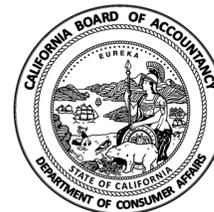


**DEPARTMENT OF CONSUMER AFFAIRS**

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April 7, 2016

Lisa A. Snyder, Director of the Professional Ethics Division
American Institute of Certified Public Accountants (AICPA)

RE: AICPA Professional Ethics Division proposed Omnibus Proposal, November
25, 2015

Dear Ms. Snyder:

On behalf of the California Board of Accountancy (CBA), I am pleased to submit our response on the exposure draft regarding the Omnibus Proposal of the American Institute of Certified Public Accountants (AICPA) Professional Ethics Division proposing revisions to the Code of Professional Conduct Interpretations, dated November 25, 2015.

Upon release of the final revisions to the Code of Professional Conduct, the CBA will determine if any changes may be required to CBA Regulations. If any regulatory changes are required, the approximate timeframe for implementation is 12 to 18 months.

The CBA currently requires written notification of commissions and fees to a licensee's clients. Title 16, California Code of Regulations (CBA Regulations) section 56(c) requires written disclosure on letter head of the licensed firm or signed by the licensee.

The CBA supports transparency and protection of confidential information. CBA Regulations section 54.1 prohibits disclosure of confidential information. CBA Regulation section 54.1(a)(4) provides an exception to prohibited disclosure of confidential information made by a licensee or licensee's duly authorized representative to another licensee in connection with a proposed sale or merger of the licensee's professional practice.

CBA Regulation section 58 requires licensees to comply with all applicable professional standards; should the proposed interpretations become final, licensees will be required to comply with the proposed professional standards, and current CBA Regulations, which may be in conflict with professional standards. Some of the areas of the Exposure Draft that may require expansion of exemptions in the CBA regulations are:

- Notification in writing of the sale or transfer of a licensee's practice
- Require arrangements are made to return any client records that the licensee is required to provide to the client
- In the case of a discontinuance of a licensee's practice without a sale or transfer of the practice to a successor firm, the licensee should:
 - Notify each client in writing
 - Make arrangements to return clients records
- Ensure the acquiring practice is satisfied the selling firm (predecessor firm) has notified all clients of the sale or transfer

As a result of the 12 to 18 month timeframe to implement new regulations, the CBA requests that the AICPA establish an effective date for the implementation of the proposed changes to the Professional Code of Conduct at least two years from the release of the final exposure draft in order to allow the CBA time to revise its regulations. If implementation is not delayed, a conflict may be created for California licensees between following the Professional Code of Conduct and CBA Regulations.

The CBA appreciates the opportunity to respond to this exposure draft and your continued efforts to refine professional standards while striving to enhance protection of consumers.

Sincerely,



Katrina L. Salazar, CPA
President

c: Members, California Board of Accountancy
Patti Bowers, Executive Officer