



National Association of State Boards of Accountancy

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February 25, 2020

Professional Ethics Executive Committee
c/o Toni Lee-Andrews, Director
American Institute of Certified Public Accountants
1345 Avenue of the Americas
New York, NY 10105

Via e-mail: Ethics-ExposureDraft@aicpa-cima.com

Re: **Strategy and Work Plan Consultation Paper**

Dear Members and Staff of the AICPA Professional Ethics Executive Committee (PEEC):

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to comment on the above-referenced Consultation Paper, *Strategy and Work Plan* (the SWP). NASBA's mission is to enhance the effectiveness and advance the common interests of State Boards of Accountancy (State Boards) that regulate all Certified Public Accountants (CPAs) and their firms in the United States and its territories, which includes all audit, attest and other services provided by CPAs. State Boards are charged by law with protecting the public.

NASBA has been encouraging the State Boards to adopt the AICPA *Code of Professional Conduct* (the Code) with the goal of having consistent uniform standards in all jurisdictions. Accordingly, we are keenly focused on proposed changes to the Code that might be unacceptable to the State Boards because they are not considered to be in the public interest.

In furtherance of these objectives, NASBA offers the following comments regarding the SWP.

Proposed New Standard-Setting Projects

NASBA generally agrees with the proposed new standard-setting projects described in the SWP. Concerning the definition of "office," we suggest that the Professional Ethics Executive Committee (PEEC) consider how meaningful (or not) physical location is in the current environment and the disparate impact the current definition and rules impose on smaller, single-office firms compared to larger, multi-office firms. In regards to de minimis fees, we would caution PEEC to consider that changing existing guidance may raise regulatory enforcement issues as to where the de minimis borderline should be set for outstanding fees for services provided more than one year prior to the date of the current-year report.

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One additional project the PEEC may wish to initiate would be to evaluate the final revisions to the Securities and Exchange Commission (SEC) independence rules to determine whether PEEC should amend certain rules, e.g. loan provision, so they align with the amended SEC rules.

Proposed Member Enrichment

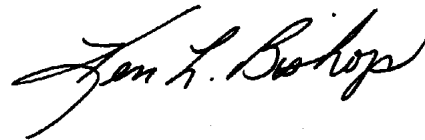
NASBA generally agrees with the proposed member enrichment projects. In particular, we suggest the PEEC develop comprehensive guidance, including illustrative examples, to help members evaluate and address conflicts of interest that may arise when members provide tax services to a divorcing couple, including when spouses utilize a collaborative divorce.

Again, we appreciate the opportunity to comment on the SWP.

Very truly yours,



Laurie J. Tish, CPA
NASBA Chair



Ken L. Bishop
NASBA President and CEO