

May 18, 2023

Ken Siong, IESBA Program and Senior Director
International Ethics Standards Board for Accountants
Via Electronic Mail: KenSiong@ethicsboard.org

RE: Proposed Revisions to the Code Addressing Tax Planning and Related Services

Dear Mr. Siong:

The Professional Ethics Committee and State Tax Steering Committee (the committees) of the Pennsylvania Institute of Certified Public Accountants (PICPA) appreciate the opportunity to provide comments to the International Ethics Standards Board for Accountants (IESBA) regarding proposed revisions to the Code of Professional Conduct (the Code) addressing tax planning and related services. The PICPA is an association of more than 18,000 members working to improve the profession and better serve the public interest. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States. Membership includes practitioners in public accounting, education, government, and industry. The committees are a cross-section of our membership, with practitioners from large, regional, and small public accounting firms, members serving in business and industry, and accounting educators.

General Comments

The committees support enhancing the Code to articulate the potential self-interest, advocacy, and intimidation threats that could arise in connection with providing tax planning services as well as the related examples of safeguards that could be applied to mitigate those threats.

The committees believe that the remaining proposed guidance is too prescriptive for the general Code of Professional Conduct and seems more appropriately suited to a separate set of tax standards, which should go through separate due process. The committees also note that, in many cases, the proposed guidance attempts to provide prescriptive guidance that may conflict with authoritative tax regulations or go beyond what is required. The committees do not believe that this is appropriate since the IESBA does not have the legal authority to establish tax law compliance requirements for all tax jurisdictions around the world. Complying with these rules could expose professional accountants to legal liability and drive companies away from engaging professional accountants.

The committees also disagree with the underlying premise that the professional accountant should factor stakeholder perceptions into their proposed tax planning services. Stakeholder perspectives widely vary, constantly shift, and may not be representative of legislative intent with respect to a given tax law. Legislative intent is also constantly evolving and frequently debated. Legislation is ever happening, and seldom with an agreed-to universal goal. Further, legislative intent doesn't mean that everything in legislation is flawless and unchallengeable: tax courts are filled with routine challenges and

varying interpretations and applications. It is critical that we support and encourage tax practitioners to comply with enacted tax law.

We believe that adopting aggressive tax standards would jeopardize the use of the CPA credential for tax planning services, which would put additional pressure on the accounting pipeline at a time when the profession is facing a severe talent shortage. There would be no incentive to maintain or use the CPA credential if such rigorous requirements were enacted. Practitioners would simply continue tax planning services without the credential and students might be encouraged to become tax attorneys, who are not bound by the IESBA's Code.

Specific Requests for Comments

Proposed New Sections 380 and 280

1. Do you agree with the IESBA's approach to addressing tax planning by creating two new sections, 380 and 280, in the Code as described in Section VI of this memorandum (contained within the exposure document)?

The committees do not support the creation of new Sections 380 and 280 in the Code as included in the proposal. The committees believe that only two areas of the proposed guidance are appropriate for the Code of Professional Conduct:

- Threats to compliance with the fundamental principles and related safeguards.
- Compliance with tax laws and regulations – The committees note that the guidance for noncompliance with laws and regulations to tax planning services is included in the section under Members Providing Services Other Than a Financial Statement Audit or Review Service. The committees support enhancing Section 360 of the Code to cover tax evasion or suspected tax evasion.

The committees do not believe that the remaining tax-specific guidance belongs in the Code. Specifically, the following do not belong:

- Introduction
- General
- Responsibilities of Management and Those Charged with Governance
- Responsibilities of All Professional Accountants
- Basis for Recommending or Otherwise Advising on a Tax Planning Arrangement
- Circumstances of Uncertainty
- Communication of Basis of Tax Planning Arrangement
- Disagreement
- Tax Planning Products or Arrangements Developed by a Third Party
- Documentation

Instead, any such specific tax practice guidelines should be included in a separate set of standards similar to the AICPA's *Statements on Standards for Tax Services* or best practices. The committees note, for example, that the responsibilities of the auditor, management, and those charged with governance, and the detailed audit requirements, are not included in the Code.

