



National Association of State Boards of Accountancy

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[Via e-mail to: lsnyder@aicpa.org](mailto:lsnyder@aicpa.org)

Re: Omnibus Proposal, AICPA Professional Ethics Division, Interpretations and Definitions,  
Exposure Draft dated September 19, 2012 (Exposure Draft)

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

We appreciate the opportunity to offer comments on the Exposure Draft referred to above. The National Association of State Boards of Accountancy's (NASBA) mission is to enhance the effectiveness of the licensing authorities (Boards of Accountancy) for certified public accountants and their firms in the United States and its territories. In furtherance of that objective, we offer the following comments on the Exposure Draft.

**NASBA Supports the Exposure Draft**

NASBA is pleased to provide our full support for the changes proposed in the Exposure Draft. Specifically:

- Replacing the phrase “practice of public accounting” in the AICPA Code of Professional Conduct with “public practice.” In addition, we support the revised terminology of “members in public practice” and “members in business.” We do note that there are several Boards of Accountancy that still use the phrase “practice of public accounting” in referring to both members in public practice and members in industry. However, the proposed changes offer clarity to the AICPA Code of Professional Conduct, and brings the Code of Professional Conduct more in line with the IESBA Code of Ethics for Professional Accountants.
- Making it clear that the definition of “professional service” applies to both members in public practice and members in business.

- Deleting the holding out requirement from the Code of Professional Conduct. Many members perform a variety of professional services while not holding out as a CPA. It is appropriate for these members to be fully responsible under the Code of Professional Conduct for their behavior while performing professional services. We also note that Boards of Accountancy hold a duly licensed CPA responsible for their behavior regardless of the extent or absence of holding out.
- The proposed new definition of “partner equivalent.” We believe this definition will add additional clarity to the independence interpretations and rulings.

NASBA would like to commend the members and staff of the Professional Ethics Executive Committee for initiating these proposed changes to the AICPA Code of Professional Conduct. Again, we appreciate the opportunity to comment on the Exposure Draft.

Sincerely,



Gaylen R. Hansen, CPA  
NASBA Chair



Ken L. Bishop  
NASBA President and CEO