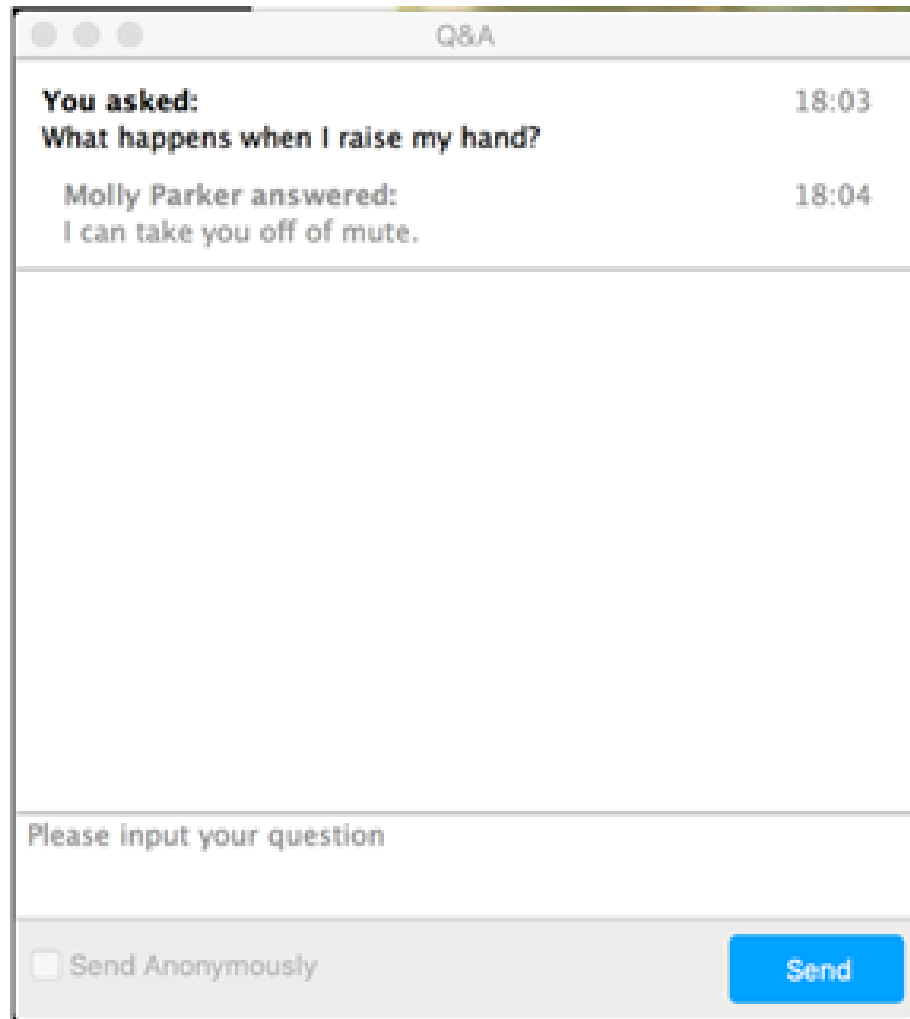


Sophie Wales
Director, Regulatory
Policy, Professional
Standards
ICAEW



Lindsey Wicks
Senior Tax manager
ICAEW

Ask a question



The screenshot shows a Q&A window with a title bar containing three window control buttons and the text 'Q&A'. The main content area displays a question and answer:

You asked:	18:03
What happens when I raise my hand?	
Molly Parker answered:	18:04
I can take you off of mute.	

Below the question and answer is a large empty text area. At the bottom of the window, there is a text input field with the placeholder text 'Please input your question'. To the left of the input field is a checkbox labeled 'Send Anonymously'. To the right is a blue button labeled 'Send'. An arrow points from the 'Send' button towards the right side of the slide.

Download resources

Link to slides in event reminder email

To ask a question

Click on the **Q&A** button in the bottom toolbar to open the question box.

Type in your question and press **send**.

The ICAEW Code

- ICAEW Code derives from IESBA Code of Ethics (current version October 2025)
- IFAC Statement of Member Obligations - Obligation 4:
 - ICAEW must adopt and implement standards which are “no less stringent” than those issued by IESBA Code. However, ICAEW can go further (e.g.)Professional Behaviour provisions
- ICAEW’s Ethics Standards Committee is “custodian of the Code”
- ICAEW last updated the Code of Ethics on 1 July 2025
 - incorporates changes made by IESBA up to December 2024
- Previous editions in 2019 and 2011

Process for amending the Code



Historically, complicated process for amending the Code. Required consultation and agreement with various Committees, Advisory Groups and Council.



