CODE OF ETHICS FOR CHARTERED GLOBAL MANAGEMENT ACCOUNTANTS (CGMAs)

As of Jan. 31, 2015
Two of the world’s most prestigious accounting bodies, the AICPA and CIMA, have formed a joint venture to establish the Chartered Global Management Accountant® (CGMA®) designation to elevate and build recognition of the profession of management accounting.

This international designation recognises the most talented and committed management accountants with the discipline and skill to drive strong business performance. CGMA designation holders are either CPAs with qualifying management accounting experience or associate or fellow members of the Chartered Institute of Management Accountants.
# TABLE OF CONTENTS

## PREFACE

<table>
<thead>
<tr>
<th>1.100 OVERVIEW OF CODE OF ETHICS FOR CGMAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.100.005 Introduction</td>
</tr>
<tr>
<td>1.100.010 Rules of Conduct and Fundamental Principles</td>
</tr>
<tr>
<td>1.100.015 AICPA Rules of Conduct</td>
</tr>
<tr>
<td>1.100.018 CIMA Fundamental Principles</td>
</tr>
<tr>
<td>1.100.020 Interpretations and Other Guidance</td>
</tr>
</tbody>
</table>

## 1.200 STRUCTURE AND APPLICATION OF THE CGMA CODE

| 1.200.010 Structure of the CGMA Code        |
| 1.200.020 Application of the CGMA Code       |
| 1.200.050 Drafting Conventions              |

## 1.300 DEFINITIONS

---
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CODE OF ETHICS FOR CGMAS</strong></td>
<td>11</td>
</tr>
<tr>
<td><strong>2.000 INTRODUCTION</strong></td>
<td>11</td>
</tr>
<tr>
<td>2.000.010 Conceptual Framework for Members in Business</td>
<td>11</td>
</tr>
<tr>
<td>- Introduction</td>
<td>11</td>
</tr>
<tr>
<td>- Conceptual Framework Approach</td>
<td>11</td>
</tr>
<tr>
<td>- Threats</td>
<td>12</td>
</tr>
<tr>
<td>- Safeguards</td>
<td>14</td>
</tr>
<tr>
<td>2.000.020 Ethical Conflicts</td>
<td>16</td>
</tr>
<tr>
<td>2.100.001 Integrity and Objectivity Rule (AICPA)</td>
<td>17</td>
</tr>
<tr>
<td>2.100.002 Integrity Principle (CIMA)</td>
<td>17</td>
</tr>
<tr>
<td>2.100.003 Objectivity Principle (CIMA)</td>
<td>17</td>
</tr>
<tr>
<td>- Interpretations Under the “Integrity and Objectivity Rule” and the</td>
<td>17</td>
</tr>
<tr>
<td>Integrity and Objectivity Principles</td>
<td></td>
</tr>
<tr>
<td>2.100.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts</td>
<td>17</td>
</tr>
<tr>
<td>2.110.010 Conflicts of Interest for Members in Business</td>
<td>18</td>
</tr>
<tr>
<td>- Identification of a Conflict of Interest</td>
<td>18</td>
</tr>
<tr>
<td>- Evaluation of a Conflict of Interest</td>
<td>19</td>
</tr>
<tr>
<td>- Disclosure of a Conflict of Interest and Consent</td>
<td>19</td>
</tr>
<tr>
<td><strong>2.120 GIFTS, ENTERTAINMENT AND OTHER FORMS OF INDUCEMENTS</strong></td>
<td>20</td>
</tr>
<tr>
<td>2.120.010 Offering or Accepting Gifts or Entertainment</td>
<td>20</td>
</tr>
<tr>
<td><strong>2.130 PREPARING AND REPORTING INFORMATION</strong></td>
<td>22</td>
</tr>
<tr>
<td>2.130.010 Knowing Misrepresentations in the Preparation of Financial</td>
<td></td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>2.130.020</td>
<td>Subordination of Judgement</td>
</tr>
<tr>
<td>2.130.030</td>
<td>Obligation of a Member to His or Her Employer's External Accountant</td>
</tr>
<tr>
<td>2.160</td>
<td>EDUCATIONAL SERVICES</td>
</tr>
<tr>
<td>2.160.010</td>
<td>Educational Services</td>
</tr>
<tr>
<td>2.200</td>
<td>GENERAL STANDARDS</td>
</tr>
<tr>
<td>2.200.001</td>
<td>General Standards Rule (AICPA)</td>
</tr>
<tr>
<td>2.200.002</td>
<td>Professional Competence and Due Care Principle (CIMA)</td>
</tr>
<tr>
<td></td>
<td>Interpretations Under the “General Standards Rule” and “Professional Competence and Due Care Principle”</td>
</tr>
<tr>
<td>2.200.005</td>
<td>Application of the Conceptual Framework for Members in Business and Ethical Conflicts</td>
</tr>
<tr>
<td>2.200.010</td>
<td>Professional Competence and Due Care</td>
</tr>
<tr>
<td>2.200.030</td>
<td>Submission of Financial Statements</td>
</tr>
<tr>
<td>2.210</td>
<td>COMPLIANCE WITH STANDARDS</td>
</tr>
<tr>
<td>2.210.001</td>
<td>Compliance with Standards Rule (AICPA)</td>
</tr>
<tr>
<td></td>
<td>Interpretations Under the Compliance with Standards Rule and the Professional Competence and Due Care Principle</td>
</tr>
<tr>
<td>2.210.005</td>
<td>Application of the Conceptual Framework for Members in Business and Ethical Conflicts</td>
</tr>
<tr>
<td>2.220</td>
<td>ACCOUNTING PRINCIPLES</td>
</tr>
<tr>
<td>2.220.001</td>
<td>Accounting Principles Rule (AICPA)</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>2.220.002</td>
<td>Professional Competence and Due Care Principle (CIMA)</td>
</tr>
<tr>
<td></td>
<td>Interpretations Under the Accounting Principles Rule and the Professional Competence and Due Care Principle</td>
</tr>
<tr>
<td>2.220.005</td>
<td>Application of the Conceptual Framework for Members in Business and Ethical Conflicts</td>
</tr>
<tr>
<td>2.220.010</td>
<td>Responsibility for Affirming That Financial Statements Are in Conformity With the Applicable Financial Reporting Framework (AICPA)</td>
</tr>
<tr>
<td>2.220.020</td>
<td>Status of Financial Accounting Standards Board, Governmental Accounting Standards Board, Federal Accounting Standards Advisory Board, and International Accounting Standards Board Interpretations (AICPA)</td>
</tr>
<tr>
<td>2.220.030</td>
<td>Departures From Generally Accepted Accounting Principles (AICPA)</td>
</tr>
<tr>
<td>2.220.040</td>
<td>Financial Statements Prepared Pursuant to Financial Reporting Frameworks Other Than GAAP (AICPA)</td>
</tr>
<tr>
<td>2.300 ACTS DISCREDITABLE</td>
<td></td>
</tr>
<tr>
<td>2.300.001</td>
<td>Acts Discreditable Rule (AICPA)</td>
</tr>
<tr>
<td></td>
<td>Interpretations Under the Acts Discreditable Rule and Professional Behaviour and Confidentiality Principles</td>
</tr>
<tr>
<td>2.300.005</td>
<td>Application of the Conceptual Framework for Members in Business and Ethical Conflicts</td>
</tr>
<tr>
<td>2.300.010</td>
<td>Discrimination and Harassment in Employment Practices</td>
</tr>
<tr>
<td>2.300.020</td>
<td>Solicitation or Disclosure of CPA/CIMA Examination Questions and Answers</td>
</tr>
<tr>
<td>2.300.030</td>
<td>Failure to File a Tax Return or Pay a Tax Liability</td>
</tr>
<tr>
<td>2.300.040</td>
<td>Negligence in the Preparation of Financial Statements or Records</td>
</tr>
</tbody>
</table>
2.300.050 Governmental Bodies, Commissions, or Other Regulatory Agencies 34
2.300.060 Indemnification and Limitation of Liability Provisions 35
2.300.070 Confidential Information Obtained From Employment or Volunteer Activities 35
2.300.090 False, Misleading, or Deceptive Acts in Promoting or Marketing Professional Services 37
2.300.100 Use of the CPA Credential (AICPA) 37

APPENDIX A (AICPA) 38
PREFACE

1.100 OVERVIEW OF CODE OF ETHICS FOR CGMAs

1.100.005 Introduction

.01 The AICPA and CIMA joined together to create a designation for management accountants, the Chartered Global Management Accountant (CGMA). The CGMA is designed to elevate management accounting and further emphasise its importance for businesses worldwide. The Code of Ethics for CGMAs (CGMA code) is designed to provide guidance to all AICPA and CIMA members around the world who are members in business and professional accountants in business who hold the CGMA credential. When a CGMA is also a member in public practice (for example, has a part-time tax practice), the CGMA should also comply with the applicable guidance of the AICPA Code of Professional Conduct (if an AICPA member) or CIMA Code of Ethics for Professional Accountants (if a CIMA member) and apply the most restrictive provisions.

