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December 17, 2021

Ms. Toni Lee-Andrews  
Director of the Professional Ethics Division AICPA  
220 Leigh Farm Road  
Durham, NC 27707

**RE: AICPA Professional Ethics Executive Committee Proposed Revised Interpretation of the AICPA Code of Professional Conduct on Unpaid Fees**

Dear Ms. Lee-Andrews,

We are pleased to respond to the request for public comment on the AICPA Professional Ethics Executive Committee's (PEEC) Proposed Revised Interpretation of the AICPA Code of Professional Conduct (the Code or ET) on Unpaid Fees (the proposed interpretation). In evaluating the proposed interpretation, we offer comments for PEEC's consideration, as well as provide answers to the questions posed in the exposure draft.

**Overall considerations**

Overall, we support the proposed interpretation and PEEC's efforts to converge with other standard setters by removing the bright-line one-year provision and replacing it with a principles-based framework for evaluating when unpaid fees may impair independence.

We concur with the proposed revisions to the interpretation as drafted, and offer the following considerations on paragraph .04.

- We recommend clarifying the proposed wording of paragraph .04f to more clearly convey that the safeguard of communicating with those charged with governance is not sufficient on its own and must be applied in conjunction with other safeguards. This could be accomplished by removing paragraph .04f from the list of example safeguards and including it as its own paragraph following .04a through .04d. For example:

*Communication with those charged with governance regarding the unpaid fees may also be considered a safeguard when such communication is supplemented by another safeguard(s), such as those noted in paragraph .04a through .04d.*

- The wording of paragraph .04 as proposed may not clearly communicate that multiple safeguards may be necessary to eliminate threats or reduce them to an acceptable level. Accordingly, we recommend adding a statement to paragraph .04 that covered members may need to apply more than one safeguard to eliminate or reduce significant threats to an acceptable level.

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We appreciate PEEC's consideration of our feedback. If you have any questions regarding our comments included in this letter, please do not hesitate to contact Shawn Gilbert at [scgilbert@kpmg.com](mailto:scgilbert@kpmg.com) or Nancy Miller at [nancymiller@kpmg.com](mailto:nancymiller@kpmg.com).

Very truly yours,

*KPMG LLP*

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