



December 21, 2021

Ms. Toni Lee-Andrews  
Ethics Team  
AICPA  
220 Leigh Farm Road  
Durham, NC 27707

**Re: PEEC Exposure Draft: Proposed revised interpretations and definition Loans, acquisitions, and other transactions**

Dear Ms. Lee-Andrews:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. Our comments in relation to this exposure draft follow the specific requests for comments outlined within the exposure draft.

- a) Are there any other components of the amended SEC rules that PEEC should consider converging with before it rescinds its temporary policy statement and, if so, why?

*No other components of the amended SEC rules were noted by TIC that PEEC should consider.*

- b) Do you agree the proposal should not limit whose expenses are covered by the student loan and why or why not?

*TIC agrees the proposal should not limit whose expenses are covered by the student loan as this more prescriptive requirement does not appear to fulfill an immediate need. The loan agreement is made between a specified borrower and lending institution. The detailed use of funds for student loans unnecessarily convolutes the consideration of who has legally entered the loan agreement.*

- c) When an attest client or its affiliate is involved with a transaction that creates a new affiliate, the proposal provides some relief for existing interests and relationships that impair independence when certain safeguards are met.

One such safeguard is that covered members believe they will be able to complete the remaining attest procedures in a “short period of time” (paragraph .10b).

Do you believe PEEC should provide parameters around what is meant by a “short period of time,” or should this be left to members’ professional judgment?

If you believe parameters should be provided, what should those parameters be and should they be included in the interpretation or in nonauthoritative guidance?

*In general, TIC believes the emphasis on a “short period of time” may leave out considerations for different engagement types as what is a short period of time for one engagement may not be short for another type of engagement. Further, “short period of time” is used in the staff augmentation arrangements interpretation with a rebuttable presumption of 30 days which we do not believe is the intent here and would not want professionals inappropriately analogizing to that time frame. In lieu of defining or providing direction for what may constitute a “short period of time”, TIC believes an emphasis on a reasonable amount of time, dependent on the engagement type, in conjunction with a members’ professional judgment would be most appropriate.*

d) Do you agree that a three-month delayed effective date provides adequate time to implement the proposals? If not, why not? What period would provide adequate time?

*Yes, a three-month delayed effective date provides adequate time as the proposals would not result in extensive implementation considerations.*

TIC appreciates the opportunity to present these comments on behalf of PCPS Member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

*Bryan Bodnar*

Chair, On Behalf of the PCPS Technical Issues Committee