1.100.010 Rules of Conduct and Fundamental Principles

.01 The AICPA Code of Professional Conduct applies to all members of the AICPA and consists of principles and rules as well as interpretations and other guidance. The principles provide the framework for the rules that govern the performance of their professional responsibilities. The CIMA Code of Ethics for Professional Accountants applies to all CIMA members (and registered students) and consists of fundamental principles. In aligning the AICPA and CIMA codes to create the CGMA code, both the AICPA rules and CIMA principles have been incorporated and aligned accordingly. CGMAs who are members of the AICPA are required to comply with the applicable rules [1.100.015] whereas CGMAs who are members of CIMA are required to comply with the fundamental principles [1.100.018].

.02 Where the rules, principles, or related interpretations are applicable to CGMAs who are members of the AICPA or CIMA only, the guidance will indicate so by stating “AICPA” or “CIMA” in parenthesis after the title of the rule, principle or interpretation.

.03 The CGMA code is aligned with the requirements contained in the AICPA Code of Professional Conduct and CIMA Code of Ethics for Professional Accountants. The AICPA and CIMA bylaws continue to require that all respective members adhere to these codes. Compliance with the rules and principles of these codes depend primarily on members’ understanding and voluntary actions; secondarily on reinforcement by peers and public opinion; and ultimately on disciplinary proceedings, when necessary, against members who fail to comply with the rules or principles. Failure to comply with the requirements contained in the CGMA code may therefore result in disciplinary action being taken against a member by AICPA or CIMA under their respective codes.
1.100.015 AICPA Rules of Conduct

.01 AICPA members who hold the CGMA credential are required to comply with the following rules of conduct:

- Integrity and Objectivity Rule
- General Standards Rule
- Compliance With Standards Rule
- Accounting Principles Rule
- Acts Discreditable Rule

.02 The complete text of these rules is contained within the applicable sections of this code.

1.100.018 CIMA Fundamental Principles

.01 CIMA members who hold the CGMA credential are required to comply with the following fundamental principles:

- Principle of Integrity
- Principle of Objectivity
- Principle of Professional Competence and Due Care
- Principle of Confidentiality
- Principle of Professional Behaviour

.02 The complete text of these principles is contained within the applicable sections of this code.

1.100.020 Interpretations and Other Guidance

.01 The interpretations “Definitions” [1.300] and “Application of the Code” [1.200.020] provide guidelines about the scope and application of the rules and fundamental principles but are not intended to limit such scope or application. A member who departs from the interpretations shall have the burden of justifying such departure in any disciplinary proceedings.

.02 Defined terms [1.300] as well as the plurals and possessives thereof, are shown in italics throughout the CGMA code. When a defined term is used in the code but is not shown in italics, the definitions in this section should not be applied.
1.200 STRUCTURE AND APPLICATION OF THE CGMA CODE

1.200.010 Structure of the CGMA Code

.01 A variety of topics appear within the CGMA code. When applicable, topics are aligned with the relevant rule(s) and fundamental principle(s). Topics may be further divided into subtopics, and some subtopics include one or more sections. Topics, subtopics, and sections interpret the rules of conduct and fundamental principles.

.02 Defined terms [1.300] as well as the plurals and possessives thereof, are shown in *italics* throughout the CGMA code. When a defined term is used in the code but is not shown in *italics*, the definitions in this section should not be applied.

1.200.020 Application of the CGMA Code

.01 The CGMA code will be effective Jan. 31, 2015. Revisions made subsequent to Jan. 31, 2015, are identified at the end of the applicable section with the month and year of the change.

.02 The rules of conduct and fundamental principles apply to all *professional services* performed, except when the wording of the rule indicates otherwise.

.03 A *member* shall not knowingly permit a person whom the *member* has the authority or capacity to control to carry out on his or her behalf, either with or without compensation, acts that, if carried out by the *member*, would place the *member* in violation of the rules or fundamental principles.

1.200.050 Drafting Conventions

.01 The CGMA code utilises certain drafting conventions to enhance the clarity of the *interpretations* and definitions. For example, when the term “should consider” is used in connection with a specified procedure or action, consideration of the procedure or action by the *member* is presumptively required. Actual performance of the action or procedure is up to the *member*, based upon the outcome of the *member’s* consideration and the *member’s* professional judgement. Other drafting conventions used in the code include use of the terms “consider”, “evaluate”, and “determine”, as follows:

a. “Consider” is used when the *member* is required to think about several matters.

b. “Evaluate” is used when the *member* has to assess and weigh the significance of a matter.

c. “Determine” is used when the *member* has to come to a conclusion and make a decision on a matter.
1.300 DEFINITIONS

.01 Acceptable level. An acceptable level is a level at which a reasonable and informed third party who is aware of the relevant information would be expected to conclude that a member’s compliance with the rules or fundamental principles is not compromised.

.02 Client. Any person or entity, other than the member’s employer, that engages a member or member’s firm to perform professional services and, if different, the person or entity with respect to which professional services are performed. For purposes of this definition for AICPA members, the term employer does not include the following:
   a. Person or entity engaged in public practice.
   b. Federal, state, and local government or component unit thereof, provided that the member performing professional services with respect to the entity is
      i. directly elected by voters of the government or component unit thereof with respect to which professional services are performed;
      ii. an individual who is (1) appointed by a legislative body and (2) subject to removal by a legislative body; or
      iii. appointed by someone other than the legislative body, so long as the appointment is confirmed by the legislative body and removal is subject to oversight or approval by the legislative body.

.03 Close relative. A parent, sibling, or nondependent child.

.04 Council. The AICPA Council.

.05 Employing organisation. Any entity that employs the member or engages the member on a contractual or volunteer basis in an executive, a staff, a governance, an advisory, or an administrative capacity to provide professional services.

.06 Financial interest. An ownership interest in an equity or a debt security issued by an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.

.07 Financial statements. A presentation of financial data, including accompanying disclosures, if any, intended to communicate an entity’s economic resources or obligations, or both, at a point in time or the changes therein for a period of time, in accordance with the applicable financial reporting framework. Tax returns and supporting schedules do not, for this purpose, constitute financial statements. The statement, affidavit, or signature of preparers required on tax returns neither constitutes an opinion on financial statements nor requires a disclaimer of such opinion.

.08 Immediate family. A spouse, spousal equivalent, or dependent (regardless of whether the dependent is related).

.09 Institute. The AICPA or CIMA.

.10 Interpretation. Pronouncements issued by the AICPA and CIMA to provide guidelines concerning the scope and application of the rules of conduct and fundamental principles.
.11 **Member.** A member of the AICPA is a member, an associate or affiliate member or international associate of the AICPA. A member of CIMA is a Fellow or Associate of the Institute, and includes, for the purposes of the disciplinary powers and procedures of the Institute, a person who ceased to be a member on or after June 14, 2003. When used in this code, the term member means a member in business or professional accountant in business who is a CGMA.

.12 **Member(s) in business or professional accountant(s) in business.** A member who is employed or engaged on a contractual or volunteer basis in an executive, staff, governance, advisory, or administrative capacity in such areas as industry, the public sector, education, the not-for-profit sector, and regulatory or professional bodies. This does not include a member engaged in public practice.

.13 **Professional services.** Include all services requiring accountancy or related skills that are performed by a member for an employer, or on a volunteer basis. These services include, but are not limited to accounting, tax, bookkeeping, management consulting, financial management, corporate governance, business valuation and educational services. For AICPA members, it also includes those services for which standards are promulgated by bodies designated by AICPA Council.

.14 **Public interest entity(ies).** Public interest entities are (a) all listed entities, including entities whose shares, stock, or debt are quoted or listed on a recognised stock exchange or marketed under the regulations of a recognised stock exchange or other equivalent body, and (b) any entity for which an audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to an audit of listed entities. Members may wish to consider whether additional entities should also be treated as public interest entities because they have a large number and wide range of stakeholders. Factors to be considered may include (a) the nature of the business, such as the holding of assets in a fiduciary capacity for a large number of stakeholders; (b) size; and (c) number of employees.

.15 **Public practice.** Consists of the performance of professional services for a client by a member or member’s firm.

.16 **Safeguards.** Actions or other measures that may eliminate a threat or reduce a threat to an acceptable level.

.17 **Those charged with governance.** The person(s) or organisation(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and the obligations related to the accountability of the entity. This includes overseeing the financial reporting process. Those charged with governance may include management personnel (for example, executive members of a governance board or an owner-manager).

When an interpretation requires communicating with those charged with governance, the member should determine, considering the nature and importance of the particular circumstances and matter to be communicated, the appropriate person(s) within the entity’s governance structure with whom to communicate. If the member communicates with a subgroup of those charged with governance (for example, an audit committee or an individual), the member should determine whether communication with all of those charged with governance is also necessary, so that they are adequately informed.

.18 **Threat(s).** Relationships or circumstances that could compromise a member’s compliance with the rules or fundamental principles.
CODE OF ETHICS FOR CGMAs

2.000 INTRODUCTION

2.000 Introduction

.01 The Code of Ethics for CGMAs applies to members in business (AICPA) and professional accountants in business (CIMA) who hold the CGMA credential. Accordingly, when the term member is used in the CGMA code, the requirements apply to members in business and professional accountants in business who are CGMAs.

