

## TXCPA Code of Professional Ethics

APPROVED BY:  
TXCPA Membership

EFFECTIVE DATE:  
June 30, 2006

### PREAMBLE

The reliance of the public and business community on the professional services of the Texas Society of Certified Public Accountants' ("TXCPA") members imposes on its members certain obligations. These obligations include, but are not limited to, a member's responsibility to: maintain independence of thought and action; strive continuously to improve one's professional skills; observe, where applicable, the pronouncements of various regulatory and professional standards bodies; promote sound and informative financial reporting; hold the client's affairs in confidence; uphold the standards of the profession; and maintain high standards of personal and professional conduct in all matters affecting fitness to render professional services.

In recognition of these responsibilities, the *Code of Professional Ethics* ("Code") set forth herein has been adopted by TXCPA to help regulate the conduct of its members.

### TXCPA RULES OF CONDUCT

The TXCPA Code shall consist of both the [American Institute of Certified Public Accountants \(AICPA\) Code of Professional Conduct](#) and the [State Board Rules of Professional Conduct](#), including definitions, interpretations and rulings, as they may be amended or changed from time to time by the AICPA and TSBPA. Where the wording of the AICPA and TSBPA rules pertain specifically to AICPA members and Texas licensees, the name of TXCPA and designation of TXCPA members should be substituted.

The definitions, rules, interpretations, and rulings of the AICPA and TSBPA shall be construed and applied by TXCPA in disciplinary proceedings conducted under authority of TXCPA's *Bylaws*. Both the AICPA and TSBPA rules will apply to all TXCPA members. When AICPA and TSBPA rules are not identical, TXCPA shall apply the rule(s), which, in its judgment, is (are) the more restrictive, even when apparent contradictions exist in the two sets of rules.

TXCPA reserves the right to promulgate additional rules of conduct if considered necessary. Such additional rules would be promulgated as amendments to the *Bylaws* under Article XV of the TXCPA *Bylaws* and would, therefore, be subject to TXCPA membership vote at an annual meeting or by mail as provided in Article XV.

### APPLICABILITY OF RULES

The Code is a part of the *Bylaws* of TXCPA. The *Bylaws* provide that the Joint Trial Board may, after a hearing, impose sanctions on a member who is found guilty of infringing upon any of the provisions of TXCPA's *Code of Professional Ethics*. The *Bylaws* also provide that the Joint Trial Board may approve, without a hearing, sanctions agreed upon between a member and the Professional Ethics Committee.

Sanctions may include a reprimand, suspension, resignation, expulsion, admonishment or the imposition of other sanctions considered appropriate by the Joint Trial Board in the circumstances.

Pronouncements could also be issued from time to time by the Professional Ethics Committee of TXCPA to provide guidelines as to the scope and application of the Code.

The Code was adopted by TXCPA's membership to provide guidance and rules to all members - those in public practice, in industry, in government, and in education - in performance of their professional responsibilities.

A member shall not permit others to carry out on the member's behalf, either with or without compensation, acts that, if carried out by the member, would place the member in violation of the Code.