Description of Tax Planning and Related Services

2. Do you agree with IESBA's description of TP as detailed in Section VII.A?

The committees believe that the proposed description of tax planning services is overly broad and are concerned that a simple question from a tax client could fall under the new guidance. It would be impossible to comply with the proposed requirements for every question raised by a client. Because the inference is not only tax planning but also tax-planning-related services, a newsletter, podcast, or informational press release could be interpreted as tax planning by someone. There is no "engagement-driven" language to prevent the belief that a public accountant has stumbled or tripped into a tax-planning service. For example, Section 3805 A4, "...this section applies regardless of the nature of the client..." This could be contrary to the public interest, as professional accountants may not be willing to answer basic questions going forward if they have to comply with these rigorous standards.

However, with regard to related services as they pertain to professional accountants in proposed paragraph 380.5 A3, we believe more clarification is needed as to the applicability of the ethical framework to "another party," as it is not clear which other parties this is intended to capture. It is not uncommon for a client to separately engage parties to provide either tax planning services or related services. These separately engaged services might not be within the scope of the services for which the professional accountant was engaged to provide. In these cases, it is not clear how the proposed ethical framework would be applied, such as when the professional accountant provides the original tax-planning service but a separate provider engaged by the client (i.e., "another provider") assists with resolving a dispute with the tax authority based on the tax position the professional accountant recommended. Likewise, it is not clear how the ethical framework would be applied when another party provided the tax-planning service and the professional accountant prepares the client's tax return that reflects the position in the tax-planning arrangement. In both cases, the professional accountant may not always be aware of the services provided by the other party.

Role of the PA in Acting in the Public Interest

3. Do you agree with IESBA's proposals, as explained in Section VII.B, regarding the role of the PA in acting in the public interest in the context of TP?

The committees note that practitioners act in the public interest by assisting clients in compliance with the tax code. However, the committees also note that in the United States the tax authority is not the final determiner of the legality of a tax return position. The U.S. judicial system is the final authority of the law. Therefore, the tax authority's agreement with a particular tax treatment or structure at the time of consultation is not an appropriate indicator of whether the practitioner is acting in the public interest. In the United States, the IRS has developed a robust process for companies to take tax return positions, and it is in the best interest of the public that the practitioner follows the applicable laws and regulations of the jurisdiction rather than aspirational guidance included in this proposal.

The committees do not believe that the threat of legislation in the European Union (EU) (cited in the Explanatory Memorandum) to regulate tax advice and tax advisers justifies revising the Code to include detailed tax-planning standards. The United States, for example, already has a robust process for regulating tax preparers and taking tax return positions, and the AICPA already has

standards for tax services, including advising on tax positions, knowledge of errors, data protection, reliance on tools, tax return positions, tax return questions, reliance on information from others, use of estimates, etc.

The committees agree that sound practice management activities include considering the potential risks of the tax position to their clients or employing organization and the reputational risks. These risks include many factors, but do not typically involve predicting public opinion or reactions on social media. The committees note that public opinion is fluid, and social media is unpredictable and not necessarily representative of public acceptance. Practitioners should be primarily focused on following the guidance in a particular jurisdiction. Attempts to force professional accountants to go beyond the enacted legislation to integrate stakeholder perception into their advice seems to be contrary to the public interest and should be prohibited by the Code. The committees note specifically that in the United States such advice could result in litigation against a member.

Basis for Recommending or Otherwise Advising on a Tax Planning Arrangement

4. Do you agree with the IESBA's proposals regarding the thought process for PAs to determine that there is a credible basis in laws and regulations for recommending or otherwise advising on a TP arrangement to a client or an employing organization, as described in Section VII.E?

The committees agree that the threshold for determining what is appropriate varies among jurisdictions. As to the use of the term "credible," as it appears to assign a value judgment to the threshold, the committees recommend that this term be removed throughout the document. Further, the committees do not believe that this terminology is appropriately aligned with the requirements in all jurisdictions worldwide. The articulation of the appropriate basis in the tax code varies by jurisdiction and no global terminology is possible. The committees agree that there needs to be a basis in laws and regulations for tax planning advice or arrangement. The committees do not support incorporating any qualifier to the term "basis" in this guidance.

Furthermore, the thought process for determining the basis for a tax return position should not include legislative intent. There may be legal differences between the enacted legislation and the original legislative intent. The professional accountant should be following the enacted legislation and should not be encouraged to rewrite the legislation or the tax return forms to comply with an ambiguous concept of legislative intent. Especially in the United States, a piece of legislation may be enacted only after many revisions. It is not appropriate for professional accountants to provide biased, politically motivated tax-planning guidance. The Code includes ethical concepts of maintaining objectivity and being free from bias or conflicts of interest. The committees believe that these fundamental principles should not be overridden, as this would not be in the public interest.