2.000.010 Conceptual Framework for Members in Business

Introduction

.01 Members may encounter various relationships or circumstances that create threats to the member’s compliance with the rules and fundamental principles. The rules, fundamental principles and interpretations seek to address many situations; however, they cannot address all relationships or circumstances that may arise. Thus, in the absence of an interpretation that addresses a particular relationship or circumstance, a member should evaluate whether that relationship or circumstance would lead a reasonable and informed third party who is aware of the relevant information to conclude that there is a threat to the member’s compliance with the rules and fundamental principles that is not at an acceptable level. When making that evaluation, the member should apply the conceptual framework approach as outlined in this interpretation.

.02 The CGMA code specifies that in some circumstances, no safeguards can reduce a threat to an acceptable level. For example, the code specifies that a member may not subordinate the member’s professional judgement to others without violating the Integrity and Objectivity Rule and Principles. A member may not use the conceptual framework to overcome this or any other prohibition or requirement in the code.

Conceptual Framework Approach

.03 Under the conceptual framework approach, members should identify threats to compliance with the rules and fundamental principles and evaluate the significance of those threats. Members should evaluate identified threats both individually and in the aggregate because threats can have a cumulative effect on a member’s compliance with the rules and fundamental principles. Members should perform three main steps in applying the conceptual framework approach:

a. Identify threats. The relationships or circumstances that a member encounters in various engagements and work assignments or positions will often create different threats to complying with the rules. When a member encounters a relationship or circumstance that is not specifically addressed by a rule, fundamental principle or an interpretation, under this approach, the member should determine whether the relationship or circumstance creates one or more threats, such as those identified in paragraphs .06–.11 that follow. The existence of a threat does not mean that the member is not in compliance with the rules and fundamental principles; however, the member should evaluate the significance of the threat.

b. Evaluate the significance of a threat. In evaluating the significance of an identified threat, the member should determine whether a threat is at an acceptable level. A threat is at an acceptable level when a reasonable and
informed third party who is aware of the relevant information would be expected to conclude that the threat would not compromise the member’s compliance with the rules and fundamental principles. Members should consider both qualitative and quantitative factors when evaluating the significance of a threat, including the extent to which existing safeguards already reduce the threat to an acceptable level. If the member evaluates the threat and concludes that a reasonable and informed third party who is aware of the relevant information would be expected to conclude that the threat does not compromise a member’s compliance with the rules and fundamental principles, the threat is at an acceptable level and the member is not required to evaluate the threat any further under this conceptual framework approach.

c. Identify and apply safeguards. If, in evaluating the significance of an identified threat, the member concludes that the threat is not at an acceptable level, the member should apply safeguards to eliminate the threat or reduce it to an acceptable level. The member should apply judgement in determining the nature of the safeguards to be applied because the effectiveness of safeguards will vary depending on the circumstances. When identifying appropriate safeguards to apply, one safeguard may eliminate or reduce multiple threats. In some cases, the member should apply multiple safeguards to eliminate or reduce one threat to an acceptable level. In other cases, an identified threat may be so significant that no safeguards will eliminate the threat or reduce it to an acceptable level, or the member will be unable to implement effective safeguards. Under such circumstances, providing the specific professional services would compromise the member’s compliance with the rules, and the member should determine whether to decline or discontinue the professional services or resign from the employing organisation.

Threats

.04 Many threats fall into one or more of the following six broad categories: adverse interest, advocacy, familiarity, self-interest, self-review, and undue influence (also referred to as “intimidation threat”).

.05 Examples of threats associated with a specific relationship or circumstance are identified in the interpretations of the code. Paragraphs .06–.11 of this section define and provide examples, which are not all inclusive, of each of these threat categories.

.06 Adverse interest threat. The threats that a member will not act with objectivity because the member’s interests are opposed to the interests of the employing organisation. Examples of adverse interest threats include the following:

a. A member has charged, or expressed an intention to charge, the employing organisation with violations of law.

b. A member or the member’s immediate family or close relative has a financial or another relationship with a vendor, customer, competitor, or potential acquisition of the employing organisation.

c. A member has sued or expressed an intention to sue the employing organisation or its officers, directors, or employees.

.07 Advocacy threat. The threats that a member will promote an employing organisation’s interests or position to the point that his or her objectivity is compromised. Examples of advocacy threats include the following:

a. Obtaining favorable financing or additional capital is dependent upon the information that the member includes in, or excludes from, a prospectus, an offering, a business plan, a financing application, or a regulatory filing.

b. The member gives or fails to give information that the member knows will unduly influence the conclusions reached by an external service provider or other third party.
.08 **Familiarity threat.** The threat that, due to a long or close relationship with a person or an employing organisation, a member will become too sympathetic to their interests or too accepting of the person's work or employing organisation's product or service. Examples of familiarity threats include the following:

a. A member uses an immediate family's or a close relative's company as a supplier to the employing organisation.

b. A member may accept an individual's work product with little or no review because the individual has been producing an acceptable work product for an extended period of time.

c. A member's immediate family or close relative is employed as a member's subordinate.

d. A member regularly accepts gifts or entertainment from a vendor or customer of the employing organisation.

.09 **Self-interest threat.** The threat that a member could benefit, financially or otherwise, from an interest in, or relationship with, the employing organisation or persons associated with the employing organisation. Examples of self-interest threats include the following:

a. A member's immediate family or close relative has a financial interest in the employing organisation.

b. A member holds a financial interest (for example, shares or share options) in the employing organisation, and the value of that financial interest is directly affected by the member's decisions.

c. A member is eligible for a profit or other performance-related bonus, and the value of that bonus is directly affected by the member's decisions.

.10 **Self-review threat.** The threat that a member will not appropriately evaluate the results of a previous judgement made or service performed or supervised by the member, or an individual in the employing organisation, and that the member will rely on that service in forming a judgement as part of another service. Examples of self-review threats include the following:

a. When performing an internal audit procedure, an internal auditor accepts work that he or she previously performed in a different position.

b. The member accepts the work previously performed by the member, alone or with others, that will be the basis for providing another professional service.

.11 **Undue influence threat** (also referred to as “intimidation threat”). The threat that a member will subordinate his or her judgement to that of an individual associated with the employing organisation or any relevant third party due to that individual's position, reputation or expertise, aggressive or dominant personality, or attempts to coerce or exercise excessive influence over the member. Examples of undue influence threats include the following:

a. A member is pressured to become associated with misleading information.

b. A member is pressured to deviate from a company policy.

c. A member is pressured to change a conclusion regarding an accounting or a tax position.

d. A member is pressured to hire an unqualified individual.
Safeguards

.12 Safeguards may partially or completely eliminate a threat or diminish the potential influence of a threat. The nature and extent of the safeguards applied will depend on many factors. To be effective, safeguards should eliminate the threat or reduce it to an acceptable level.

.13 Safeguards that may eliminate a threat or reduce it to an acceptable level fall into two broad categories:

a. Safeguards created by the profession, legislation, or regulation
b. Safeguards implemented by the employing organisation

.14 The effectiveness of a safeguard depends on many factors, including those listed here:

a. The facts and circumstances specific to a particular situation
b. The proper identification of threats
c. Whether the safeguard is suitably designed to meet its objectives
d. The party(ies) who will be subject to the safeguard
e. How the safeguard is applied
f. The consistency with which the safeguard is applied
g. Who applies the safeguard
h. How the safeguard interacts with a safeguard from another category
i. Whether the employing organisation is a public interest entity

.15 Examples of safeguards within each category are presented in the following paragraphs. Because these are only examples and are not intended to be all inclusive, it is possible that threats may be sufficiently mitigated through the application of other safeguards not specifically identified herein.

.16 The following are examples of safeguards created by the profession, legislation, or regulation:

a. Education and training requirements on ethics and professional responsibilities
b. Continuing education requirements on ethics
c. Professional standards and the threat of discipline
d. Legislation establishing prohibitions and requirements for entities and employees
e. Competency and experience requirements for professional licensure and credentials
f. Professional resources, such as hotlines, for consultation on ethical issues

.17 Examples of safeguards implemented by the employing organisation are as follows:

a. A tone at the top emphasising a commitment to fair financial reporting and compliance with applicable laws, rules, regulations, and corporate governance policies
b. Policies and procedures addressing ethical conduct and compliance with laws, rules, and regulations
c. Audit committee charter, including independent audit committee members
d. Internal policies and procedures requiring disclosure of identified interests or relationships among the employing organisation, its directors or officers, and vendors, suppliers, or customers

e. Internal policies and procedures related to purchasing controls

f. Internal policies and procedures related to customer acceptance or credit limits

g. Dissemination of corporate ethical compliance policies and procedures, including whistle-blower hotlines, the reporting structure, dispute resolution, or other similar policies, to promote compliance with laws, rules, regulations, and other professional requirements

h. Human resource policies and procedures safeguarding against discrimination or harassment, such as those concerning a worker’s religion, sexual orientation, gender, or disability

i. Human resource policies and procedures stressing the hiring and retention of technically competent employees

j. Policies and procedures for implementing and monitoring ethical policies

k. Assigning sufficient staff with the necessary competencies to projects and other tasks

l. Policies segregating personal assets from company assets

m. Staff training on applicable laws, rules, and regulations

n. Regular monitoring of internal policies and procedures

o. A reporting structure whereby the internal auditor does not report to the financial reporting group

p. Policies and procedures that do not allow an internal auditor to monitor areas where the internal auditor has operational or functional responsibilities

q. Policies for promotion, rewards, and enforcement of a culture of high ethics and integrity

r. Use of third-party resources for consultation as needed on significant matters of professional judgement
2.000.020 Ethical Conflicts

.01 An ethical conflict arises when a member encounters one or both of the following:
   a. Obstacles to following an appropriate course of action due to internal or external pressures
   b. Conflicts in applying relevant professional and legal standards

For example, a member suspects a fraud may have occurred, but reporting the suspected fraud would violate the member’s responsibility to maintain the confidentiality of his or her employer’s confidential information.

