

# Codification Framework

## Updated 1/22/14

*(Bracketed text identifies the extant citation where the content came from or new content if content did not previously exist)*

## 0 Preface

### 100.000 Overview of the Code of Professional Conduct

100.010 Principles and Rules of Conduct (ET Introduction)

100.020 Interpretations and Other Guidance (ET Introduction)

### 200.000 Structure and Application of the AICPA Code

200.010- Structure of the AICPA Code (New Content)

200.020 Application of the AICPA Code (New Content and ET§91)

200.030 Citations (New Content)

200.040 Transition Provisions (New Content)

200.050 Drafting Provisions (New Content)

### 300.000 Principles of Professional Conduct

300.010 Preamble (ET§51)

300.020 Responsibilities (ET§52)

300.030 The Public Interest (ET§53)

300.040 Integrity (ET§54)

300.050 Objectivity and Independence (ET§55)

300.060 Due Care (ET§56)

300.070 Scope and Nature of Services (ET§57)

**400.000 Definitions** (ET§92 and multiple interpretations. New Content is a definition of attest client and employing organization)

**500.000 Nonauthoritative Guidance** (New Content)

### 600.000 New, Revised, and Pending Interpretations and Other Guidance

600.010 New and Revised Interpretations and Other Guidance (New Content)

600.020 Pending Interpretations and Other Guidance (New Content)

**700.000 Deleted Interpretations and Other Guidance** (New Content)

## Part 1: Members in Public Practice

### 000 INTRODUCTION (New Content)

000.010 Conceptual Framework for Members in Public Practice (New Content)

000.020 Ethical Conflicts (New Content)

### 100 INTEGRITY AND OBJECTIVITY

#### **100.001 "Rule 102" Integrity and Objectivity** (ET§102.01)

100.005 Application of the Conceptual Framework for Members in Public Practice and the Ethical Conflicts Interpretation (New Content)

#### **110 Conflicts of Interest**

110.010 Conflicts of Interest (ET§102.03, ER93, ET§191.186-.187, ER 99, ET§191.198-.199, ER110, ET§191.220-.221)

110.020 Director Positions (ER 85, ET§191.170-.171, Substantive Change Made)

#### **120 Gifts and Entertainment**

120.010 Offering or Accepting Gifts or Entertainment (ER113, ET§191.226-.227)

# Codification Framework

## Updated 1/22/14

### **130 Preparing and Reporting Information**

130.010 Knowing Misrepresentations in the Preparation of Financial Statements or Records (ET§102.02)

130.020 Subordination of Judgment (ET§102.05)

### **140 Client Advocacy**

140.010 Client Advocacy (ET§102.07)

### **150 Use of a Third-Party Service Provider**

150.040 Use of a Third-Party Service Provider (ER 112, ET§191.224-.225)

## **200 INDEPENDENCE**

### **200.001 "Rule 101" Independence** (ET§101.01)

200.005 Application of the Conceptual Framework for Independence and the Ethical Conflicts Interpretation (ET§101.02 and New Content)