5. Are you aware of any other considerations, including jurisdiction-specific considerations, that may impact the proper application of the proposed provisions?

The exposure draft seems to suggest that legal settlements are viewed negatively by stakeholders. While abuses have occurred in past, legal settlements are common in the United States. The U.S. tax system has a robust regulatory process (e.g., for taking a tax return position, etc.). The exposure draft appears to attempt to redefine this process without having the requisite authority.

Consideration of the Overall Tax Planning Recommendation or Advice

6. Do you agree with the proposals regarding the stand-back test, as described in Section VII.F?

The committees do not support a requirement to assess the public sentiment surrounding a particular tax-planning arrangement before recommending it to a client. The explanatory memo notes concern over the wider circumstances and cites an example of the impact on the Starbucks brand due to accusations of tax avoidance and the negative sentiment expressed on social media.

Specifically, the footnote argues that Starbucks suffered because "...key brand metrics plummeted and negative sentiment on social media spiked." The embedded article from *The Guardian* was about 14 months old. Per Google Finance, the one-year chart for Starbucks shows the stock increasing by a staggering 48.50%, or 34.85 points.

We do not agree that being reactionary based on trends in social media is in the public interest. Instead, professional accountants should remain objectively focused on providing tax planning advice that is in accordance with enacted legislation. The appropriateness or inappropriateness of the laws are the responsibility of the legislature, not the professional accountant.

The committees, therefore, do not believe that any requirement to consider the public interest based on their general awareness and understanding of the current economic environment in the context of tax planning is operational. Furthermore, it is not clear that a professional accountant should keep in mind the preferences or requirements of other stakeholders when providing tax planning services as this could expose the professional accountant to litigation.

Further, the Code already includes the reasonable and informed third-party test, which sufficiently addresses the necessary considerations contemplated by IESBA in its proposal for the stand-back test. Paragraph 115.1 A1 of the Code states that "[c]onduct that might discredit the profession includes conduct that a reasonable and informed third party would be likely to conclude adversely affects the good reputation of the profession." This test takes into consideration the views of a third party that are shaped by the knowledge of all the relevant facts and circumstances, which is much more persuasive than the potentially uninformed views or perceptions of stakeholders that would need to be taken into consideration in the proposed stand-back test.

Describing the Gray Zone and Applying the Conceptual Framework to Navigate the Gray Zone

7. Do you agree with the IESBA's proposals as outlined in Section VII.G describing the gray zone of uncertainty and its relationship to determining that there is a credible basis for the TP arrangement?

The committees agree that there are various degrees of uncertainty and that it is not appropriate to categorize them into buckets or ascribe labels that indicate value judgments. The committees support an approach that provides examples of circumstances that might give rise to uncertainty and the requirement to discuss the uncertainty with the client.

The proposed guidance at 380.16 A1 indicates that the discussion would provide an assessment of how likely the relevant tax authorities are to have a particular view. This is not always clear. Federally, for example, there are 11 circuit districts, each assigned a geographic region, and court decisions in one district are not necessarily binding in another. Accordingly, there could be diversity of "grayness" depending on the circuit district used as the "barometer." Perhaps it would be better phrased, "the professional accountant's assessment about the degree of uncertainty."

The proposed guidance at 380.16 A1 indicates that the discussion would include the reputational, commercial, or wider economic consequences in pursuing the proposed tax planning arrangements. These variables may not be known.

Furthermore, this tax-specific guidance does not belong in the Code but rather in a separate set of standards.

8. In relation to the application of the CF as outlined in Section VII.H, is the proposed guidance on: (a) The types of threats that might be created in the gray zone; (b) The factors that are relevant in evaluating the level of such threats; (c) The examples of actions that might eliminate threats created by circumstances of uncertainty; and (d) The examples of actions that might be safeguards to address such threats sufficiently clear and appropriate?

The committees believe that this guidance is generally appropriate for the Code. However, there are several examples that may be difficult to implement or are overly onerous (e.g., identifying beneficiaries and obtaining external "opinions"). Further, references to ensuring an arrangement is "...based on an established practice that is currently not subject to challenge by the relevant tax authorities or is known to have been accepted by the relevant tax authorities..." is extremely limiting and ignores the hundreds of thousands of court cases that have and continue to shape and clarify tax legislation. The committees therefore request that these threats be rephrased in more general principled terms so that they can be practically applied across the globe without attempting to contravene local tax laws and regulations.

