

**Professional Ethics Executive Committee further clarifies New  
Documentation Requirement provisions under Interpretation 101-3 –  
*Nonattest Services***



At its January 22-23, 2004 meeting, the Committee agreed to defer until December 31, 2004 the effective date of the new requirement to *document in writing* the understanding established with the client in accordance with General Requirement No. 3 under Interpretation 101-3 – *Nonattest Services*. Accordingly this requirement will take effect for any nonattest services performed for an attest client beginning January 1, 2005.

Additionally, at its July 29-30, 2004 meeting, the Committee adopted an additional revision to the general requirements of the interpretation which provides that the general requirement to *document in writing* the understanding established with the client in accordance with General Requirement No. 3 will not apply until the client becomes an attest client of the member or member's firm. For example, if a member or member's firm provides only nonattest services for a client, that member may not be in compliance with the documentation requirement as mandated by the interpretation. The revision will permit a member to prepare the required documentation upon acceptance of an attest engagement, provided the member is able to demonstrate his or her compliance with the other general requirements during the period covered by the financial statements, including the requirement to establish an understanding with the client.

Interpretation 101-3 can be found at:

[http://www.aicpa.org/download/ethics/interp\\_revisions\\_Sept03.pdf](http://www.aicpa.org/download/ethics/interp_revisions_Sept03.pdf)