



Tel: 732-750-0900
Fax: 732-750-1222
www.bdo.com

90 Woodbridge Center Dr., 4th Floor
Woodbridge, NJ 07095

December 7, 2021

Via e-mail: ethics-exposedraft@aicpa-cima.com

Professional Ethics Executive Committee
Professional Ethics Division
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707

Re: Accounting Standards Implementation Services

Dear Professional Ethics Division and Members of the Professional Ethics Executive Committee:

BDO USA, LLP, appreciates the opportunity to provide comments on the American Institute of Certified Public Accountants (“AICPA”) Professional Ethics Executive Committee’s (“PEEC”) Proposed Interpretation to the Code of Professional Conduct (the Code), titled, *Accounting Standards Implementation Services* (proposed interpretations). Our comments on the proposed interpretation follow.

We support the PEEC’s endeavor in setting high-quality and robust independence and ethics standards for the accounting profession in the United States. Further, we understand the importance of the PEEC’s efforts to converge with the International Ethics Standards Board for Accountants’ (IESBA) Code of Ethics. Overall, BDO supports the proposed interpretation, however, we have provided commentary below.

Request for Comments

a. PEEC welcomes comments on all aspects of the proposed new interpretation.

Overall, we support the proposed interpretation, which provides specific guidance for members in public practice who provide accounting standards implementation services to attest clients.

We believe the proposed standard aligns with that of other guidance in the Code pertaining to the provision of nonattest services for attest clients. Such alignment promotes consistency in the application of nonattest services across the profession and in the understanding among stakeholders as to expectations concerning independence.

Further, we believe the proposed interpretation is in the public interest, as, the implementation of accounting standards is crucial for accuracy and standardization of financial reporting. The implementation of new accounting standards can provide challenges to companies and the expertise of the auditor and their knowledge of the company can benefit the proper implementation of the standard and as such, financial reporting so long as the auditor maintains independence. We believe the examples of



Professional Ethics Executive Committee
American Institute of Certified Public Accountants
Page 2 of 2

services noted in the proposed standard that the member may provide and those that will create unacceptable threats to compliance with the Independence Rule are appropriate and will assist members in maintaining independence.

b. In addition, PEEC is seeking feedback on the effective date. Do you agree with the need for a delayed effective date? Why or why not?

No, we do not believe a delayed effective date is necessary. The standard aligns with other nonattest services in the Code and as such, no changes in monitoring these services or new requirements in practice would be required.

Other Comments

We ask the Committee to consider including the following examples of other activities to the list of permitted services:

- assist the attest client in drafting management's policy document on the new accounting standard based on client management's approved positions regarding accounting under the new standard.
- identify and evaluate accounting policy gaps from current GAAP to the new accounting standard and recommend transition calculations subject to management's review and approval.

We also recommend the following revision to example f. within the list of permitted services:

*f. assist the attest client in developing or implementing templates **or provide the attest client with firm-developed templates or tools**, including those related to specific calculations under the standard that meet the discrete tool exception in paragraph .03a of the "Information Systems Services" interpretation [1.295.145] under the "Independence Rule," **provided client management understands the nature of any underlying calculations and the impact the results will have on the financial statements.***

We would be pleased to discuss our letter with you. If you would like to discuss our comments, please contact, Ms. Lisa A. Snyder, CPA (NJ), National Assurance Partner - Independence at (732) 734-3052 or lsnyder@bdo.com.

Respectfully,

/s/ BDO USA, LLP

BDO USA, LLP