.02 Once an ethical conflict is encountered, a member may be required to take steps to best achieve compliance with the rules, fundamental principles and law. In weighing alternative courses of action, the member should consider factors such as the following:
   a. Relevant facts and circumstances, including applicable rules, laws, or regulations
   b. Ethical issues involved
   c. Established internal procedures

.03 The member should also be prepared to justify any departures that the member believes were appropriate in applying the relevant rules, fundamental principles and law. If the member was unable to resolve the conflict in a way that permitted compliance with the applicable rules, fundamental principles and law, the member may have to address the consequences of any violations.

.04 Before pursuing a course of action, the member should consider consulting with appropriate persons within the organisation that employs the member.

.05 If a member decides not to consult with appropriate persons within the organisation that employs the member, and the conflict remains unresolved after pursuing the selected course of action, the member should consider either consulting with other individuals for help in reaching a resolution or obtaining advice from an appropriate professional body or legal counsel. The member also should consider documenting the substance of the issue, the parties with whom the issue was discussed, details of any discussions held, and any decisions made concerning the issue.

.06 If the ethical conflict remains unresolved, the member will in all likelihood be in violation of one or more rules or fundamental principles if he or she remains associated with the matter creating the conflict. Accordingly, the member should consider his or her continuing relationship with the specific assignment or employer.
2.100 INTEGRITY AND OBJECTIVITY

2.100.001 Integrity and Objectivity Rule (AICPA)
  .01 In the performance of any professional service, a member shall maintain objectivity and integrity, shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate his or her judgement to others.

2.100.002 Integrity Principle (CIMA)
  .01 The principle of integrity imposes an obligation on all members to be straightforward and honest in all professional and business relationships.

2.100.003 Objectivity Principle (CIMA)
  .01 The principle of objectivity imposes an obligation on all members not to compromise their professional or business judgement because of bias, conflict of interest or the undue influence of others.

Interpretations Under the “Integrity and Objectivity Rule” and the Integrity and Objectivity Principles

2.100.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts
  .01 In the absence of an interpretation of the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles that addresses a particular relationship or circumstance, a member should apply the “Conceptual Framework for Members in Business”. [2.000.010]
  
  .02 A member will be considered in violation of the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles if the member cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level.
  
  .03 A member should consider the guidance in the “Ethical Conflicts” interpretation [2.000.020] when addressing ethical conflicts that may arise when the member encounters obstacles to following an appropriate course of action. Such obstacles may be due to internal or external pressures or to conflicts in applying relevant professional and legal standards, or both.
2.110 CONFLICTS OF INTEREST

2.110.010 Conflicts of Interest for Members in Business

.01 A member in business may be faced with a conflict of interest when undertaking a professional service. In determining whether a professional service, relationship, or matter would result in a conflict of interest, a member should use professional judgement, taking into account whether a reasonable and informed third party who is aware of the relevant information would conclude that a conflict of interest exists.

.02 A conflict of interest creates adverse interest and self-interest threats to the member’s compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles. For example, threats may be created when

a. a member undertakes a professional service related to a particular matter involving two or more parties whose interests with respect to that matter are in conflict; or

b. the interests of a member with respect to a particular matter and the interests of a party for whom the member undertakes a professional service related to that matter are in conflict.

.03 A party may include an employing organisation, a vendor, a customer, a lender, a shareholder, or another party.

.04 The following are examples of situations in which conflicts of interest may arise:

a. Serving in a management or governance position for two employing organisations and acquiring confidential information from one employing organisation that could be used by the member to the advantage or disadvantage of the other employing organisation

b. Undertaking a professional service for each of two parties in a partnership employing the member to assist in dissolving their partnership

c. Preparing financial information for certain members of management of the employing organisation who are seeking to undertake a management buy-out

d. Being responsible for selecting a vendor for the member’s employing organisation when the member or his or her immediate family member could benefit financially from the transaction

e. Serving in a governance capacity or influencing an employing organisation that is approving certain investments for the company in which one of those specific investments will increase the value of the personal investment portfolio of the member or his or her immediate family member

Identification of a Conflict of Interest

.05 In identifying whether a conflict of interest exists or may be created, a member should take reasonable steps to determine

a. the nature of the relevant interests and relationships between the parties involved and;

b. the nature of the services and its implication for relevant parties.

.06 The nature of the relevant interests and relationships and the services may change over time. The member should remain alert to such changes for the purposes of identifying circumstances that might create a conflict of interest.
Evaluation of a Conflict of Interest

.07 When an actual conflict of interest has been identified, the member should evaluate the significance of the threat created by the conflict of interest to determine if the threat is at an acceptable level. Members should consider both qualitative and quantitative factors when evaluating the significance of the threat, including the extent to which existing safeguards already reduce the threat to an acceptable level.

.08 In evaluating the significance of an identified threat, members should consider the following:
   a. The significance of relevant interests or relationships.
   b. The significance of the threats created by undertaking the professional service or services. In general, the more direct the connection between the member and the matter on which the parties’ interests are in conflict, the more significant the threat to compliance with the rule will be.

.09 If the member concludes that the threat is not at an acceptable level, the member should apply safeguards to eliminate the threat or reduce it to an acceptable level. Examples of safeguards include the following:
   a. Restructuring or segregating certain responsibilities and duties
   b. Obtaining appropriate oversight
   c. Withdrawing from the decision making process related to the matter giving rise to the conflict of interest
   d. Consulting with third parties, such as a professional body, legal counsel, or another professional accountant

.10 In cases where an identified threat may be so significant that no safeguards will eliminate the threat or reduce it to an acceptable level, or the member is unable to implement effective safeguards, the member should (a) decline to perform or discontinue the professional services that would result in the conflict of interest; or (b) terminate the relevant relationships or dispose of the relevant interests to eliminate the threat or reduce it to an acceptable level.

Disclosure of a Conflict of Interest and Consent

.11 When a conflict of interest exists, the member should disclose the nature of the conflict to the relevant parties, including to the appropriate levels within the employing organisation and obtain their consent to undertake the professional service. The member should disclose the conflict of interest and obtain consent even if the member concludes that threats are at an acceptable level.

.12 The member is encouraged to document the nature of the circumstances giving rise to the conflict of interest, the safeguards applied to eliminate or reduce the threats to an acceptable level, and the consent obtained.

.13 When addressing a conflict of interest, a member is encouraged to seek guidance from within the employing organisation or from others, such as a professional body, legal counsel, or another professional accountant. When making disclosures and seeking guidance of third parties, the member should remain alert to the requirements of the “Confidential Information Obtained From Employment or Volunteer Activities”, interpretation [2.300.070]. In addition, federal, state, or local statutes, or regulations concerning confidentiality of employer information may be more restrictive than the requirements contained in the CGMA code.

.14 A member may encounter other threats to compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles. This may occur, for example, when preparing or reporting financial information as a result of undue pressure from others within the employing organisation or financial, business or personal relationships that close relatives or immediate family members of the member have with the employing organisation. Guidance on managing such threats is covered by the “Knowing Misrepresentations in the Preparation of Financial Statements or Records”, interpretation [2.130.010] and the “Subordination of Judgement by a Member”, interpretation” [2.130.020].
2.120 GIFTS, ENTERTAINMENT AND OTHER FORMS OF INDUCEMENTS

2.120.010 Offering or Accepting Gifts or Entertainment

.01 For purposes of this interpretation, a customer or vendor of the member’s employer includes a representative of the customer or vendor.

.02 When a member offers to, or accepts gifts or entertainment from, a customer or vendor of the member’s employer, self-interest, familiarity, or undue influence threats to the member’s compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles may exist.

.03 Threats to compliance with the “Integrity and Objectivity Rule” and the “Integrity Principle” would not be at an acceptable level and could not be reduced to an acceptable level by the application of safeguards and the member would be presumed to lack integrity in violation of the “Integrity and Objectivity Rule” and the “Integrity Principle” in the following circumstances:

a. The member offers to, or accepts gifts or entertainment from, a customer or vendor of the member’s employer that violate applicable laws, rules, or regulations or the policies of the member’s employer or the customer or vendor.

b. The member knows of the violation or demonstrates recklessness in not knowing.