### **210 Conceptual Framework Approach**

210.010 Conceptual Framework for Independence (ET§100-1)

### **220 Accounting Firms**

220.010 Networks and Network Firms (ET§101.19)

220.020 Alternative Practice Structures (ET§101.16)

220.030 Use of Nonindependent CPA Firm on Engagement (ER 71, ET§191.142-.143)

### **224 Affiliates, Including Governmental Units**

224.010 Client Affiliates (ET§101.20)

224.020 Entities Included In State and Local Government Financial Statements (ET§101.12)

### **226 Reissued Reports**

226.010 Consenting to the Use of a Previously Issued Report (ER 100, ET§191.200-.201)

### **228 Engagement Contractual Terms**

228.010 Indemnification of a Covered Member (ER94, ET§191.188-.189)

228.020 Indemnification of an Attest Client (ER 102, ET§191.204-.205)

228.030 Alternative Dispute Resolution (ER95, ET§191.190-.191 and ER 96, ET§ 191.192-.193)

### **230 Fees**

230.010 Unpaid Fees (ER52, ET§191.103-.104)

230.020 Fees and Other Types of Remuneration (New Content, Not Substantive Change)

### **240 Financial Interests**

240.010 Overview of Financial Interests (ET§101.02.A-1 and ET§101.02.B)

240.020 Unsolicited Financial Interests (ET§101.17)

240.030 Mutual Funds (ET§101.17)

240.040 Retirement, Savings, Compensation, or Similar Plans (ET§101.17)

240.050 Partnerships (ET§101.17)

240.060 Limited Liability Companies (ET§101.17)

240.070 Section 529 Plans (ET§101.17)

### **245 Trusts and Estates**

245.010 Trustee or Executor (ET§101.02.A-2 and ER 11, ET§191.021-.022)

245.020 Trust Investments (ET§101.17)

### **250 Participation in Employee Benefit Plans**

250.010 Plan is an Attest Client or is Sponsored by an Attest Client (ER 107, ET§191.214-.215 and ET§101.17)

## **Codification Framework**

### **Updated 1/22/14**

250.020 Former Partners and Professional Employees Participation in a Firm-Sponsored Plan (ET§101.04)

#### **255 Depository, Brokerage and Other Accounts**

255.010 Depository Accounts (ER 70, ET§191.140-.141)

255.020 Brokerage and Other Accounts (ER 41, ET§191.081-.082)

#### **257 Insurance Products**

257.010 Insurance Policies With No Investment Option (ET§101.17)

257.020 Insurance Policies With Investment Options (ET§101.17)

257.030 Insurer Undergoes Demutualization (ET§101.17)

#### **260 Loans, Leases, and Guarantees**

260.010 Loans (ET§101.02.A-4)

260.020 Loans and Leases with Lending Institutions (ET§101.07 and ER 75, ET§191.150-.151)

260.030 Servicing of a Loan (ER 67, ET§191.134-.135)

260.040 Leases (ER 91, ET§191.182-.183)

260.050 Association with an Entity That Has a Loan To or From an Attest Client (ER 110, ET§191.220-.221)

#### **265 Business Relationships**

265.010 Cooperative Arrangements with Attest Clients (ET§101.14)

265.020 Joint Closely-Held Investments (ET§101.02.A-3, ER92, ET§191.184-.185)

#### **270 Family Relationships with Attest Clients**

270.010 Immediate Family Members (ET§101.02)

270.020 Immediate Family Member is Employed by the Attest Client (“Application of rules to immediate family and close relatives” (ET§101.02)

270.030 Immediate Family Member Participation in an Employee Benefit Plan That Is an Attest Client or Is Sponsored by an Attest Client (Other Than Certain Share-Based Arrangements or Nonqualified Deferred Compensation Plans) (“Application of rules to immediate family and close relatives” (ET§101.02)

270.040 Immediate Family Member Participation in an Employee Benefit Plan with Financial Interest in an Attest Client (“Application of rules to immediate family and close relatives” (ET§101.02)

270.050 Immediate Family Member Participation in Share-Based Compensation Arrangements Resulting in Beneficially Owned Financial Interest in Attest Clients (ET§101.02)

270.060 Immediate Family Member Participation in Share-Based Compensation Arrangements Resulting in Rights to Acquire Shares in an Attest Client (ET§101.02)

270.070 Immediate Family Member Participation in Share-Based Compensation Arrangements Based Upon Stock Appreciation (ET§101.02)

270.080 Immediate Family Member Participation in a Nonqualified Deferred Compensation Plan (ET§101.02)

270.100 Close Relatives (“Application of rules to immediate family and close relatives” ET§101.02)

#### **275 Current Employment or Association with an Attest Client**

275.005 Simultaneous Employment or Association with an Attest Client (ET§101.02.C and ET§101.21)

275.010 Honorary Director or Trustee of Not-for-Profit Organization (ET§101.06)

## **Codification Framework**

### **Updated 1/22/14**

275.015 Member of Advisory Board (ER 72, ET§191.144-.145)

275.020 Member of Governmental Advisory Committee (ER 20, ET§191.039-.040)

275.025 Campaign Treasurer (ER 82, ET§191.164-.165)

275.030 Member of Federated Fund-Raising Organization (“Member on board of federated fund-raising organization” (ER 14, ET§191.027-.028)

275.035 Member of Organization that Receives Funds From Fund-Raising Organization (ER 64, ET§191.128-.129)

#### **277 Former Employment or Association with an Attest Client**

277.010 Former Employment or Association with an Attest Client (“Application of the independence rules to covered members formerly employed by a client or otherwise associated with a client” (ET§101.02)

#### **279 Considering or Subsequent Employment or Association with an Attest Client**

279.010 Considering Employment or Association with an Attest Client (ET§101.04)

279.020 Subsequent Employment or Association with an Attest Client (ET§101.04)

#### **280 Memberships**

280.010 Member of a Social Club (ER 17, ET§191.033-.034)

280.020 Member of a Trade Association (ER 2, ET§191.003-.004)

280.030 Member of Common Interest Realty Association (CIRA) (ER 31, ET§191.061-.062)

280.040 Member of a Credit Union (ER 75, ET§191.150-.151)

#### **285 Gifts and Entertainment**

285.010 Offering or Accepting Gifts or Entertainment (“Acceptance or offering of gifts and entertainment to or from an attest client” (ER 114, ET§191.228-.229)

