

May 10, 2017

Ms. Lisa A. Snyder, Director
AICPA Professional Ethics Division
1211 Avenue of the Americas, 19th Floor
New York, NY 10036-8775

Re: December 15, 2016 PEEC Exposure Draft (ED), *Client and Attest Client: Proposed Revised Definitions of Client and Attest Client as well as Related Definitions, Interpretations, and Other Guidance*

Dear Ms. Snyder:

The American Institute of CPAs (AICPA) is the world's largest member association representing the accounting profession, with more than 418,000 members in 143 countries, and a history of serving the public interest since 1887. One of the objectives that the Council of the AICPA established for the Private Company Practice Section (PCPS) Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. These comments, however, do not necessarily reflect the positions of the AICPA.

TIC has reviewed the ED and is providing the following comments for your consideration.

GENERAL COMMENTS

TIC supports the changes to the definition of an attest client to only require independence of the subject entity, when the subject entity is different than the engaging entity.

TIC also believes that the clarification that married couples are to be considered one client for tax returns will assist many tax practitioners.

In addition, TIC has provided questions directly to a representative of the PEEC Client Task Force. TIC may have further comments pending the responses to our questions.

SPECIFIC COMMENTS

Question 1: *The proposed revised definition of "Attest Client" explains that when the engaging entity is not also the attest client, that the member does not need to be independent of the engaging entity but still must comply with the "Integrity and Objectivity Rule" and its interpretations, consistent with how the current AICPA code treats SSAE*

engagements with different engaging and subject entities (responsible parties). The committee believes including the reminder in the definition will minimize a member overlooking the requirement to comply with the "Integrity and Objectivity Rule" and its interpretations because it will appear each time the definition is viewed. Do you believe the inclusion of this requirement in the definition is the correct location? If not, please explain where you believe this requirement should be located and why you believe this location would be better than the proposed location.

Yes, TIC believes it would be helpful to include the reminder within the definition and this is an appropriate location for the requirement.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Westervelt". The signature is written in a cursive, flowing style.

Michael A. Westervelt, Chair
PCPS Technical Issues Committee
cc: PCPS Executive and Technical Issues Committees