Durham, North Carolina, U.S.A.
220 Leigh Farm Road, Durham, NC 27707-8110
+1.919.402.4500 | aicpa-cima.com

Submitted via IESBA website

June 30, 2026

International Ethics Standards Board for Accountants
570 Lexington Avenue
New York, NY 10022

Re: IESBA Post-Implementation Review (PIR) Survey – Responding to Non-Compliance with Laws and Regulations

Dear Members of the International Ethics Standards Board for Accountants:

The American Institute of Certified Public Accountants (AICPA) Professional Ethics Executive Committee (PEEC) is pleased to respond to the above-referenced Post-Implementation Review Survey (the survey) of the International Ethics Standards Board for Accountants (IESBA).

PEEC is a senior committee of the AICPA charged with interpreting and enforcing the AICPA Code of Professional Conduct (AICPA code), promulgating new interpretations and definitions, and monitoring the AICPA code and making revisions as needed.

We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further. If you have any questions, please contact Toni Lee-Andrews, Senior Director – AICPA Ethics and Peer Review at Toni.LeeAndrews@aicpa-cima.com or Ellen Goria, Technical Director – AICPA Professional Ethics at Ellen.Goria@aicpa-cima.com.

Sincerely,

Anna P. Dourdourekas	Toni Lee-Andrews
Chair, Professional Ethics Executive Committee	Senior Director, AICPA Ethics and Peer Review

cc: Ellen T. Goria, CPA, Technical Director – Professional Ethics

IESBA Post-Implementation Review (PIR) Survey

Responding to Non-Compliance with Laws and Regulations (NOCLAR®)

Part A – Demographic Information (All Respondents)

1. Please indicate if you are responding as an individual or on behalf of your organization?

   PEEC is responding on behalf of the AICPA.

   If you are responding on behalf of your organization, please indicate the jurisdictional profile which best represents your situation, i.e., from which jurisdictional perspective are you providing your responses?

   Single jurisdiction – United States

2. Please indicate the stakeholder category to which you belong, i.e., from which perspective are you providing your responses? *If you or your organization has one or more roles (e.g., JSS and Regulator), please respond to all relevant parts of the survey.*

   - JSS **(Complete Part B)**

     The users of the AICPA Code of Professional Conduct include professional accountants in public practice (PAPPs) and professional accountants in business (PAIBs).

   - PAOs **(Complete Part C)**

     The AICPA has PAPP and PAIB members.

3. Please provide the following information (*Personal information will not be made public and will only be used by the Project Team to follow up if clarification on your responses is needed)*:

   - Your organization's name, if any (if you are responding on behalf of an organization[1])

     American Institute of Certified Public Accountants

   - Your name and job title / role

     Anna Dourdourekas, Chair – Professional Ethics Executive Committee

     Toni Lee-Andrews, Senior Director – Ethics and Peer Review

     Ellen Goria, Technical Director – Professional Ethics

   - Your email address

     Toni.LeeAndrews@aicpa-cima.com

     Ellen.Goria@aicpa-cima.com

   - Your jurisdiction: **United States**

[1] If you respond on behalf of a global organization, the jurisdiction (or name of the country) in which you work. If you are responding on behalf of a global organization, please indicate "Global" as your jurisdiction.

Part B – Jurisdictional Standard Setters (JSS)

Adoption status and effective date

> *Note:*
>
> *Adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into a jurisdiction's national laws, regulations or professional requirements.*
>
> *Convergence is where a jurisdiction aligns its national ethics (including independence) standards or provisions with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standard or provisions.*

4. Has your organization adopted the NOCLAR provisions of the Code (IESBA NOCLAR provisions)? *(Please choose the most representative answer*)

   (b) Yes, through adoption with modifications *(Please (i) describe the nature of, and reasons for, the modifications, (ii) provide information on the effective date, and (iii) provide links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   The AICPA (through PEEC) adopted a NOCLAR framework by issuing new interpretations, "Responding to Noncompliance With Laws and Regulations" (ET secs. 1.180.010 and 2.180.010) under the "Integrity and Objectivity Rule" (ET secs. 1.100.001 and 2.100.001). The AICPA adopted the IESBA framework with modifications to align with the structure of the AICPA Code of Professional Conduct and the U.S. legal and regulatory environment. The modifications reflect the AICPA code's differences in confidentiality obligations, reporting permissibility, and the interaction between professional responsibilities and applicable law or regulation. The new interpretations were effective June 30, 2023, and early implementation was allowed.

   - **Final Release**

   If you have answered (a), (b) or (c), were the IESBA NOCLAR provisions translated into the local NOCLAR provisions? If yes, please indicate the language of translation.

   Not applicable. The AICPA code and related NOCLAR interpretations were issued in English.