.04 A member should evaluate the significance of any threats to determine if they are at an acceptable level. Threats are at an acceptable level when gifts or entertainment are reasonable in the circumstances. The member should exercise judgement in determining whether gifts or entertainment would be considered reasonable in the circumstances. The following are examples of relevant facts and circumstances:

a. The nature of the gift or entertainment

b. The occasion giving rise to the gift or entertainment

c. The cost or value of the gift or entertainment

d. The nature, frequency, and value of other gifts and entertainment offered or accepted

e. Whether the entertainment was associated with the active conduct of business directly before, during, or after the entertainment

f. Whether other customers or vendors also participated in the entertainment

g. The individuals from the customer or vendor and a member’s employer who participated in the entertainment

.05 Threats to compliance with the “Integrity and Objectivity Rule” and the “Objectivity Principle” would not be at an acceptable level and could not be reduced to an acceptable level through the application of safeguards if a member offers to, or accepts gifts or entertainment from, a customer or vendor of the member’s employer that is not reasonable in the circumstances. The member would be considered to lack objectivity in violation of the “Integrity and Objectivity Rule” and the “Objectivity Principle” under these circumstances.
2.120.015 Offering or Accepting Other Forms of Inducements

.01 Threats to compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles may also exist when a member or his or her immediate family or close relative offer to, or accept from, a third party other forms of inducements such as, preferential treatment or inappropriate appeals to friendship or loyalty.

.02 For example, self-interest threats are created when an inducement is made in an attempt to unduly influence actions or decisions, encourage illegal or unethical behaviour, or obtain confidential information, and undue influence threats are created if such an inducement is offered or accepted and it is followed by threats to make that offer public and damage the reputation of either the member or an immediate family member or close relative.

.03 A member should evaluate the significance of any threats to determine if they are at an acceptable level. Threats are at an acceptable level when the inducement is reasonable in the circumstances [see 2.120.010.04] and not intended to encourage unethical behaviour.

.04 Threats to compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles would not be at an acceptable level and could not be reduced to an acceptable level through the application of safeguards if a member offers to, or accepts inducements from, a third party that are not reasonable in the circumstances or are intended to encourage unethical behavior. The member would be considered to lack integrity and objectivity in violation of the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles under these circumstances.
2.130 PREPARING AND REPORTING INFORMATION

2.130.010 Knowing Misrepresentations in the Preparation of Financial Statements or Records

.01 Members in business are often involved in the preparation and reporting of information that may either be made public or used by others inside or outside the employing organisation. Such information may include financial or management information, for example, forecasts and budgets, financial statements, management’s discussion and analysis, and the management letter of representation provided to the auditors during the audit of the entity’s financial statements.

.02 Threats to compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles would not be at an acceptable level and could not be reduced to an acceptable level by the application of safeguards, and the member would be considered to have knowingly misrepresented facts in violation of the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles if the member

a. makes, or permits or directs another to make, materially false and misleading entries in an entity’s financial statements or records;

b. fails to correct an entity’s financial statements or records that are materially false and misleading when the member has the authority to record the entries; or

c. signs, or permits or directs another to sign, a document containing materially false and misleading information.

2.130.020 Subordination of Judgement

.01 The “Integrity and Objectivity Rule” and the Integrity and Objectivity principles prohibit a member from knowingly misrepresenting facts or subordinating his or her judgement when performing professional services for an employer or on a volunteer basis. This interpretation addresses differences of opinion between a member and his or her supervisor or any other person within the member’s organisation.

.02 Self-interest, familiarity, and undue influence threats to the member’s compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles may exist when a member and his or her supervisor or any other person within the member’s organisation have a difference of opinion relating to the application of accounting principles; auditing standards; or other relevant professional standards, including standards applicable to tax and consulting services or applicable laws or regulations.

.03 A member should evaluate the significance of any threats to determine if they are at an acceptable level. Threats are at an acceptable level if the member concludes that the position taken does not result in a material misrepresentation of fact or a violation of applicable laws or regulations. If threats are not at an acceptable level, the member should apply the safeguards in paragraphs .06–.08 to eliminate or reduce the threat(s) to an acceptable level so that the member does not subordinate his or her judgement.
.04 In evaluating the significance of any identified threats, the member should determine, after appropriate research or consultation, whether the result of the position taken by the supervisor or other person
   a. fails to comply with professional standards, when applicable;
   b. creates a material misrepresentation of fact; or
   c. may violate applicable laws or regulations.

.05 If the member concludes that threats are at an acceptable level the member should discuss his or her conclusions with the person taking the position. No further action would be needed under this interpretation.

.06 If the member concludes that the position results in a material misrepresentation of fact or a violation of applicable laws or regulations, then threats would not be at an acceptable level. In such circumstances, the member should discuss his or her concerns with the supervisor.

.07 If the difference of opinion is not resolved after discussing the concerns with the supervisor, the member should discuss his or her concerns with the appropriate higher level(s) of management within the member’s organisation (for example, the supervisor’s immediate superior, senior management, and those charged with governance).

.08 If after discussing the concerns with the supervisor and appropriate higher level(s) of management within the member’s organisation, the member concludes that appropriate action was not taken, then the member should consider, in no specific order, the following safeguards to ensure that threats to the member’s compliance with the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles are eliminated or reduced to an acceptable level:
   a. Determine whether the organisation’s internal policies and procedures have any additional requirements for reporting differences of opinion.
   b. Determine whether he or she is responsible for communicating to third parties, such as regulatory authorities or the organisation’s (former organisation’s) external accountant. In considering such communications, the member should be cognisant of his or her obligations under the “Confidential Information Obtained From Employment or Volunteer Activities” interpretation [2.300.070] and the “Obligation of a Member to His or Her Employer’s External Accountant” interpretation [2.130.030].
   c. Consult with his or her legal counsel regarding his or her responsibilities.
   d. Document his or her understanding of the facts, the accounting principles, auditing standards, or other relevant professional standards involved or applicable laws or regulations and the conversations and parties with whom these matters were discussed.

.09 If the member concludes that no safeguards can eliminate or reduce the threats to an acceptable level or if the member concludes that appropriate action was not taken, then he or she should consider the continuing relationship with the member’s organisation and take appropriate steps to eliminate his or her exposure to subordination of judgement.
.10 Nothing in this interpretation precludes a member from resigning from the organisation at any time. However, resignation may not relieve the member of responsibilities in the situation, including any responsibility to disclose concerns to third parties, such as regulatory authorities or the employer’s (former employer’s) external accountant.

.11 A member should use professional judgement and apply similar safeguards, as appropriate, to other situations involving a difference of opinion as described in this interpretation so that the member does not subordinate his or her judgement.

2.130.030 Obligation of a Member to His or Her Employer’s External Accountant

.01 The “Integrity and Objectivity Rule” and the Integrity and Objectivity principles require a member to maintain objectivity and integrity in the performance of a professional service. When dealing with an employer’s external accountant, a member must be candid and not knowingly misrepresent facts or knowingly fail to disclose material facts. This would include, for example, responding to specific inquiries for which the employer’s external accountant requests written representation.
2.160 EDUCATIONAL SERVICES

2.160.010 Educational Services

.01 *Members* who perform educational services, such as teaching full or part time at a university, teaching a continuing professional education course, or engaging in research and scholarship, are performing *professional services* and, therefore, are subject to the “Integrity and Objectivity Rule” and the Integrity and Objectivity principles.
2.200 GENERAL STANDARDS

2.200.001 General Standards Rule (AICPA)

.01 A member shall comply with the following standards and with any interpretations thereof by bodies designated by Council.

a. Professional Competence. Undertake only those professional services that the member or the member’s firm can reasonably expect to be completed with professional competence.

b. Due Professional Care. Exercise due professional care in the performance of professional services.

c. Planning and Supervision. Adequately plan and supervise the performance of professional services.

d. Sufficient Relevant Data. Obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.

.02 See appendix A, “Council Resolution Designating Bodies to Promulgate Technical Standards”.

2.200.002 Professional Competence and Due Care Principle (CIMA)

.01 The principle of Professional Competence and Due Care imposes the following obligations on all professional accountants:

a. To maintain professional knowledge and skill at the level required to ensure that employers receive competent professional service

b. To act diligently in accordance with applicable technical and professional standards when providing professional services

Interpretations Under the “General Standards Rule” and “Professional Competence and Due Care Principle”

2.200.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts

.01 In the absence of an interpretation of the “General Standards Rule” and “Professional Competence and Due Care Principle” that addresses a particular relationship or circumstance, a member should apply the “Conceptual Framework for Members in Business” [2.000.010].

.02 A member would be considered in violation of the “General Standards Rule” and “Professional Competence and Due Care Principle” if the member cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level.