Disagreement with Management

9. Do you agree with the proposals outlined in Section VII.I above which set out the various actions PAs should take in the case of disagreement with the client or with the PA's immediate superior or other responsible individual within the employing organization regarding a TP arrangement?

The committees note that there are varying degrees of judgement in determining an appropriate basis for a tax return position and that a difference of opinion between a member in public practice and client could vary in degree and materiality. The proposed guidance assumes that what constitutes a credible basis for a tax return position is clear cut and lacking in any ambiguity. This is far from the reality of the tax practice landscape, where legislation often lacks clarity and, at times, is incomplete and inconsistent. As a result, judgement is required to determine the significance of the difference of opinion and the impact on engagement continuance decisions. The committees do not agree that the member in public practice should automatically take steps to disassociate from the engagement or consider the need to withdraw from the engagement and the professional relationship in the event that there is disagreement.

The committees further note that the Code includes guidance on disagreements with clients and disagreement guidance with the member's immediate superior. Additionally, client acceptance and retention guidance is included in the attest standards, and further guidance is not needed in the Code. Furthermore, the guidance for addressing illegal acts within the Noncompliance with Laws and Regulations guidance is adequate for clear-cut situations.

Documentation

10. Do you agree with the IESBA's proposals regarding documentation as outlined in Section VII.J?

The committees note that these requirements may go beyond what is legally appropriate in the United States and, in many cases, documentation requirements and best practices may be defined by legal counsel. The committees appreciate that the proposal does not require such documentation. At the same time, the committees do not believe that the Code is an appropriate medium for best practice considerations.

Tax Planning Products or Arrangements Developed by a Third Party

11. Do you agree with the IESBA’s proposals as detailed in Section VII.K addressing TP products or arrangements developed by a third-party provider?

The committees support the requirement to disclose any commission or referral fee received from referring a client to another firm and to disclose any relationship to a provider of packaged tax-planning products in the event of a referral to that provider. However, the committees do not support requiring the member in public practice to be responsible for ascertaining the reliability and consequences of the particular product, including its impact on the client or the client’s financial statements. Given the broad definition of tax-planning services in the proposed guidance, the extent of this ultimate responsibility is unclear and potentially contrary to the public interest. For example, should a client require assistance in tax planning in a specific area in which the member in public practice doesn’t have expertise, there is potentially a disincentive to refer the client to another practitioner. The member wouldn’t have a way of controlling or providing oversight of the other practitioner, but would still retain responsibility for the work of the other practitioner. A professional accountant, for example, cannot take responsibility for how the client might use the tax tool or software or service that was part of a recommendation for the client's consideration. Also, what if, after being mentioned by their professional accountant, a client obtains ChatGPT and asks a question, framed a certain way, and they get a response that may not be accurate or applicable in the actual fact pattern? IESBA cannot stipulate a "fiduciary" responsibility for the work or services of others the client might engage or invest in. Therefore, the member may be incentivized to try to gain the requisite competence rather than make a referral to someone with more experience. This may not be in the best interest of the public.

380.5 A3 and 280.5 A3 – The reference to “another party” in the proposed revisions is vague. It is unclear what the IESBA’s intent is with respect to the responsibility of the professional accountant. While the explanatory guidance discusses holding the professional accountant responsible for the performance of a third party, the actual proposed revisions are unclear. The committees do not support any requirement holding the professional accountant responsible for the work provided by another firm or practitioner.

It is in the public interest for a professional accountant to refer a client to another tax service provider with specialized knowledge when the professional accountant does not possess the competencies to service the client, thereby facilitating the client’s compliance with tax laws. In those cases, when the client engages the referred tax service provider separately from the professional accountant, it will be under commercial terms and conditions to which the professional accountant is not a party. Further, the professional accountant will not have access to the full breadth of technical details of the tax arrangement, or would not possess the competencies to fully understand the details since this is the reason for making the referral in the first place. Under these conditions, it is unreasonable and impracticable to hold the professional accountant responsible for the tax product or arrangement of the referred third-party tax service provider. A clear example of this would be when the professional accountant is engaged to prepare the tax return of the client when

the referred third-party tax service provider has provided the tax product or arrangement. In many jurisdictions, the professional accountant who prepares the tax is responsible to the client for the accuracy of the return based on the information provided and the professional accountant is typically not required to audit the amounts or verify information provided by a client or third party.

