

The fundamental principles

An Affiliate must comply with the following fundamental principles:

- 1. Integrity**
To be straightforward and honest in all professional and business relationships.
- 2. Objectivity**
To not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- 3. Professional competence and due care**
To maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation, techniques and act diligently and in accordance with applicable technical and professional standards.
- 4. Confidentiality**
To respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of oneself or third parties.
- 5. Professional behaviour**
To comply with relevant laws and regulations and avoid any action that discredits the tax profession.

The CIOT recognises that Affiliates based in different countries, or acting on behalf of employers and clients based in different countries and tax jurisdictions, will be subject to different legal and professional obligations depending on the tax laws, general laws and professional regulations applicable within each country or tax jurisdiction. The ADIT Affiliate Code of Conduct will not override such obligations and, in the event of any conflict between the applicable law or professional regulation and the ADIT Affiliate Code of Conduct, the applicable law or professional regulation shall prevail.

1. Integrity

- 1.1 An Affiliate must always be honest in all their professional work, in accordance with Chapter 3. In particular, a member must not knowingly or recklessly supply information or make any statement which is false or misleading, nor knowingly fail to provide relevant information.
- 1.2 An Affiliate must not engage in or be party (directly or indirectly) to any illegal activity, and must comply with all applicable laws and regulations to which the Affiliate is subject (for example, those governing money laundering).
- 1.3 An Affiliate must ensure that any customer or client's money is properly accounted for and maintained separately.
- 1.4 An Affiliate must not obtain or seek professional work in any unprofessional manner.

2. Objectivity

- 2.1 An Affiliate must be objective in all work undertaken, in accordance with Chapter 5. If objectivity may be impaired through conflict of interest, an Affiliate must take action to resolve or appropriately manage such conflicts.

3. Professional competence and due care

- 3.1 An Affiliate must carry out their professional work with proper regard for the technical and professional standards expected. In particular, an Affiliate must not undertake professional work which the Affiliate is not competent to perform, whether because of lack of experience or the necessary technical or other skills, unless appropriate advice, training or assistance is obtained to ensure that the work is properly completed.

4. Confidentiality

- 4.1 An Affiliate owes a duty of confidentiality to their client, customer or employer, as applicable, and should act in accordance with Chapter 4 in managing information with appropriate confidentiality. The duty to observe confidentiality applies without time limit to all information with which the Affiliate is entrusted by their client and/or employer. This includes information which is brought to their knowledge during or at any time after the carrying out of their assignment, or in the course of their professional practice in general. The same duty of confidentiality should be imposed on employees and subcontractors.
- 4.2 Information acquired in the course of an Affiliate's work must not be divulged in any way outside their organisation without the specific consent of the client or employer unless there is a legal or professional right or duty to disclose, such as disclosure of cross-border arrangements involving an EU jurisdiction to that state's tax authority under the EU Directive on administrative cooperation (DAC6).
- 4.3 A member must comply with the legal requirements on the handling of data.

5. Professional behaviour

- 5.1 Professional behaviour encompasses an Affiliate's business dealings and in certain circumstances as set out below, conduct in an Affiliate's personal life or private capacity.
- 5.2 An Affiliate must:
- Uphold the professional standards as set out in the ADIT Affiliate Code of Conduct;
 - Take due care in their professional conduct and professional dealings.
- 5.3 An Affiliate must not:
- Perform their professional work, or conduct their practice or business relationships, or perform the duties of their employment improperly, inefficiently, negligently or incompletely to such an extent or on such number of occasions as to be likely to bring discredit to themselves, to the CIOT or to the tax profession;
 - Breach the ADIT Affiliate Code of Conduct;
 - Conduct themselves in an unbecoming, unlawful or illegal manner, including in a personal, private capacity, which tends to bring discredit upon a member and/or may

harm the standing of the profession and/or the CIOT. For the avoidance of doubt, conduct in this context includes (but is not limited to) conduct as part of an Affiliate's personal or private life.

- 5.4 An Affiliate should be courteous and considerate towards all with whom they come into contact in the course of their professional work.