.03 A member should consider the guidance in the “Ethical Conflicts” interpretation [2.000.020] when addressing ethical conflicts that may arise when the member encounters obstacles to following an appropriate course of action. Such obstacles may be due to internal or external pressures or to conflicts in applying relevant professional and legal standards, or both.
2.200.010 Professional Competence and Due Care

01 Competence, in this context, means that the member or member’s staff possesses the appropriate technical qualifications to perform professional services and, as required, supervises and evaluates the quality of work performed. Competence encompasses knowledge of the profession’s standards, the techniques and technical subject matter involved, and the ability to exercise sound judgement in applying such knowledge in the performance of professional services.

02 A member’s agreement to perform professional services implies that the member has the necessary competence to complete those services according to professional standards and to apply the member’s knowledge and skill with reasonable care and diligence. However, the member does not assume a responsibility for infallibility of knowledge or judgement.

03 The member may have the knowledge required to complete the services in accordance with professional standards prior to performance. A normal part of providing professional services involves performing additional research or consulting with others to gain sufficient competence.

04 Threats to the member’s compliance with the “General Standards Rule” and “Professional Competence and Due Care Principle” may exist if the member is performing professional services and the member has

• insufficient time for properly performing or completing the relevant duties;
• incomplete, restricted or otherwise inadequate information for performing the duties properly;
• insufficient experience, training or education, or both; or
• inadequate resources for the proper performance of the duties.

05 The significance of the threats will depend on factors such as the extent to which the member is working with others, relative seniority in the business, and the level of supervision and review applied to the work. The member should evaluate the significance of any threats and apply safeguards, when necessary, to eliminate or reduce the threats to an acceptable level. Examples of such safeguards include

• performing additional research or obtaining additional advice or training.
• ensuring that there is adequate time available for performing the relevant duties.
• obtaining assistance from someone with the necessary expertise.

• consulting, where appropriate, with
  – superiors within the employing organisation;
  – independent experts; or
  – a relevant professional body.

05 If the member determines that the threats are so significant that no safeguards could eliminate or reduce the threats to an acceptable level, and therefore the member is unable to gain sufficient competence, the member should suggest the involvement of a competent person to perform the needed professional service, either independently or as an associate.
2.200.030 Submission of Financial Statements

.01 When a member is a stockholder, a partner, a director, an officer, or an employee of an entity and, in this capacity, prepares or submits the entity’s financial statements to third parties, the member should clearly communicate, preferably in writing, the member’s relationship to the entity and should not imply that the member is independent of the entity. In addition, if the communication states affirmatively that the financial statements are presented in conformity with the applicable financial reporting framework, the member should comply with the “Accounting Principles Rule” and the “Professional Competence and Due Care Principle”.

.02 AICPA members should refer to the “Use of CPA Credential” interpretation [2.300.100] for additional guidance.
2.210 COMPLIANCE WITH STANDARDS

2.210.001 Compliance with Standards Rule (AICPA)

.01 A member who performs auditing, review, compilation, management consulting, tax, or other professional services shall comply with standards promulgated by bodies designated by Council.

.02 See appendix A “Council Resolution Designating Bodies to Promulgate Technical Standards”.

2.210.002 Professional Competence and Due Care Principle (CIMA)

.01 The principle of professional competence and due care imposes the following obligations on all professional accountants:

   a. To maintain professional knowledge and skill at the level required to ensure that employers receive competent professional services; and

   b. To act diligently in accordance with applicable technical and professional standards when providing professional services.

Interpretations Under the Compliance with Standards Rule and the Professional Competence and Due Care Principle

2.210.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts

.01 In the absence of an interpretation of the “Compliance With Standards Rule” and the “Professional Competence and Due Care Principle” that addresses a particular relationship or circumstance, a member should apply the “Conceptual Framework for Members in Business” [2.000.010].

.02 A member would be considered in violation of the “Compliance With Standards Rule” and the “Professional Competence and Due Care Principle” if the member cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level.

.03 A member should consider the guidance in the “Ethical Conflicts” interpretation [2.000.020] when addressing ethical conflicts that may arise when the member encounters obstacles to following an appropriate course of action. Such obstacles may be due to internal or external pressures or to conflicts in applying relevant professional or legal standards, or both.
2.220 ACCOUNTING PRINCIPLES

2.220.001 Accounting Principles Rule (AICPA)

.01 A member shall not (1) express an opinion or state affirmatively that the financial statements or other financial data of any entity are presented in conformity with generally accepted accounting principles or (2) state that he or she is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with generally accepted accounting principles, if such statements or data contain any departure from an accounting principle promulgated by bodies designated by Council to establish such principles that has a material effect on the statements or data taken as a whole. If, however, the statements or data contain such a departure and the member can demonstrate that due to unusual circumstances the financial statements or data would otherwise have been misleading, the member can comply with the rule by describing the departure, its approximate effects, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

.02 See appendix A, “Council Resolution Designating Bodies to Promulgate Technical Standards”.

2.210.002 Professional Competence and Due Care Principle (CIMA)

.01 The principle of professional competence and due care imposes the following obligations on all professional accountants:

a. To maintain professional knowledge and skill at the level required to ensure that employers receive competent professional service

b. To act diligently in accordance with applicable technical and professional standards when providing professional services

Interpretations Under the Accounting Principles Rule and the Professional Competence and Due Care Principle

2.220.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts

.01 In the absence of an interpretation of the “Accounting Principles Rule” and the “Professional Competence and Due Care Principle” that addresses a particular relationship or circumstance, a member should apply the “Conceptual Framework for Members in Business” [2.000.010].

.02 A member would be considered in violation of the “Accounting Principles Rule” and the “Professional Competence and Due Care Principle” if the member cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level.

.03 A member should consider the guidance in the “Ethical Conflicts” interpretation [2.000.020] when addressing ethical conflicts that may arise when the member encounters obstacles to following an appropriate course of action. Such obstacles may be due to internal or external pressures or to conflicts in applying relevant professional or legal standards, or both.
2.220.010 Responsibility for Affirming That Financial Statements Are in Conformity With the Applicable Financial Reporting Framework (AICPA)

.01 A member shall not state affirmatively that an entity’s financial statements or other financial data are presented in conformity with generally accepted accounting principles (GAAP) if such statements or data contain any departure from an accounting principle promulgated by a body designated by Council to establish such principles. Members who affirm that financial statements or other financial data are presented in conformity with GAAP should comply with “Accounting Principles Rule”. A member’s representation in a letter or other communication that an entity’s financial statements are in conformity with GAAP may be considered an affirmative statement within the meaning of this rule with respect to the member who signed the letter or other communication (for example, the member signed a report to a regulatory authority, a creditor, or an auditor).

2.220.015 Responsibility for Affirming That Financial Statements Are in Conformity With the Applicable Financial Reporting Framework (CIMA)

.01 A member of CIMA who has responsibility for the preparation or approval of the general purpose financial statements of an employing organisation shall be satisfied that those financial statements are presented in accordance with the applicable financial reporting standards.

2.220.020 Status of Financial Accounting Standards Board, Governmental Accounting Standards Board, Federal Accounting Standards Advisory Board, and International Accounting Standards Board Interpretations (AICPA)

.01 The “Accounting Principles Rule” authorises Council to designate bodies to establish accounting principles. Council has designated the U.S. Financial Accounting Standards Board (FASB) as such a body and has resolved that FASB Accounting Standards Codification® (ASC) constitutes accounting principles as contemplated in the rule. Council designated the U.S. Governmental Accounting Standards Board (GASB), with respect to Statements of Governmental Accounting Standards issued in July 1984 and thereafter, as the body to establish financial accounting principles for state and local governmental entities, pursuant to the “Accounting Principles Rule”. Council designated the U.S. Federal Accounting Standards Advisory Board (FASAB), with respect to Statements of Federal Accounting Standards adopted and issued in March 1993 and subsequently, as the body to establish accounting principles for federal government entities, pursuant to the “Accounting Principles Rule”. Council designated the International Accounting Standards Board (IASB) as an accounting body for purposes of establishing international financial accounting and reporting principles.

.02 Reference to GAAP in the “Accounting Principles Rule” means those accounting principles promulgated by bodies designated by Council, which are listed in paragraph .01 and in appendix A, “Council Resolution Designating Bodies to Promulgate Technical Standards”.

.03 The AICPA Professional Ethics Division will look to the codification or statements and any interpretations thereof issued by FASB, GASB, FASAB, or IASB in determining whether a member of the AICPA has departed from an accounting principle established by a designated accounting standard-setter in FASB ASC, a Statement of Governmental Accounting Standards, a Statement of Federal Accounting Standards, or International Financial Reporting Standards (IFRS).
2.220.030 Departures From Generally Accepted Accounting Principles (AICPA)

.01 It is difficult to anticipate all the circumstances in which accounting principles may be applied. However, there is a strong presumption that adherence to GAAP would, in nearly all instances, result in financial statements that are not misleading. The “Accounting Principles Rule” recognises that, upon occasion, there may be unusual circumstances when the literal application of GAAP would have the effect of rendering financial statements misleading. In such cases, the proper accounting treatment to apply is that which will not render the financial statements misleading.

.02 The question of what constitutes unusual circumstances, as referred to in the “Accounting Principles Rule” is a matter of professional judgement involving the ability to support the position that adherence to a promulgated principle within GAAP would be regarded generally by reasonable persons as producing misleading financial statements.