Guidance and educational materials

5. What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of the local NOCLAR provisions in your jurisdiction? (*Select all that apply and provide links*)

   - Technical guidance (e.g., FAQs)

     The AICPA issued technical guidance in the form of questions and answers.

- Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)

  The AICPA has published several articles about the NOCLAR provisions in the AICPA code:

  - **Code of conduct changes address NOCLAR, unpaid fees, loans, assisting clients with standards**
  - **PEEC and ASB issue new requirements for CPAs regarding NOCLAR**
  - **NOCLAR: What CPAs in public practice need to know**
  - **NOCLAR: What CPAs in business should know**
  - **A guide on when, where, and how to blow the whistle safely**

- Other *(Please specify)*

  The AICPA developed the following additional resources for members:

  - **Video: Noncompliance with laws and regulations – what you need to know**
  - **Interactive decision tree (no longer available)**

Other support

6. Does your organization provide guidance to individual professional accountants, accounting firms, or other users of your standards in the application of the local NOCLAR provisions if they seek such assistance, e.g., in dealing with a NOCLAR matter? (*Select all that apply)*

   - Ethics hotline or equivalent (e.g., for technical queries)

     The AICPA operates an ethics hotline to respond to questions regarding the application of the AICPA Code of Professional Conduct. The hotline is available to AICPA members and individuals who are subject to the AICPA code. For example, because many state boards of accountancy adopt the AICPA code in whole or in part, the AICPA also responds to questions from individuals who may be required to comply with the AICPA code, even if they are not AICPA members.

Inquiries and questions

7. Which specific provisions in the local NOCLAR provisions has your organization commonly received inquiries or questions about? *(Please provide details, including from which stakeholder groups the inquiries or questions arose)*

   The AICPA receives inquiries about the scope of noncompliance, appropriate internal escalation, communication with those charged with governance, documentation expectations, and how confidentiality and legal/regulatory reporting obligations interact.

Level of understanding

8. Do users of your organization's standards have an overall understanding of the local NOCLAR provisions? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by users of your standards)*

- Not known or no data available

  The AICPA has no reason to believe that our members do not understand the AICPA code's NOCLAR provisions. As described above, the AICPA engaged in extensive education efforts at the time the interpretation was adopted. We note that the AICPA's audit and attest performance standards already include provisions to address instances of NOCLAR.

Legal protection

9. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

   If yes, is the protection under the relevant law or regulation perceived to be effective? Please explain your response.

   In the United States, federal and state whistleblowing laws provide some protections that are relevant to the application of the NOCLAR provisions. These laws provide mechanisms for individuals to report suspected NOCLAR and include protections against retaliation for certain types of whistleblowing activity.

   The availability and scope of these protections vary depending on factors such as the nature of the entity involved (for example, publicly traded versus private entities), the type of misconduct reported, and whether reporting is made internally, to regulators, or through other legally prescribed channels. These legal frameworks are an important consideration for professional accountants when evaluating how to respond to NOCLAR matters, particularly with respect to confidentiality, escalation, and the potential consequences of external disclosure.

   The AICPA does not independently assess the effectiveness of these laws.

Observed outcomes (benefits and challenges)

10. Has your organization observed any trend in instances of NOCLAR reported or escalated?

    If so, please describe the trend and indicate the period for which this trend has been observed, as well as the general nature of the NOCLAR commonly observed.

    The AICPA does not track instances of NOCLAR reported to regulators or other authorities.

11. Based on your organization's observations, has the application of the local NOCLAR provisions been effective in deterring the commission of NOCLAR, or rectifying, remediating or mitigating the consequences of NOCLAR? (*Please explain the basis for your response and provide any relevant details, including any supporting materials or reports*)

    The AICPA does not collect, and does not have access to, data on instances of NOCLAR that may have been avoided, remediated, or mitigated through the application of the NOCLAR interpretation. The absence of outcome data reflects structural limitations rather than a lack of engagement with the framework.

12. Has your organization observed any challenges in the application of the local NOCLAR provisions? *(Please*

provide details, including specific provisions that caused particular challenges and why, as well as any actions taken to address them)

The AICPA has not observed systemic challenges with the application of specific NOCLAR provisions. Inquiries received through the ethics hotline typically involve professional judgment questions rather than difficulties applying particular requirements. The AICPA addresses these questions through technical guidance and member support.

13. Has your organization observed any trends where professional accountants or accounting firms encountered NOCLAR or suspected NOCLAR but did not apply the local NOCLAR provisions in whole or in part?

- No, not observed

  This is not data the AICPA collects.

Other comments

14. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

IESBA should coordinate with the IAASB, to evaluate the effectiveness of the NOCLAR provisions in both standards and identify if there are areas in conflict.[2] IESBA could also consider if there are emerging matters where greater awareness of the response framework might be helpful.

15. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions (including on any benefits arising from using the local NOCLAR provisions, or on matters of translation)?