Rules and guidance

Chapter 1: Working with clients, customers, suppliers, tax authorities and other stakeholders

All Affiliates are required to comply with the following principles and standards of professional behaviour in all interactions with stakeholders, including clients, customers and suppliers:

- 1.1 Uphold trust and act with honesty, integrity and respect.
- 1.2 Deliver a high quality service appropriate to the individual circumstances and needs of the stakeholder.
- 1.3 Be willing to challenge the stakeholder's views and assumptions, and deliver unwelcome information when the stakeholder's views and assumptions are incorrect or incomplete.
- 1.4 Only accept clients, suppliers and engagements which can be serviced and performed in full adherence to the professional standards of the ADIT code, where legally permitted.
- 1.5 Support colleagues, and withdraw, where legally permitted, from working with any stakeholder who exercises undue pressure or threaten colleagues.
- 1.6 When interacting with lawmakers, tax administrations and regulators, do not take unfair advantage of any insights gained into the development of tax legislation through contact with such authorities.
- 1.7 Uphold all applicable rules in all engagements with external stakeholders.

Chapter 2: Working ethically

All Affiliates are required to comply with the following ethical principles and standards:

- 2.1 Reject any business practices which one's organisation defines as unethical and/or illegal.
- 2.2 Strive to enhance the role of the tax profession and to build trust in the profession at all times.
- 2.3 Address ethical questions rather than hiding from or ignoring them, and encourage colleagues to do likewise.
- 2.4 Promote a successful, equitable and sustainable society, and do not cause intentional harm.

Chapter 3: Acting with professional integrity

All Affiliates are required to comply with the following standards of professional integrity and honesty:

- 3.1 Comply with all applicable laws, regulations and standards at all times.
- 3.2 Recognise the need to be honest in one's competitive behaviour, and to prioritise the principle of honesty above any conflicting imperative.
- 3.3 Do not offer personal inducements or engage in unethical behaviour in order to secure work.
- 3.4 Maintain full disclosure and transparency over the tax positions of the organisation, clients and customers, and advise in the expectation that details will not be kept secret from the tax authorities concerned.
- 3.5 Comply with all applicable laws and regulations regarding disclosure of organisations' and clients' tax arrangements to the tax authorities concerned. For example, tax advisers who

advise on cross-border arrangements involving EU jurisdictions are required to comply with the EU Directive on administrative cooperation (DAC6).

- 3.6 Consider wider risks and circumstances relating to each client or customer, and the possible implications of any course of action advised.
- 3.7 Promote a culture of consultation and openness when engaging with all stakeholders.
- 3.8 Uphold the organisation's name, reputation, policies and procedures, and do not knowingly misrepresent the views of the organisation.
- 3.9 Raise any concerns which may arise regarding the correctness, legality or propriety of a course of action, and consult with others when in doubt.
- 3.10 Fully document client and customer engagements and business operations as appropriate, in accordance with the organisation's policies and any applicable legal and professional requirements.
- 3.11 Fully document accounting records and financial data as appropriate, in accordance with the organisation's policies and any applicable legal and professional requirements.
- 3.12 Do not destroy or alter documents, or recommend their destruction or alteration, for any illegal or improper reason.

Chapter 4: Respecting confidentiality and developing intellectual capital

All Affiliates are required to adhere to the following requirements when dealing with information and intellectual property, at all times in the course of their professional activities:

- 4.1 Respect and protect personal and confidential information obtained from, or relating to, colleagues or external stakeholders, in accordance with all applicable legal and professional obligations.
- 4.2 Take proactive measures to safeguard documents, computers and other devices containing personal or confidential information.
- 4.3 Do not use confidential information improperly, or for personal gain.
- 4.4 Obtain, develop and protect intellectual property in a legal and ethical manner, and respect any restrictions on its use and reproduction.
- 4.5 Use and share internal and external knowledge in accordance with the organisation's policies, and all applicable legal and professional obligations.

Chapter 5: Maintaining objectivity and independence

Affiliates are required to maintain appropriate standards of objectivity and independence in all professional activities, and to act in accordance with the following principles:

- 5.1 Reject inappropriate pressure from colleagues or external stakeholders, and report such behaviours to the organisation or appropriate authority.
- 5.2 Avoid relationships which impair, or may be viewed as impairing, one's objectivity and independence.
- 5.3 Remain alert for personal and professional conflicts of interest, and take immediate and appropriate steps to resolve or manage any that may arise.

- 5.4 Do not accept payments, gifts or favours if this could reasonably be viewed as influencing one's advice or conclusions.
- 5.5 Comply with all applicable independence rules and laws, including those set by the organisation, regulators, standard setting bodies and professional bodies.