.03 Examples of circumstances that may justify a departure from GAAP include new legislation or evolution of a new form of business transaction. Examples of circumstances that would not justify departures from GAAP include an unusual degree of materiality or conflicting industry practices.

.04 If the statements or data contain such departures, see the “Accounting Principles Rule” for further guidance.

2.220.040 Financial Statements Prepared Pursuant to Financial Reporting Frameworks Other Than GAAP (AICPA)

.01 Reference to GAAP in the “Accounting Principles Rule” means those accounting principles promulgated by bodies designated by Council, which are listed in appendix A. The bodies designed by Council to promulgate accounting principles are:

a. FASAB,

b. FASB,

c. GASB, and

d. IASB.

.02 Financial statements prepared pursuant to other accounting principles would be considered financial reporting frameworks other than GAAP within the context of the “Accounting Principles Rule”.

.03 However, the “Accounting Principles Rule” does not preclude a member from preparing or reporting on financial statements that have been prepared pursuant to financial reporting frameworks other than GAAP, such as

a. financial reporting frameworks generally accepted in another country, including jurisdictional variations of IFRS such that the entity’s financial statements do not meet the requirements for full compliance with IFRS, as promulgated by the IASB;

b. financial reporting frameworks prescribed by an agreement or a contract; or

c. other special purpose frameworks, including statutory financial reporting provisions required by law or a U.S. or foreign governmental regulatory body to whose jurisdiction the entity is subject.

.04 In such circumstances, however, the financial statements or member’s reports thereon should not purport that the financial statements are in accordance with GAAP and the financial statements or reports on those financial statements, or both, should clarify the financial reporting framework(s) used.
2.300 ACTS DISCREDITABLE

2.300.001 Acts Discreditable Rule (AICPA)
.01 A member shall not commit an act discreditable to the profession.

2.300.002 Professional Behaviour Principle (CIMA)
.01 The principle of professional behaviour imposes an obligation on all members to comply with relevant laws and regulations and avoid any action that the member knows or should know may discredit the profession.

2.300.003 Confidentiality Principle (CIMA)
.01 The principle of confidentiality imposes an obligation on all members to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.

Interpretations Under the Acts Discreditable Rule and Professional Behaviour and Confidentiality Principles

2.300.005 Application of the Conceptual Framework for Members in Business and Ethical Conflicts
.01 In the absence of an interpretation of the “Acts Discreditable Rule” and the Professional Behaviour and Confidentiality principles that addresses a particular relationship or circumstance, a member should apply the “Conceptual Framework for Members in Business” [2.000.010].

.02 A member would be considered in violation of the “Acts Discreditable Rule” and the Professional Behaviour and Confidentiality principles if the member cannot demonstrate that safeguards were applied that eliminated or reduced significant threats to an acceptable level.

.03 A member should consider the guidance in the “Ethical Conflicts” interpretation [2.000.020] when addressing ethical conflicts that may arise when the member encounters obstacles to follow an appropriate course of action. Such obstacles may be due to internal or external pressures or to conflicts in applying relevant professional standards or legal standards, or both.

2.300.010 Discrimination and Harassment in Employment Practices
.01 A member would be presumed to have committed an act discreditable to the profession, in violation of the “Acts Discreditable Rule” and the “Professional Behaviour Principle” if a final determination, no longer subject to appeal, is made by a court or an administrative agency of competent jurisdiction that a member has violated any antidiscrimination laws of the country, state, or municipality, including those related to sexual and other forms of harassment.
2.300.020 Solicitation or Disclosure of CPA/CIMA Examination Questions and Answers

.01 A member who solicits or knowingly discloses the Uniform CPA Examination or the CIMA Examination question(s) or answer(s), or both, without the AICPA’s or CIMA’s respective written authorisation shall be considered to have committed an act discreditable to the profession, in violation of the “Acts Discreditable Rule” and the “Professional Behaviour Principle”.

2.300.030 Failure to File a Tax Return or Pay a Tax Liability

.01 A member who fails to comply with applicable federal, state, or local laws or regulations regarding (a) the timely filing of the member’s personal tax returns or tax returns for the member’s employer that the member has the authority to timely file or (b) the timely remittance of all payroll and other taxes collected on behalf of others may be considered to have committed an act discreditable to the profession, in violation of the “Acts Discreditable Rule” and the “Professional Behaviour Principle”.

2.300.040 Negligence in the Preparation of Financial Statements or Records

.01 A member would be considered in violation of the “Acts Discreditable Rule” and the “Professional Behaviour Principle” if the member, by virtue of his or her negligence, does any of the following:
   
a. Makes, or permits or directs another to make, materially false and misleading entries in the financial statements or records of an entity
   
b. Fails to correct an entity’s financial statements that are materially false and misleading when the member has the authority to record an entry
   
c. Signs, or permits or directs another to sign, a document containing materially false and misleading information

2.300.050 Governmental Bodies, Commissions, or Other Regulatory Agencies

.01 Many governmental bodies, commissions, or other regulatory agencies have established requirements, such as standards, guides, rules, and regulations, that members are required to follow in the preparation of financial statements or related information.

.02 If a member prepares financial statements or related information (for example, management’s discussion and analysis) for purposes of reporting to such bodies, commissions, or regulatory agencies, the member should follow the requirements of such organisations in addition to the applicable financial reporting framework.

.03 A member’s material departure from such requirements would be considered a violation of the “Acts Discreditable Rule” and the “Professional Behaviour Principle” unless the member discloses in the financial statements or related information that such requirements were not followed and the applicable reasons.
2.300.060 Indemnification and Limitation of Liability Provisions

.01 Certain governmental bodies, commissions, or other regulatory agencies (collectively, regulators) have established requirements through laws, regulations, or published interpretations that

a. prohibit entities subject to their regulation (regulated entity) from including certain types of indemnification and limitation of liability provisions in agreements for the performance of audit or other attest or assurance services on behalf of the employing organisation that are required by such regulators; or

b. provide that the existence of such provisions disqualifies a member from rendering such services to these entities.

.02 If a member enters into, or directs or knowingly permits another individual to enter into, a contract for the performance of audit or other attest or assurance services that are subject to the requirements of these regulators, the member should not include, or knowingly permit or direct another individual to include, an indemnification or limitation of liability provision that would cause the regulated entity or a member to be in violation of such requirements or disqualify a member from providing such services to the regulated entity. A member who enters into, or directs or knowingly permits another individual to enter into, such an agreement for the performance of audit or other attest services would be considered in violation of the “Acts Discreditable Rule” and the “Professional Behaviour Principle”.

2.300.070 Confidential Information Obtained From Employment or Volunteer Activities

.01 A member should maintain the confidentiality of his or her employer’s confidential information and should not use or disclose any confidential employer information obtained as a result of an employment relationship, such as discussions with the employer’s vendors, customers, or lenders (for example, any confidential information pertaining to a current or previous employer, subsidiary, affiliate, or parent thereof, as well as any entities for which the member is working in a volunteer capacity).

.02 For purposes of this interpretation, confidential employer information is any proprietary information pertaining to the employer or any organisation for whom the member may work in a volunteer capacity that is not known to be available to the public and is obtained as a result of such relationships.

.03 A member should be alert to the possibility of inadvertent disclosure, particularly to a close business associate or close relative or immediate family member. The member should also take reasonable steps to ensure that staff under his or her control or others within the employing organisation and persons from whom advice and assistance are obtained are aware of the confidential nature of the information.

.04 When a member changes employment, a member should not use confidential employer information acquired as a result of a prior employment relationship to his or her personal advantage or the advantage of a third party, such as a current or prospective employer. The requirement to maintain the confidentiality of an employer’s confidential information continues even after the end of the relationship between a member and the employer. However, the member is entitled to use experience and expertise gained through prior employment relationships.
.05 A member would be considered in violation of the “Acts Discreditable Rule” and “Confidentiality Principle” if the member discloses or uses any confidential employer information acquired as a result of employment or volunteer relationships without the proper authority or specific consent of the employer or organisation for whom the member may work in a volunteer capacity, unless there is a legal or professional responsibility to use or disclose such information.

.06 The following are examples of situations in which members are permitted or may be required to disclose confidential employer information or when such disclosure may be appropriate:

a. Disclosure is permitted by law and authorised by the employer.

b. Disclosure is required by law, for example, to
   i. comply with a validly issued and enforceable subpoena or summons or
   ii. inform the appropriate public authorities of violations of law that have been discovered.

c. There is a professional responsibility or right to disclose information, when not prohibited by law, to
   i. initiate a complaint with, or respond to any inquiry made by, the AICPA Professional Ethics Division or trial board of the AICPA or a duly constituted investigative or disciplinary body of a state CPA society, board of accountancy, or other regulatory body (AICPA);
   ii. initiate a complaint with, or respond to any inquiry made by, the CIMA Professional Conduct Department or a duly constituted investigative or disciplinary body of CIMA, or other regulatory body (CIMA);
   iii. protect the member’s professional interests in legal proceedings;
   iv. comply with professional standards (for example, technical standards) and other ethics requirements; or
   v. report potential concerns regarding questionable accounting, auditing, or other matters to the employer’s confidential complaint hotline or those charged with governance.

d. Disclosure is permitted on behalf of the employer to
   i. obtain financing with lenders;
   ii. communicate with vendors and customers; or
   iii. communicate with the employer’s external accountant, attorneys, regulators, and other business professionals.