PEEC's adoption of the IESBA NOCLAR provisions, with modifications, provides AICPA members with a framework for responding to NOCLAR within the U.S. legal and regulatory environment.

[2] In response to the IESBA and IAASB Joint Stakeholder Survey, we noted, "When the SSBs work on a topic jointly, any related PIRs should also be coordinated to minimize the risk of misalignment. For example, IESBA is currently conducting its PIR of the NOCLAR standard, yet Appendix 1 does not clarify when IAASB will conduct its PIR of ISA 250 (Revised). When PIR timelines do not align, it is important for any workstreams that come out of PIRs to be coordinated to minimize misalignments."

Part C – Professional Accountancy Organizations (PAOs)
Adoption status and effective date

> *Note:*
>
> *Adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into a jurisdiction's national laws, regulations or professional requirements.*
>
> *Convergence is where a jurisdiction aligns its national ethics (including independence) standards or provisions with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standard or provisions.*

4. Has your organization adopted the NOCLAR provisions of the Code (IESBA NOCLAR provisions)? *(Please choose the most representative answer*)

   (b) Yes, through adoption with modifications *(Please (i) describe the nature of, and reasons for the modifications, (ii) provide information on the effective date, and (iii) provide links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   Please see the response to question 4 in Part B.

   If you have answered (a), (b) or (c), were the IESBA NOCLAR provisions translated into the local NOCLAR provisions? If yes, please indicate the language of translation.

   Please see the response to question 4 in Part B.

Guidance and educational materials

5. What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of the local NOCLAR provisions in your jurisdiction? (*Select all that apply and provide links*)

   Please see the response to question 5 in Part B.

Other support

6. Does your organization provide guidance to individual members and accounting firms in the application of the local NOCLAR provisions if they seek such assistance, e.g., in dealing with a NOCLAR matter? (*Select all that apply)*

   Please see the response to question 6 in Part B.

Inquiries and questions

7. Which specific provisions in the local NOCLAR provisions has your organization commonly received inquiries or questions about? *(Please provide details, including from which stakeholder groups the inquiries or questions arose)*

   Please see the response to question 7 in Part B.

Level of understanding

8. Do your organization's members have an overall understanding of the local NOCLAR provisions? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by its members)*

    Please see the response to question 8 in Part B.

Enforcement

9. Does your organization enforce the local NOCLAR provisions?

    - Yes (*Please specify (i) when enforcement started, (ii) details such as disciplinary cases against members (the information may be anonymized), and (iii) links to relevant published reports*)

        PEEC has the authority to investigate and enforce compliance with the NOCLAR interpretation under the "Integrity and Objectivity Rule" (ET secs. 1.100.001 and 2.100.001). The interpretations became effective on June 30, 2023.

        The AICPA's investigation and enforcement processes are confidential. However, disciplinary actions that result in sanctions affecting membership rights are publicly reported.

Appropriate authority

10. Does your organization have the authority to investigate NOCLAR or suspected NOCLAR that is reported to it and take any necessary action?

    - Yes *(Please provide details, including the (i) nature of the NOCLAR matters that have been reported to your organization, and the (ii) actions taken (the information may be anonymized))*

        PEEC has the authority to enforce only the AICPA code, and does not investigate NOCLAR or suspected NOCLAR, unless it constitutes a member's violation of the AICPA code. The AICPA's investigation process is confidential. However, disciplinary actions that result in sanctions affecting membership rights are publicly reported.

Legal protection

11. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal, or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

    If yes, is the protection under the relevant law or regulation perceived to be effective? Please explain your response.

    Please see the response to question 9 in Part B.

Observed outcomes (benefits and challenges)

12. Has your organization observed any trend in instances of NOCLAR reported or escalated?

    If so, please describe the trend and indicate the period for which this trend has been observed, as well as *the general nature of the NOCLAR commonly observed.*

Please see the response to question 10 in Part B.

13. Based on your organization's observations, has application of the local NOCLAR provisions been effective in deterring the commission of NOCLAR, or rectifying, remediating or mitigating the consequences of NOCLAR? (*Please explain the basis for your response and provide any relevant details, including any supporting materials or reports*)

    Please see the response to question 11 in Part B.

14. Has your organization observed any challenges in the application of the local NOCLAR provisions? *(Please provide details, including specific provisions that caused particular challenges and why, as well as any actions taken to address them)*

    Please see the response to question 12 in Part B.

15. Has your organization observed any trends where members or accounting firms encountered NOCLAR or suspected NOCLAR but did not apply the local NOCLAR provisions in whole or in part?

    Please see the response to question 13 in Part B.

Other comments

16. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

    Please see the response to question 14 in Part B.

17. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions (including on any benefits arising from using the local NOCLAR provisions, or on matters of translation)?

    Please see the response to question 15 in Part B.