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December 20, 2021

Mr. Brian S. Lynch, Chair - Professional Ethics Executive Committee
Ms. Toni Lee-Andrews, Director - Professional Ethics Division
American Institute of Certified Public Accountants
1345 Avenue of the Americas, 27th Floor
New York, NY 10105

Mail to: Ethics-Exposure Draft@aicpa-cima.com

Re: Proposed Revised Interpretations and Definition: Loans, Acquisitions, and Other Transactions Exposure Draft

Dear Mr. Lynch and Ms. Lee-Andrews:

Deloitte LLP (“Deloitte,” “our,” or “we”) is pleased to respond to the exposure draft issued by the Professional Ethics Executive Committee (“PEEC”) of the American Institute of Certified Public Accountants (“AICPA”) titled *Proposed Revised Interpretations and Definitions— Loans, Acquisitions, and Other Transactions* (the “Proposed Revisions”).

We appreciate the opportunity to comment on the Proposed Revisions and commend the PEEC for its efforts to converge with the final Securities Exchange Commission (SEC) Rule 2-01 (the “SEC Rule”) amendments to modernize certain auditor independence requirements as well as PEEC’s consideration of the International Ethics Standards Board for Accountants (“IESBA”) *Code of Ethics for Professional Accountants* (“IESBA Code”). We support the Proposed Revisions as written, notwithstanding our comments below.

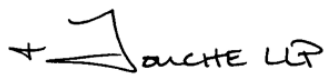
Paragraph .10 of the Proposed Revisions provides some relief for existing interests and relationships that impair independence when certain safeguards are met. One such safeguard is that covered members believe they will be able to complete the remaining attest procedures in a “short period of time.” We agree the proposal should not contain parameters around the meaning of “short period of time.” We believe the meaning should be determined based upon the facts and circumstances using the member’s professional judgment. This terminology without parameters is consistent with the SEC Rule and the IESBA Code. Placing parameters around a subjective time frame such as a “short period of time” may also inadvertently grant more relief than intended in some situations where a shorter time frame is reasonable in the circumstances. If PEEC decides to provide parameters, they should be provided as non-authoritative guidance.

Regarding the effective date, we agree the Proposed Revisions should be effective three (3) months after notice is published in the *Journal of Accountancy*, with early implementation allowed.

January 5, 2022
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We would be pleased to discuss our comments with you at your convenience. If you wish to do so, please contact Kathy Savage at ksavage@deloitte.com or +1.615.313.4371 or Jan Neal at janeal@deloitte.com or +1.615.259.887.

Sincerely,

Deloitte +  Janice LG