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March 15, 2025

Professional Ethics Executive Committee
Professional Ethics Division
American Institute of Certified Public Accountants
1211 Avenue of the Americas, 19th Floor
New York, NY 100036

Via Email to ethics-exposuredraft@aicpa.org

Re: Comments on Exposure Draft, Proposed revisions related to simultaneous employment or association with an attest client

Dear Committee Members:

Grant Thornton LLP ("Grant Thornton") appreciates the opportunity to comment on the American Institute of Certified Public Accountants ("AICPA") Professional Ethics Executive Committee's ("PEEC") December 2024 Exposure Draft ("Exposure Draft") proposing a new definition of *simultaneously employed or associated* and new interpretation and explanation of "Simultaneous Employment or Association With an Attest Client" (ET sec. 1.275.005). The proposal is part of the AICPA PEEC's 2021-2023 Strategy and Work Plan. PEEC is exposing for comment in the Exposure Draft revisions to the "Simultaneous Employment or Association With an Attest Client" new definition and interpretation, which if adopted as final, the new definition and revised interpretation will be applicable to members in public practice.

Grant Thornton supports PEEC's proposal for the new definition and revised interpretation on "Simultaneous Employment or Association With an Attest Client" to align guidance with threats and allowing firms to evaluate threats to independence using the conceptual framework, while also limiting the strictest prohibitions to covered members. We agree the proposed revisions provide members with additional guidance to address when members hold simultaneous employment or association with attest clients, including associated potential threats to independence. The additional guidance will also assist in the consistent application of the revised interpretation across members in public practice.

Grant Thornton supports a revised “Simultaneous Employment or Association With an Attest Client” interpretation, and we have provided the following comments for PEEC’s consideration.

Specific comments on Exposure Draft

Grant Thornton agrees with items a., c., d., h., j., and k. noted as specific request for comment in the Exposure Draft and does not have any other comments to share as a response to these questions.

In response to item b., we agree all partners and professional employees should be restricted from holding a key position at an attest client. Additionally, we suggest PEEC consider threats may also exist when a partner or professional employee is employed at an attest client in an accounting role.

We believe PEEC should consider providing nonauthoritative guidance in the format of a frequently asked questions (FAQs) document where additional considerations may be necessary when evaluating simultaneous employment or associations with attest clients. This includes considerations in paragraphs .03-.06 in response to items e., f., and g. which would assist members in complying with the proposed new definition and revisions. This could include providing examples of individual positions at the attest client and firm, including accounting roles not covered by key positions, and potential activities performed that would create increased threats.

In response to item h., we believe additional clarification may be needed regarding management participation and the threat of the appearance of simultaneous employment to appropriately address the threats created by a partner or professional employee carrying out activities considered to be management responsibilities. The level of the professional employee and partner (such as partner ownership interest in the firm) could create a more significant threat if involved in management participation. Further, section 04.d.i would be in conflict with the ability of a professional employee or partner to provide a management function which would be prohibited under “Nonattest Services”. In addition, the level of the professional employee and partner should be considered when assessing the actions that might be considered safeguards such as identifying the appropriate reviewer.

In response to item i., we believe the adoption of the proposed interpretation could create inconsistencies with the “Staff Augmentation Arrangements” interpretation under section 1.275.007, which is defined as a separate contractual relationship with an attest client as staff augmentation arrangements typically only cover short-term durations, are infrequent, and are made in nonrecurring situations. Therefore, PEEC should consider whether additional safeguards are needed to be applied if an attest client was involved in a simultaneous employment arrangement or if any revisions may be necessary to section 1.275.007 to eliminate inconsistencies. For example, a firm could allow a firm employee to be simultaneously employed at any attest client, however, the firm would not permit a loan staff arrangement that did not comply with section 1.275.007.

In response to item l., Grant Thornton has no additional issues to address.



We would be pleased to discuss our comments with you. If you have any questions, please contact Anna Dourdourekas, National Partner in Charge, Ethical Standards, at Anna.Dourdourekas@us.gt.com or (630) 873-2633.

Sincerely,

/s/ Grant Thornton LLP