This could also have detrimental, unintended consequences for the public interest. It is in the public interest for the professional accountant to refer the client to a third-party tax service provider that the professional accountant is satisfied has the technical competence and credible reputation to provide a competent service to the client. But if the professional accountant must then take responsibility for the referred third party's tax product or arrangement under the proposed ethical framework, especially when the professional accountant does not have the technical expertise in the first place (and hence the referral), this could lead to a reluctance of professional accountants to make referrals, leaving it up to the client to find their own third-party tax service provider. Since the client may not exercise the same level of professional responsibility in satisfying themselves as to the technical expertise and credible reputation that a professional accountant would, there could potentially be a detrimental consequence to the public interest.

12. Do you agree with the IESBA's proposals regarding a multi-jurisdiction tax benefit as described in Section VII.L?

The committees do not believe that members have the authority to advise a tax client to take specific tax return steps based on perceptions of public opinion. The committees note that public opinion changes frequently. Instead, professional accountants should remain objective and free from political or personal bias when providing tax planning services. The committees are concerned that providing advice that is outside enacted legislation could result in legal liability for a member and a member's client. Legislators are responsible for enacting legislation that is in the best interests of the public. If specific disclosures are needed, then legislation should be enacted to require these disclosures. The Code does not have the authority to require tax advice that extends beyond what is legally required.

Furthermore, the language in the proposal makes it seem likely there is something underhanded by a business moving to another jurisdiction due to the other jurisdiction providing tax incentives, such as credits and other incentives for relocations of businesses and employing enterprises. A professional accountant should not have to advise a client not to relocate to another jurisdiction that has favorable financial or other benefits because it will have a negative impact on the jurisdiction the client would be leaving.

Proposed Consequential and Conforming Amendments

13. Do you agree with the proposed consequential and conforming amendments to Section 321 as described in Multijurisdictional Tax Benefit in Section VII.M?

The committees have no comment on these conforming amendments.

Additional Specific Comments

1. Proposed Section 380.4 A2 – The committees do not agree that there is a definitive correlation between threats to compliance with the fundamental principles and recommending tax minimization arrangements that are not prohibited by tax laws and regulations. Further, the committees disagree with the concept that tax practitioners need to project sentiment beyond the

legally enacted tax laws and regulations. The committees request that the last sentence be reworded to remove “although not prohibited by tax laws and regulations.”

2. Proposed Section 380.6 – At best, 380.6 should be reduced to an “A” provision. First, countless pieces of legislation, especially local tax matters, are written in a manner that lacks specificity that might limit the tax jurisdiction’s capabilities, applications, or interpretations. In Pennsylvania, approximately 10% of the local jurisdictions have an Act 511 business privilege/mercantile tax (BPT), with few being “identical” in their legislative language and application. This particular tax application has long been formed through the courts, and it was planned that way. Accordingly, expectations that a professional accountant have the insight of the precise legislative intent and the potential expertise on that insight in every jurisdiction is beyond onerous. In addition, such requirements would further materially increase the cost of services to the many thousands of businesses that are subject to those taxes, which is clearly not in the best interest of the public.
3. Proposed Section 380.8 A1 – This guidance would be more appropriately included in a best practices guide for publicly held companies.
 - a. Maintaining an internal control system – The committees believe that the guidance on management’s responsibility to implement a system of internal control necessary to enable the client to fulfill its tax compliance obligations is unreasonable. While publicly held companies are required to maintain their internal controls over compliance with laws and regulations, most privately held companies do not have a specific internal control system over compliance with the tax requirements. Individual taxpayers likely do not maintain such an internal control system. The committees do not believe that individuals and companies without such an internal control system should be precluded from having a CPA advise them on their tax planning and related services. Furthermore, as the proposed guidance relates to tax planning and related services, it is unclear how this internal control system would be evaluated by the tax practitioner.
 - b. Submitting the client’s tax returns and dealing with the relevant tax authorities in a timely manner – The committees request removing the reference to “dealing with the relevant tax authorities” as this is too vague to be required.
 - c. “Making such disclosures to the relevant tax authorities as might be required by tax laws and regulations or as might be necessary to support a tax position, including details of any tax planning arrangements” – We request that the following words be removed from this bullet point “or as might be necessary to support a tax position, including details of any tax planning arrangements,” as they suggest that management may need to go beyond what is legally required. We do not agree with this.
 - d. “Ensuring that the client’s tax planning arrangements are consistent with any publicly disclosed tax strategy or policies” – The committees request adding qualifying language to reflect materiality (e.g., “generally consistent”).
4. Proposed Section 380.11 A3 – The committees note that the guidance in this section might not be appropriate for application in the United States and might border on the practice of law. A strict interpretation of these provisions could suggest that a professional accountant could not even comment about a charitable contribution without addressing every conceivable application and consideration in a detailed tax memo to ensure the demonstration of every possible consideration of due care – which may violate the taxpayers’ own rights and which could prove as a potential

litigation roadmap for the professional accountant by any possible participant to the tax transaction or matter.

