



Crowe Horwath LLP
Independent Member Crowe Horwath International
330 East Jefferson Boulevard
Post Office Box 7
South Bend, Indiana 46624-0007
Tel +1 574 232 3992
Fax +1 574 236 8692
www.crowehorwath.com

May 15, 2017

Professional Ethics Executive Committee
Professional Ethics Division
American Institute of Certified Public Accountants
Attention: Lisa A. Snyder, Senior Director
1211 Avenue of the Americas, 19th Floor
New York, NY 10036

Via e-mail: lisa.snyder@aicpa-cima.com

Re: Comments on Exposure Draft, *Proposed Revised Definition of Client and Attest Client As Well As Related Definitions, Interpretations, and Other Guidance*, AICPA Professional Ethics Division dated December 15, 2016

Dear Ms. Snyder:

Crowe Horwath LLP appreciates the opportunity to comment on the American Institute of Certified Public Accountants ("AICPA") Professional Ethics Executive Committee's ("PEEC") December 2016 Exposure Draft, *Proposed Revised Definition of Client and Attest Client As Well As Related Definitions, Interpretations, and Other Guidance* (Exposure Draft) which provides new guidance on the definition of client and attest client.

We agree the revisions to clarify the client definition will assist members in applying the definition to current practices. We agree with the clarification that members should be required to be independent only of the subject entity when the engaging entity and the subject entity are different entities. We believe it is important to include the requirement to comply with the "Integrity and Objectivity Rule" for engaging entities as proposed in the Exposure Draft.

Other Observation

We provide the following observation on the new interpretations for PEEC's consideration.

The proposed interpretations introduce new terms that may be unclear and warrant further definition or examples. Specifically, there may be uncertainty in applying the term "beneficiary". While we believe in most situations the beneficiary of the service will be clear, there may be situations where it is unclear which party is benefiting. For example, if the engaging entity engages the member to provide an audit of a subject entity as part of an acquisition, there may be uncertainty regarding whether the audit benefits the engaging entity or subject entity. We believe this uncertainty could be addressed by requiring the engagement letter to specify which party is the beneficiary.

Crowe Horwath LLP appreciates the PEEC's efforts in providing these new interpretations. We would be pleased to respond to any questions regarding our comments. Should you have any questions please contact Jennifer C. Kary at (574) 239-7886 or James A. Dolinar at (630) 574-1649.

Cordially,

Crowe Horwath LLP

Crowe Horwath LLP