In 2023, Council agreed a new streamlined process for amending the Code. Essentially:

- a) IESBA Updates that are deemed to be uncontroversial will be ratified automatically by Council and incorporated into the ICAEW Code at the next update
- b) “controversial” proposals will be discussed at Council
- c) where ICAEW wishes to incorporate provisions that go further than IESBA provisions, these will be considered at Council and decision made as to whether they should be incorporated.



Proposed amendments will also be run past IRB “for noting”.

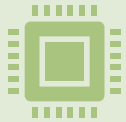


ESC will determine whether proposals are likely to be “controversial” or whether ICAEW wishes to include provisions that go further than IESBA.



This will be determined on the response by IESBA to ICAEW comments on IESBA Exposure Drafts. Revealed in the IESBA Final Pronouncement.

Updates required to the ICAEW Code in 2026



ICAEW to update the Code in 2026 to incorporate revisions to the IESBA Code governing tax planning and related activities/ services which came into force in July 2025.



The tax planning revisions were not incorporated into the July 2025 Code because ICAEW and other PCRT bodies were in discussions to achieve alignment between the new revisions and Professional Conduct in Relation to Taxation (PCRT)



IESBA has confirmed that the tax planning revisions and PCRT are broadly aligned.
Updated PCRT was published in October 2025 (effective from January 2026).
Effective date of the Updated Code will be 1 July 2026 to allow members to prepare for changes

ICAEW additional material

ICAEW is obliged to adopt the IESBA Code in full, but it is also able to include additional requirements or guidance, where it considers them to be relevant and appropriate for its members, often because of features of the UK context.

Historically there has been a substantial amount of add-on material, but over recent years the IESBA and ICAEW Codes have converged. However, there remain significant amounts of additional material relating mainly to:

1. Confidentiality
2. Professional behaviour
3. Professional handover
4. Second opinions
5. Fees and remuneration (including commission)

ICAEW additional material is indicated in the Code by shaded boxes.

What's changing?

- New section 280 for Members in Business (tax planning and related activities)
- New section 380 for Members in Practice (tax planning and related services)
- Additional ICAEW material clarifying the relationship between the new tax planning provisions and PCRT.



***An overview of the
IESBA Tax
Planning
Revisions and the
relationship with
PCRT***

Lindsey Wicks

What is in scope?

- Tax planning activities or services
- **NOT** tax compliance or tax preparation activities or services
- Related activities or service

Overview of the requirements in sections 280 and 380

- Understand the tax planning arrangements and relevant laws
- Establish whether the planning has a credible basis in law
- Stand back and consider other consequences
- Communicate conclusions
- Handling disagreements
- Tax planning products or arrangements developed by a third party

Understanding

- Understand anti-avoidance laws and regulations and advise employer/client to comply with them (R280.8 / R380.8)
- Understand the nature of the tax planning activity including
 - The client (R380.10)
 - The purpose, facts and circumstances of the tax planning arrangement (R280.10 / R380.10)
 - The relevant tax laws and regulations (R280.10 / R380.10)

Credible basis

- Determine that there is a credible basis in law for the tax planning arrangement (R280.12 / R380.12)
- Re-assess the validity of the credible basis if new circumstances come to light (R280.13 / R380.13)

Stand back

- Consider the reputational, commercial and wider economic consequences that could arise from how stakeholders view the arrangement (R280.14 / R380.14)

Communicate

- If you decide not to recommend or advise on the planning, this must be communicated to the employer / client (R280.15 / R380.15)
- If you are uncertain that the arrangement complies with relevant tax laws and regulations, this uncertainty must be communicated to the employer / client (R280.18 / R380.18)
- If you recommend or advise on an arrangement, you must explain the basis for the recommendation (R280.20 / R380.20)

Disagreement

- Escalation routes if client / employer decides to proceed in disagreement with your advice (R280.21 / R380.21)
- Next steps if disagreement following escalation (R280.22 / R380.22)
- Consider whether there is a need to withdraw from the engagement (R380.23)

