

July 25, 2018

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Re: Changes in the Qualification Requirements for the AICPA Accredited in Business Valuation (ABV) Credential

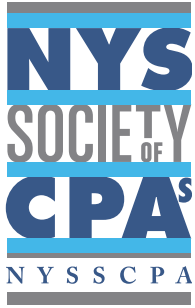
The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 26,000 CPAs in public practice, business, government and education, is writing to you to express its concerns regarding changes to the qualification requirements for the AICPA Accredited in Business Valuation (ABV) Credential.

The NYSSCPA's Business Valuation Committee deliberated the recent changes made to ABV qualifications and prepared the attached comments on behalf of the NYSSCPA. If you would like additional discussion with us, please contact Jean J. Han, Chair of the Business Valuation Committee, at (646) 375-3843, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Jan C. Herringer
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMENTS ON
CHANGES IN THE QUALIFICATION REQUIREMENTS FOR THE AICPA
ACCREDITED IN BUSINESS VALUATION (ABV) CREDENTIAL**

July 25, 2018

Principal Drafters

**Jean J. Han
Karl H. Janhsen
Martin Lieberman**

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New York State Society of Certified Public Accountants

Comments on

Changes in the Qualification Requirements for the AICPA Accredited in Business Valuation (ABV) Credential

The New York State Society of Certified Public Accountants and its Business Valuation Committee are aware of changes to the qualification requirements made by the American Institute of Certified Public Accountants (AICPA) for their Accredited in Business Valuation (ABV) credential. Specifically, as a result of the AICPA's governing Council vote on May 22, 2018, that took place without affording input by key stakeholders (e.g., current credential holders, CPAs, and the public), the ABV credential will now be offered to non-CPAs.

This monumental change in characterization of the credential squarely contradicts the reasons initially presented by the AICPA, encouraging members to invest significant time and effort to obtain the credential for CPAs-only as a "distinctive mark of excellence." We wish to assert our strong opposition to the AICPA's decision that effectively removes much of the value of the ABV designation by offering it to non-CPAs.

The ABV credential as conferred by the AICPA has always required the holder to also be a CPA. This has been a hallmark of the credential, and conveyed a unique combination of independence, knowledge, experience, and integrity to the public and regulatory agencies. To offer the credential to non-CPAs dilutes this characterization, undermines the standard of professionalism offered, and promotes the perception that non-CPAs can be used interchangeably with CPAs for business valuation engagements. The message imparted by this change is that CPAs do not possess a distinctive competitive edge over non-CPAs and that ABV credentialed CPAs belong to a homogenous group of business valuation professionals with myriad similar credentials, to be selected using common metrics such as price and convenience, rather than reputation and high quality professional standards.

In every engagement we undertake, including valuation assignments, AICPA CPA members are bound to follow the full scope of the AICPA *Code of Professional Conduct* and bring to bear the education, skills and ethics necessary to be a licensed CPA. We are CPAs first and foremost, providing for a high level of reliance on our valuation opinions. The degree of trust and competency established by CPAs follows us with every assignment we undertake, a degree that non-CPAs cannot match. The allowance of non-CPAs to obtain the ABV credential has the effect of undermining the valuation opinions of CPA/ABV holders who will no longer have the increased credibility associated solely with CPAs. We will no longer have the advantage in a court proceeding when opposing experts are non-CPAs holding our credential.

It is our opinion that the AICPA should reverse their course of action and reinstate the requirement that only a CPA can hold the ABV credential.