



National Association of State Boards of Accountancy

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May 9, 2016

Professional Ethics Executive Committee
c/o Lisa A. Snyder, Director
American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036-8775

Via e-mail: lsnyder@aicpa.org

Re: PEEC Omnibus Proposal Exposure Draft of December 2015

Dear Members and Staff of the AICPA Professional Ethics Executive Committee:

We appreciate the opportunity to offer comments on the Exposure Draft referred to above. The National Association of State Boards of Accountancy's (NASBA) mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy that regulate all certified public accountants and their firms in the United States and its territories. In furtherance of that objective, we offer the following comments on the Exposure Draft.

Transfer of Files and Return of Client Records in Sale, Transfer or Discontinuance of Member's Practice

NASBA supports the requirement that a member should provide written notice to clients on the sale, transfer or discontinuation of a member's practice. We recommend that language be added to 1.400.205.01 that requires a member to retain proof of such notification and whether consent was obtained from the client or consent was presumed when the client did not respond within 90 days. Such proof would be retained for the same period as specified in paragraph 2 of the section.

We also caution that the proposed assumption of consent premised upon a client's 90 days of silence might be contrary to the majority of states' rules on confidentiality. Most states require client consent. Some require "specific consent." A few exempt disclosures to "another licensee in connection with a proposed sale or merger of the licensee's professional practice" (e.g. California). None currently provide for implied consent such as proposed in the Exposure Draft.

Disclosure of a Commission and Referral Fee

NASBA supports the requirement that commissions and referral fees be disclosed in writing to a member's client. We recommend that language be added that requires a member to retain proof of such written disclosure. Such proof would be retained for the same period as required for other client records.

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We would like to commend members and staff of the AICPA Professional Ethics Executive Committee for their work on this interpretation. We believe that the proposal represents an overall improvement in guidance for AICPA members and for state board licensees.

Again, we appreciate the opportunity to comment on the Exposure Draft.

Very truly yours,



Donald H. Burkett, CPA
NASBA Chair



Ken L. Bishop
NASBA President and CEO