Tax planning arrangements developed by a third party

- If a client approaches you with a product developed by a third party, you must:
 - Inform the client of any business arrangement with the third party
 - Apply the provisions of the standard to those arrangements (R380.24)
- If you refer a client to a third-party provider of tax planning services, you must inform the client of any business arrangement with that third party (R380.25)

Professional Conduct in Relation to Taxation (PCRT)

- First published jointly by ICAEW & CIOT in 1995
- PCRT sets out how members should apply ethical behaviour in a tax context and adherence is compulsory
- Seven professional bodies have signed up – AAT, ACCA, ATT, CIOT, ICAEW, ICAS, and STEP
- Supplemented by each body's own regulations, guidance and other Codes of Practice/Ethics
- PCRT is endorsed by HMRC

Key differences in application and approach

PCRT	IESBA
All tax work	Tax planning and related services
Written to apply to all members working in tax	Distinguishes between members working in business and members working in practice
Splits the requirements (in the main document) from the guidance (the help sheets)	Contains both the regulatory requirements (the 'R' paragraphs) and the guidance (the 'A' paragraphs or application material)

Approach to updating PCRT (effective from 1 January 2026)

- The PCRT group compared the existing text with the 'R' paragraphs in Sections 280 and 380 and made some minor additions / amendments
- IESBA has agreed that tax planning provisions and the corresponding provisions in the updated version of PCRT are broadly aligned
- Detail of the changes to PCRT is covered in a [pre-recorded webinar](#)

Relationship between new sections 280/380 and PCRT

- Members must follow PCRT
- Effect of ICAEW additional material will mean that compliance with PCRT will fulfil a member's ethical obligations in relation to UK tax planning activities/services
- In limited circumstances relating to tax planning in multiple jurisdictions, members will also need to refer to the IESBA provisions in the updated Code

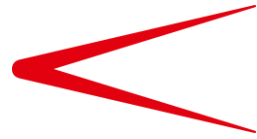
ICAEW additional material

Members undertaking any UK tax work must comply with Professional Conduct in Relation to Taxation (PCRT), irrespective of where they are based.

PCRT (effective from 1 January 2026) has been endorsed by the UK Tax authority and is considered to be no less stringent than the tax planning provisions contained in sections 280 and 380 of the Code. Therefore, compliance with PCRT satisfies a member's ethical obligations in relation to UK tax planning and related services.

A member who is based overseas or who is acting for a client that is subject to the tax jurisdiction of another country could be subject to more onerous legal obligations under the tax law and/or general law of that country. Except in that situation, a member must apply PCRT to professional activities with non-UK aspects.

Where a Member is providing tax planning and related activities involving multiple jurisdictions, they should also refer to the provisions in Sections 280 and 380 of the Code.



Topical Guidance on the Ethical Use of AI by Tax Professionals

Sophie Wales

Topical guidance

- PCRT bodies produce topical guidance on emerging issues
- Ethical use of artificial intelligence in tax work
- Working group of PCRT member bodies
- How the fundamental principles of the Code of Ethics and PCRT apply in the context of a member's work in tax

Topical guidance – use of AI

- Examples of how AI is used in the tax/accountancy sector:
- Tax compliance services
- Tax advisory services
- Client Due Diligence processes
- Mergers & Acquisitions
- Technical research

The fundamental principles

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

Risks and safeguards

Fundamental principle	Risk	Safeguard
Integrity	Lack of transparency over AI use	Consider disclosure in engagement letter or inform client directly if AI use fundamental to deliverable
Objectivity	Placing too much reliance on the output of a publicly available AI tool	Be aware of potential bias in the output of some tools
Professional competence & due care	Relying on hallucinated content such as non-existent case law	Check the sources used by the AI tool to assess their accuracy
Confidentiality	Confidential client data input into public AI tool without consent	Make sure staff are aware that confidential client data should not be put in public AI tools. Consider whether a ringfenced tool can be used.
Professional behaviour	AI tool may draft correspondence to HMRC with inappropriate language and tone	Carefully review any AI generated correspondence to check it is appropriate and professional.

Further resources produced by Ethics Team

In advance of effective date of 1 July, ICAEW will publish:

- Updated Code on website showing changes highlighted in orange
- Guidance to the changes on website
- Insights article explaining the changes

In addition, the recording of this webinar on the changes will be published on the website.

<https://events.icaew.com/pd/33109/code-of-ethics-2026-update>



[icaew.com](https://www.icaew.com)