

September 29, 2020

Attn: Ethics-ExposureDraft@aicpa-cima.com

Re: Proposed Revised Interpretation: Records Request

Dear Professional Ethics Executive Committee:

The views expressed herein are written on behalf of the Professional Standards Committee (PSC) of the Texas Society of CPAs. The PSC has been authorized by the Texas Society of CPAs' Board of Directors to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs. Please find our responses below to the amendments proposed in the above-referenced exposure draft.

AICPA Exposure Draft:

The extant interpretation requires that client-provided records in the member's custody or control be returned to the client upon request (par. 06) but then permits withholding such records if the client does not pay for the time and expense the member charges to retrieve and copy client-provided records (par. 11).

**Response:**

The PSC agrees with the revised interpretation of Par. 06 and Par. 11. We appreciate the clarification regarding the charges for shipping and handling client records.

AICPA Exposure Draft:

Though PEEC continues to agree that withholding for payment of these fees should be permitted, the proposal clarifies that it was PEEC's intent to permit it only with respect to copies of client-provided records a member previously provided to the client. Withholding is not permitted when responding to a client's initial request for these records to be returned. The proposed revisions to clarify PEEC's intent are reflected in paragraphs .06 and .11 of this exposure draft.

**Response:**

The PSC agrees with the changes suggested regarding charging of fees. Also, we understand the revised wording addresses the increased use of electronic client documents and we support the revision.

AICPA Exposure Draft:

The extant interpretation is silent about whether a member can charge for shipping fees. PEEC believes the shipping fees should be treated similarly to copying and retrieval fees, as the shipping fees represent an additional cost of providing records to clients. Paragraphs .06 and .11a are revised to add shipping fees.

**Response:**

The PSC agrees with the changes in the wording of Par. .06 and Par .11a regarding copying and retrieval fees.

AICPA Exposure Draft:

The extant interpretation requires members to return or to provide member-prepared records and work products in certain situations. Questions have arisen about whether members would be in compliance with the interpretation if they made this information available to the client (for example, picked up, portal). PEEC believes making this information (as well as the member's copy of client-provided records previously provided to the client) available to the client would satisfy the member's ethical responsibility under this interpretation even though this could result in placing some responsibility on the client. Paragraphs .03, .04, .07, .08, .09, .10, .11 and .12 of this exposure draft are revised to reflect this position.

**Response:**

The PSC agrees with the clarifications and revised interpretations in these paragraphs.

AICPA Exposure Draft:

The extant interpretation requires the provision of a member's work products only to a beneficiary (paragraph .03). However, PEEC believes it inadvertently overlooked extending this requirement to member-prepared records and, as such, proposes adding member-prepared records to paragraph .03 to correct this oversight.

**Response:**

While the PSC agrees with the revised interpretation, the example given does not provide a clear interpretation of paragraph .03. We suggest additional examples for clarification purposes.

Additional comments:

The PSC suggests that PEEC clarify the definition by providing additional examples of "member-prepared records" in Par. .01.D. The PSC thinks that ambiguity makes compliance with these standards more difficult. For example, the definitions of "client-prepared schedules" or client-submitted schedules could use additional clarifications. Also, it remains unclear what constitutes "member-prepared," records other than depreciation schedules. The PSC would like to see an enhanced definition of what PEEC considers a "member-prepared" record.

We appreciate the opportunity to provide input on this exposure draft.

Sincerely,



Lyle C. Joiner, CPA  
Chair, Professional Standards Committee  
Texas Society of Certified Public Accountants