#### **290 Actual or Threatened Litigation**

290.010 Actual or Threatened Litigation (ET§101.08)

#### **295 Nonattest Services**

295.010 Scope and Applicability of Nonattest Services (ET§101.05)

295.020 Cumulative Effect on Independence when Providing Multiple Nonattest Services (ET§101.05)

295.030 Management Responsibilities (ET§101.05)

295.040 General Requirements for Performing Nonattest Services (ET§101.05)

295.050 Documentation Requirements When Providing Nonattest Services (ET§101.05)

295.105 Advisory Services (ET§101.05 and ER 8, ET§191.015-.016,)

295.110 Appraisal, Valuation, and Actuarial Services (ET§101.05)

295.115 Benefit Plan Administration (ET§101.05)

295.120 Bookkeeping, Payroll and Other Disbursements (ET§101.05)

295.125 Business Risk Consulting (ET§101.05)

295.130 Corporate Finance Consulting (ET§101.05)

295.135 Executive or Employee Recruiting (ET§101.05)

295.140 Forensic Accounting (ET§101.05)

295.145 Information Systems Design, Implementation, or Integration (ET§101.05)

295.150 Internal Audit (ET§101.05)

295.155 Investment Advisory or Management (ET§101.05)

## Codification Framework

### Updated 1/22/14

295.160 Tax services (Tax compliance services; Authorized representation (ET§101.05); New Content is addition of staff position on “Power of attorney”)

#### **297 Independence Standards for Engagements Performed in Accordance with Statements on Standards for Attestation Engagements**

297.010 Application of the Independence Rule to Engagements Performed in Accordance with Statements on Standards for Attestation Engagements (SSAEs) (ET§101.13)

297.020 Agreed-Upon Procedure (AUP) Engagements Performed in Accordance with SSAEs (ET§101.13)

297.030 Engagements, Other Than AUPs, Performed in Accordance with SSAEs (ET§101.13)

#### **300 GENERAL STANDARDS**

##### ***300.001 “Rule 201” General Standards*** (ET§201.01)

300.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretation (New Content)

300.010 Competence (ET§201.02)

300.020 Supervision of Specialist on Consulting Engagements (ER 9, ET§291.017-.018)

300.030 Submission of Financial Statements (ER 10, ET§291.019-.020)

300.040 Use of a Third-Party Service Provider (ER 8, ET§291.015-.016 and ER 12, ET§291.023-.024)

#### **310 COMPLIANCE WITH STANDARDS**

##### ***310.001 “Rule 202” Compliance with Standards*** (ET§202.01)

310.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretation (New Content)

#### **320 ACCOUNTING PRINCIPLES**

##### ***320.001 “Rule 203” Accounting Principles*** (ET§203.01)

320.005 Application of the Conceptual Framework for Members in Public Practice **and Ethical Conflicts Interpretation** (New Content)

320.010 Responsibility for Affirming that Financial Statements Are in Conformity with the Applicable Financial Reporting Framework (ET§203.05)

320.020 Status of Financial Accounting Standards Board, Governmental Accounting Standards Board, Federal Accounting Standards Advisory Board, and International Accounting Standards Board Interpretations (ET§203.03)

320.030 Departures from Generally Accepted Accounting Principles (ET§203.02)

320.040 Financial Statements Prepared Pursuant to Financial Reporting Frameworks Other Than GAAP (ET§203.06)

#### **400 ACTS DISCREDITABLE**

##### ***400.001 “Rule 501” Acts Discreditable*** (ET§501.01)

400.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretations (New Content)

400.010 Discrimination and Harassment in Employment Practices (ET§501.03)

400.020 Solicitation or Disclosure of CPA Examination Questions and Answers (ET§501.07)

400.030 Failure to File a Tax Return or Pay a Tax Liability (ET§501.08)

400.040 Negligence in the Preparation of Financial Statements or Records (ET§501.05)

400.050 Governmental Bodies, Commissions or Other Regulatory Agencies (ET§501.06)

## Codification Framework

### Updated 1/22/14

- 400.055 Governmental Audits (ET§501.04)
- 400.060 Indemnification and Limitation of Liability Provisions (ET§501.09)
- 400.070 Confidential Information Obtained from Employment or Volunteer Activities (ET§501.10)
- 400.090 False, Misleading or Deceptive Acts in Promoting or Marketing Professional Services (New Content)
- 400.100 Use of CPA Credential (ET§501.12)
- 400.200 Records Requests (ET§501.02 and ER 189, ET§591.377-.378)
- 400.210 Removing Client Files or Proprietary Information From a Firm (ER 191 ET§591.381-.382; New content)
- 400.240 Use of Confidential Information From Nonclient Sources (ER 14, ET§391.027-.028; New Content is addition of staff position on "Prospective Clients")