5. Proposed Section 380.12 – “In addition to determining that there is a credible basis for the tax planning arrangement, the professional accountant shall exercise professional judgment and consider the reputational, commercial, and wider economic consequences that could arise from the way stakeholders might view the arrangement.” The committees do not believe that it is appropriate to “consider the reputational, commercial, and wider economic consequences that could arise from the way stakeholders might view the arrangement” when considering whether there is a basis for a tax planning arrangement. Rather, the committees believe that tax practitioners should provide objective tax planning services that are based upon enacted legislation. The committees recommend the following edit to this proposed wording: “In addition to determining that there is a basis for the tax planning arrangement, the professional accountant shall exercise professional judgment.
6. Proposed Section 380.12 A1 – The proposed requirement for the professional accountant to evaluate the following to consider whether the basis for the tax planning arrangement is inappropriate and would result in the professional accountant performing a responsibility of management and those charged with governance. These considerations may be best practice considerations for management. However, the committees do not believe that they are appropriate for the Code.
7. Proposed Section 380.12 A2 – The proposed requirement to consider the “wider economic consequences” and the “impact of the tax planning arrangement on the tax base of the jurisdiction” appears to be unreasonable and costly for all tax planning and related services.
8. Proposed Section 380.13 – This appears to be a landmine of potential exposure for every assumption and interpretation of the fact pattern, the applicable laws/legislation, and the understanding of all matters directly or indirectly involved. PAs in the United States would likely look to possible liability protection via Kovel arrangements with attorneys to have the protection of privilege. This would complicate a tax-planning engagement as well as significantly drive up the cost of these services. Accordingly, a great many of tax-planning needs by clients, particularly individuals and small businesses, would likely look to other non-CPA providers for greater cost efficiency, which would not likely be in the best public interest.
9. Proposed Section 380.14 A1 – The committees do not believe that the guidance should include “the professional accountant might advise the client to disclose to the relevant tax authorities the particular facts and circumstances and the tax benefits derived from the transaction in the different jurisdictions.” Professional accountants should provide advice consistent with the requirements in the enacted laws and regulations. This creates a problem for the professional accountant regarding the requirement to evaluate the tax benefits on a jurisdiction-by-jurisdiction basis and to advise the client to disclose to applicable tax authorities the impact that such a plan would have on the tax benefits to be gained from pursuit of such strategy.
10. Proposed 380.14 A2 – The committees request that this paragraph be removed. The committees do not support guidance requiring professional accountants to consider stakeholder perceptions. They are not in a position to determine the likelihood that other entities in a similar circumstance to the client are taking advantage of the tax benefits. Therefore, the necessity for full jurisdiction-by-

jurisdiction analyses would be quite costly and probably push the need for clients to engage services from firms large enough to have “expertise” in every applicable jurisdiction. This is not in the best interests of small businesses that cannot afford such costly expertise.

11. Proposed Section R380.20 (b) – The committees request revising “Make full disclosure of the arrangement to the relevant tax authorities” to add “where applicable” to clarify that this may or may not be required.
12. Proposed Section 380.23 A1 – The committees request rewording the first sentence to “consider” rather than “encourage” the specific documentation, as the appropriateness of the documentation varies by jurisdiction.

We appreciate the IESBA’s consideration of our comments. We were surprised at the timing of the release of this important exposure document and the short turnaround time so soon after a major tax practitioner deadline. We request that the extensive tax proposals be reworked as a free-standing set of tax standards and re-exposed for public comment. We are available to discuss our comments with you further. Please reach out to Allison M. Henry at ahenry@picpa.org.

Sincerely,



Nicole Hinkle
Chair, PICPA Professional Ethics Committee



Howard Sklaroff
Chair, PICPA State Tax Steering Committee

cc: Allison Henry, CPA
PICPA Vice President – Professional & Technical Standards

Peter N. Calcara, CAE
PICPA Vice President – Government Relations