



National Association of State Boards of Accountancy

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July 1, 2022

Professional Ethics Executive Committee  
c/o Toni Lee-Andrews, Director  
American Institute of Certified Public Accountants  
1345 Avenue of the Americas  
New York, NY 10105

Via e-mail: [ethics-exposuredraft@aicpa.org](mailto:ethics-exposuredraft@aicpa.org)

**Re: Exposure Draft: Proposed Revisions Related to Officers, Directors, and Beneficial Owners**

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

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to comment on the above-referenced Exposure Draft, *Proposed Revisions Related to Officers, Directors, and Beneficial Owners* (the Exposure Draft). NASBA's mission is to enhance the effectiveness and advance the common interests of State Boards of Accountancy (State Boards) that regulate all Certified Public Accountants (CPAs) and their firms in the United States and its territories, which includes all audit, attest and other services provided by CPAs. State Boards are charged by law with protecting the public.

In furtherance of that objective, NASBA offers the following overall comments as well as comments to the specific requests for comment as presented in the explanatory memorandum to the Exposure Draft.

**Overall Comment**

NASBA appreciates the PEEC's efforts in developing revisions to the threshold that defines where threats exist with ownership interests as part of its recent loans, acquisition and other transactions project that revised several interpretations in the Code of Professional Conduct (Code).

We continue to emphasize that from the perspective of State Boards, given our charge as regulators to protect the public interest, consistency of rules and standards is beneficial in regulatory and enforcement matters involving CPAs and firms. We believe an important way to avoid public confusion and enhance the ability of regulators to oversee the profession is to limit the differences so that rules and standards are harmonized as much as possible where appropriate and feasible.

When PEEC issued its Loans, Acquisitions and Other Transactions exposure draft in October 2021, it introduced the terms "significant influence" and "key position." We acknowledge that these terms

are defined in the Code; however, we recommend that the definitions be included in these interpretative guidance sections, given their pivotal role.

While we understand PEEC's desire to issue this exposure draft to further revise three additional interpretations with a recommended effective date of December 31, 2022, with early implementation allowed, we are concerned that providing a mere 30-day comment period severely limits the ability of regulatory bodies, such as State Boards, whose mission is to protect the public interest, to meet, evaluate, and submit comments on an exposure draft. We encourage PEEC to consider the needs of all stakeholders when issuing future exposure drafts.

### Comments on Specific Questions

*a. Are there other interpretations or guidance in the code with thresholds that should be updated to better reflect where threats exist?*

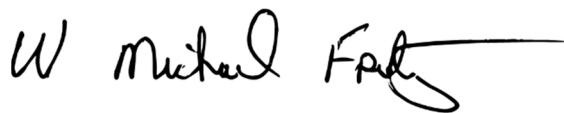
We have not performed an extensive review of the Code; however, we are not aware of any other interpretations or guidance in the Code with thresholds that should be updated to better reflect where threats exist.

*b. Do you agree that the recommended effective date provides adequate time to implement the proposals? If you disagree, please explain why.*

We agree that the recommended effective date provides adequate time to implement the proposed revisions to the interpretations.

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

Very truly yours,



W. Michael Fritz, CPA  
NASBA Chair



Ken L. Bishop  
NASBA President and CEO