## **500 FEES AND OTHER TYPES OF REMUNERATION**

### **500.008 Unpaid Fees (New Content)**

#### **510 Contingent Fees**

##### **510.001 "Rule 302" Contingent Fees Rule** (ET§302.01)

- 510.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretation (New Content)
- 510.010 Tax Matters (ET§302.02)
- 510.020 Receipt of Contingent Fees (ER17, ET§391.033-.034)
- 510.030 Services Performed by a Member's Spouse for a Contingent Fee (ER19, ET§391.037-.038)
- 510.040 Contingent Fee Arrangements With an Investment Advisory Services Nonattest Client That Is Related to a Client (ER 25, ET§391.049-.050)
- 510.050 Investment Advisory Services (ER 24, ET§391.047-.048)

#### **520 Commissions and Referral Fees**

##### **520.001 "Rule 503" Commissions and Referral Fees Rule** (ET§503.01)

- 520.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretation (New Content)
- 520.020 Receipt of Commissions (ER 184, ET§591.367-.368)
- 520.030 Services Performed by a Member's Spouse for a Commission (ER 187, ET§591.373-.374)
- 520.040 Referral of Products of Others (ER 188, ET§591.375-.376)
- 520.050 Commission Arrangements with an Investment Advisory Services Nonattest Client That Is Related to a Client (ER 192, ET§591.383-.384)
- 520.060 Sale of Products to Clients (ER 185, ET§591.369-.370)
- 520.070 Billing for a Subcontractor's Services (ER 186, ET§591.371-372, Substantive Change Made)

## **600 ADVERTISING AND OTHER FORMS OF SOLICITATION**

### **600.001 "Rule 502" Advertising and Other Forms of Solicitation** (ET§502.01)

- 600.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretation (New Content)
- 600.010 False, Misleading or Deceptive Acts in Advertising or Solicitations (ET§502.03 and ET§502.06)
- 600.030 Use of AICPA-Awarded Designation (ER 183, ET§591.365-.366, Substantive Change Made)
- 600.100 Use of CPA Credential (ET§502.07)

## **700 CONFIDENTIAL INFORMATION**

### **700.001 "Rule 301" Confidential Client Information** (ET§301.01)

- 700.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretation (New Content)



## **Codification Framework**

### **Updated 1/22/14**

- 700.010 Client Competitors (ER 6, ET§391.011-.012)
- 700.020 Disclosing Information From Previous Engagements (ER 15, ET§391.029-.030 and ER 3, ET§391.005-.006)
- 700.030 Disclosing Information to Persons or Entities Associated With Clients (ER 16, ET§391.031-.032 and ER 21, ET§391.041-.042)
- 700.040 Disclosing Information to a Third-Party Service Provider (ER 1, ET§391.001-.002)
- 700.050 Disclosing Client Information in Connection With a Review of the Member's Practice (ET§301.04)
- 700.060 Disclosure of Client Information to Third Parties (ER 2, ET§391.003-.004)
- 700.070 Disclosing Client Information During Litigation (ER 20, ET§391.039-.040 and ER 23, ET§391.045-.046)
- 700.080 Disclosing Client Information in Director Positions (ER 18, ET§391.035-.036 – Substantive Change Made)
- 700.090 Disclosing Client Names (ER 7, ET§391.013-.014)
- 700.100 Disclosing Confidential Client Information as a Result of a Subpoena or Summons (New Content, Not Substantive Change)

#### **800 FORM OF ORGANIZATION AND NAME**

##### ***800.001 "Rule 505" Form of Organization and Name*** (ET§505.01)

- 800.005 Application of the Conceptual Framework for Members in Public Practice and Ethical Conflicts Interpretation (New Content)

#### **810 Form of Organization and Related Practice Issues**

- 810.010 Ownership of a Separate Business (ET§505.03 and ER 138, ET§591.275-.276)
- 810.020 Partner Designation (ER 137, ET§591.273-.274)
- 810.030 A Member's Responsibility for Nonmember Practitioners (ER 3, ET§591.005-.006 and ER 141, ET§591.281-.282)
- 810.040 Attest Engagement Performed with a Former Partner (ER 136, ET§591.271-.272, Substantive Change Made)
- 810.050 Alternative Practice Structures (ET§505.04)