.07 In deciding whether to disclose confidential employer information relevant factors to consider include the following:

a. Whether all the relevant information is known and substantiated to the extent that it is practicable. When the situation involves unsubstantiated facts, incomplete information, or unsubstantiated conclusions, the member should use professional judgement in determining the type of disclosure to be made, if any.

b. Whether the parties to whom the communication may be addressed are appropriate recipients.

.08 A member may wish to consult with legal counsel prior to disclosing, or determining whether to disclose, confidential employer information.

.09 Refer to the “Subordination of Judgement” interpretation [2.130.020] for additional guidance.
2.300.090 False, Misleading, or Deceptive Acts in Promoting or Marketing Professional Services

.01 A member would be in violation of the “Acts Discreditable Rule” and the “Professional Behaviour Principle” if the member promotes or markets the member’s abilities to provide professional services or makes claims about the member’s experience or qualifications in a manner that is false, misleading, or deceptive.

.02 Promotional efforts would be false, misleading, or deceptive if they contain any claim or representation that would likely cause a reasonable person to be misled or deceived. This includes any representation about CPA licensure, CGMA credential or any other professional certification or accreditation that is not in compliance with the requirements of the relevant licensing authority or designating body.

2.300.100 Use of the CPA Credential (AICPA)

.01 A member should refer to applicable state accountancy laws and board of accountancy rules and regulations for guidance regarding the use of the CPA credential. A member who fails to follow the accountancy laws, rules, and regulations on use of the CPA credential in any of the jurisdictions in which the CPA practices would be considered to have used the CPA credential in a manner that is false, misleading, or deceptive and in violation of the “Acts Discreditable Rule”.
APPENDIX A (AICPA)

Council Resolution Designating Bodies to Promulgate Technical Standards

Federal Accounting Standards Advisory Board
RESOLVED: That the Federal Accounting Standards Advisory Board, with respect to its statements of federal accounting standards and concepts adopted and issued in March of 1993 and subsequently, in accordance with its rules of procedure, the memorandum of understanding, and public notice designating FASAB’s standards and concepts as having substantial authoritative support, be, and hereby is, designated by the Council of the American Institute of Certified Public Accountants as the body to establish financial accounting principles for federal governmental entities pursuant to the “Accounting Principles Rule” (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001) of the Code.1

[Added by Council October 1999.]

Financial Accounting Standards Board
WHEREAS: In 1959 the Council designated the Accounting Principles Board to establish accounting principles, and
WHEREAS: The Council is advised that the Financial Accounting Standards Board (FASB) has become operational, it is
RESOLVED: That as of the date hereof the FASB, in respect of statements of financial accounting standards finally adopted by such board in accordance with its rules of procedure and the bylaws of the Financial Accounting Foundation, be, and hereby is, designated by this Council as the body to establish accounting principles pursuant to the “Accounting Principles Rule” (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001), and standards on disclosure of financial information for such entities outside financial statements in published financial reports containing financial statements under the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.310.001) of the Code of Professional Conduct of the American Institute of Certified Public Accountants provided, however, any accounting research bulletins, or opinions of the accounting principles board issued or approved for exposure by the accounting principles board prior to April 1, 1973, and finally adopted by such board on or before June 30, 1973, shall constitute statements of accounting principles promulgated by a body designated by Council as contemplated in the “Accounting Principles Rule” (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001) of the Code unless and until such time as they are expressly superseded by action of the FASB.1

Governmental Accounting Standards Board
WHEREAS: The American Institute of Certified Public Accountants is a signatory to the agreement creating the GASB as an arm of the FAF and has supported the GASB professionally and financially, it is
RESOLVED: That as of the date hereof, the GASB, with respect to statements of governmental accounting standards adopted and issued in July 1984 and subsequently, in accordance with its rules of procedure and the bylaws of the
FAF, be, and hereby is, designated by the Council of the American Institute of Certified Public Accountants as the body to establish financial accounting principles for state and local governmental entities, pursuant to the “Accounting Principles Rule” (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001) of the Code of Professional Conduct, and standards on disclosure of financial information for such entities outside financial statements in published financial reports containing financial statements under the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.320.001) of the Code of Professional Conduct.¹

**Public Company Accounting Oversight Board**

WHEREAS: The Public Company Accounting Oversight Board (PCAOB) has been established pursuant to the Sarbanes-Oxley Act of 2002 (the Act), and

WHEREAS: The PCAOB has authority under the Act to establish or adopt, or both, by PCAOB rule, auditing and related attestation standards, quality control, ethics, independence and other standards relating to the preparation and issuance of audit reports for issuers as defined in the Act.

RESOLVED: That the PCAOB be, and hereby is, designated by the Council of the American Institute of Certified Public Accountants as the body to establish standards relating to the preparation and issuance of audit reports for entities within its jurisdiction as defined by the Act pursuant to the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001) of the Code of Professional Conduct.¹

[Added by Council May 2004.]

**International Accounting Standards Board**

RESOLVED: That the International Accounting Standards Board (IASB) is hereby designated as the body to establish professional standards with respect to international financial accounting and reporting principles pursuant to the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.310.001) and the “Accounting Principles Rule” (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001) of the Code of Professional Conduct; and

BE IT FURTHER RESOLVED: That the Council shall reassess, no sooner than three years but no later than five years after the effective date of this resolution, whether continued recognition of the IASB as the body designated to establish professional standards with respect to international financial accounting and reporting principles under the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.310.001) and the “Accounting Principles Rule” (AICPA, Professional Standards, ET sec. 1.320.001 and 2.320.001) of the Code of Professional Conduct is appropriate.¹

[Added by Council May 18, 2008; readopted by Council, May 19, 2013.]
AICPA COMMITTEES AND BOARDS

WHEREAS: The membership of the Institute has adopted the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001 and 2.300.001) of the Code of Professional Conduct, which authorizes the Council to designate bodies to promulgate technical standards with which members must comply, and therefore it is

Accounting and Review Services Committee

RESOLVED: That the AICPA accounting and review services committee is hereby designated to promulgate standards under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001) of the Code of Professional Conduct with respect to unaudited financial statements or other unaudited financial information of an entity that is not required to file financial statements with a regulatory agency in connection with the sale or trading of its securities in a public market.

Auditing Standards Board

RESOLVED: That, with respect to standards relating to the preparation and issuance of audit reports not included within the resolution on the Public Company Accounting Oversight Board, the AICPA auditing standards board is hereby designated as the body authorized under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001) of the Code of Professional Conduct to promulgate auditing, attestation, and quality control standards and procedures.

RESOLVED: That the auditing standards board shall establish under statements on auditing standards, the responsibilities of members with respect to standards for disclosure of financial information outside of the financial statements in published financial reports containing financial statements.

[Revised May 2004.]

Management Consulting Services Executive Committee

RESOLVED: That the AICPA management consulting services executive committee is hereby designated to promulgate standards under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001 and 2.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.300.001) of the Code of Professional Conduct with respect to the offering of management consulting services, provided, however, that such standards do not deal with the broad question of what, if any, services should be proscribed.

AND FURTHER RESOLVED: That any Institute committee or board now or in the future authorized by the Council to issue enforceable standards under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001 and 2.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.300.001) of the Code of Professional Conduct must observe an exposure process seeking comment from other affected committees and boards, as well as the general membership.

[Revised April 1992.]
Attestation Standards

RESOLVED: That the AICPA accounting and review services committee, auditing standards board, and management consulting services executive committee are hereby designated as bodies authorized under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001) of the Code of Professional Conduct to promulgate attestation standards in their respective areas of responsibility.¹

[Added by Council, May 1988; revised April 1992.]

Tax Executive Committee

RESOLVED: That the Tax Executive Committee is hereby designated as the body authorized under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001 and 2.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.300.001) of the Code of Professional Conduct to promulgate professional practice standards with respect to tax services.¹

[Added by Council, October 1999.]

Forensic and Valuation Services Executive Committee

RESOLVED: That the Forensic and Valuation Services Executive Committee is hereby designated as the body to promulgate professional standards with respect to forensic and valuation services under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001 and 2.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.310.001) of the Code of Professional Conduct.¹

[Added by Council, October 2007]

Personal Financial Planning Executive Committee

RESOLVED: That the Personal Financial Planning Executive Committee is hereby designated as the body to promulgate professional standards with respect to personal financial planning services under the “General Standards Rule” (AICPA, Professional Standards, ET sec. 1.300.001 and 2.300.001) and the “Compliance With Standards Rule” (AICPA, Professional Standards, ET sec. 1.310.001 and 2.300.001) of the Code of Professional Conduct.¹

[Added by Council, October 2012]
Footnotes

1 The changes to this appendix as of December 15, 2014 are administrative changes that were made to conform to the reformatted Code of Professional Conduct.