#### **820 Firm Name**

- 820.010 Use of Retired Partner's Name (ER 145, ET§591.289-.290)
- 820.020 A Practice with Non-CPA Partners (ER 190, ET§591.379-.380)
- 820.030 Misleading Firm Names (ET§505.05)
- 820.040 Use of a Common Brand Name in Firm Name (ET§505.06)

## **Part 2: Members in Business**

#### **000 INTRODUCTION** (New Content)

- 000.010 Conceptual Framework for Members in Business (New Content)
- 000.020 Ethical Conflicts (New Content)

#### **100 INTEGRITY AND OBJECTIVITY**

##### ***100.001 "Rule 102" Integrity and Objectivity*** (ET§ 102.01)

- 100.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts Interpretation (New Content)

# Codification Framework

## Updated 1/22/14

### **110 Conflicts of Interest**

110.010 Conflicts of Interest (ET§102.03)

### **120 Gifts and Entertainment**

120.010 Offering or Accepting Gifts or Entertainment (ER 113, ET§191.226-.227)

### **130 Preparing and Reporting Information**

130.010 Knowing Misrepresentations in the Preparation of Financial Statements or Records (ET§102.02)

130.020 Subordination of Judgment (ET§102.05)

130.030 Obligation of a Member to His or Her Employer's External Accountant (ET§102.04)

### **160 Educational Services**

160.010 Educational Services (ET§102.06)

## **300 GENERAL STANDARDS**

### ***300.001 "Rule 201" General Standards*** (ET§ 201.01)

300.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts Interpretation (New Content)

300.010 Competence (ET§201.02)

300.030 Submission of Financial Statements (ER 10, ET§291.019-.020)

## **310 COMPLIANCE WITH STANDARDS**

### ***310.001 "Rule 202" Compliance with Standards*** (ET§ 202.01)

310.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts Interpretation (New Content)

## **320 ACCOUNTING PRINCIPLES**

### ***320.001 "Rule 203" Accounting Principles*** (ET§ 203.01)

320.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts Interpretation (New Content)

320.010 Responsibility for Affirming That Financial Statements Are in Conformity with the Applicable Financial Reporting Framework (ET§203.05)

320.020 Status of Financial Accounting Standards Board, Governmental Accounting Standards Board, Federal Accounting Standards Advisory Board, International Accounting Standards Board Interpretations (ET§203.03)

320.030 Departures from Generally Accepted Accounting Principles (GAAP) (ET§203.02)

320.040 Financial Statements Prepared Pursuant to Financial Reporting Frameworks Other than GAAP (ET§203.06)

## **400 ACTS DISCREDITABLE**

### ***400.001 "Rule 501" Acts Discreditable*** (ET§ 501.01)

400.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts Interpretation (New Content)

400.010 Discrimination and Harassment in Employment Practices (ET§501.03)

400.020 Solicitation or Disclosure of CPA Examination Questions and Answers (ET§501.07)

400.030 Failure to File a Tax Return or Pay a Tax Liability (ET§501.08)

400.040 Negligence in Preparation of Financial Statements or Records (ET§501.05)

400.050 Governmental Bodies, Commissions or Other Regulatory Agencies (ET§501.06)

400.060 Indemnification and Limitation of Liability Provisions (ET§501.09)

400.070 Confidential Information Obtained From Employment or Volunteer Activities (ET§501.10)



## Codification Framework

### Updated 1/22/14

- 400.090 False, Misleading, or Deceptive Acts in Promoting or Marketing Professional Services (ET§501.11)
- 400.100 Use of CPA Credentials (ET§501.12)

## Part 3: Other Members

### 000 INTRODUCTION (New Content)

#### 000.030 Applicability (New Content)

### 400 ACTS DISCREDITABLE

#### **400.001 "Rule 501" Acts Discreditable** (ET§ 501.01)

- 400.010 Discrimination and Harassment in Employment Practices (ET§501.03)
- 400.020 Solicitation or Disclosure of CPA Examination Questions and Answers (ET§501.07)
- 400.030 Failure to File a Tax Return or Pay a Tax Liability (ET§501.08)
- 400.070 Confidential Information Obtained From Former Employment or Previous Volunteer Activities (ET§501.10)
- 400.090 False, Misleading, or Deceptive Acts in Promoting or Marketing Professional Services (New Content)
- 400.100 Use of CPA Credentials (ET§501.12)

---

**Appendix A** Council Resolution Designating Bodies to Promulgate Technical Standards

**Appendix B** Council Resolution Concerning the Form of Organization and Name Rule

**Appendix C** Revision History Table

**Appendix D** Mapping Document