

News Release

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Contact: Anne Sittmann
202-434-9213
asittmann@aicpa.org

Shirley Twillman
202-434-9220
stwillman@aicpa.org

President Signs Bill Exempting CPAs from Requirement to Send Privacy Notices Under Gramm-Leach-Bliley Act

Provision Included in the Financial Services Regulatory Relief Act of 2006

Washington, DC, October 13, 2006—The President today signed a bill that exempts certified public accountants from the Gramm-Leach-Bliley Act’s requirement that CPAs send their clients an annual privacy notice, the American Institute of Certified Public Accountants announced. The exemption is effective immediately.

“This is wonderful news and a win for both CPA practitioners and their clients. The disclosure statements are often confusing to clients and they are expensive and time-consuming for CPAs to prepare,” said Barry C. Melancon, President and CEO of the AICPA. “Since the exemption is effective upon the President’s signature, all those CPAs who are now preparing this year’s privacy notices can stop. They won’t have to send Gramm-Leach-Bliley Act privacy notices out this year. They can instead put that time into serving their clients.”

Melancon said that the AICPA has worked with lawmakers since enactment of the Gramm-Leach-Bliley Act to achieve the change, which was possible because CPAs are certified

or licensed by state boards of accountancy and are already subject to state laws and regulations that prohibit disclosure of nonpublic personal information without the expressed consent of the client.

“The Gramm-Leach-Bliley requirement was redundant for CPAs, as well as a regulatory burden,” Melancon said. “We thank Representatives Mark Kennedy (R-MN) and Colin Peterson (D-MN) for taking the lead in the House to correct this inequity. It was their efforts to exempt CPAs that caused the provision initially to be included in the Financial Services Regulatory Relief Act of 2006. We also appreciate the support of Senators Mike Enzi (R-WY) and Debbie Stabenow (D-MI), who championed the exemption in the Senate,” he added.

The House passed the Financial Services Regulatory Relief Act of 2006 on September 27, 2006 by a vote of 417-0. The Senate unanimously passed it on September 30, 2006. The bill also is intended to provide regulatory relief for insured depository institutions.

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 330,000 members, including CPAs in business and industry, public practice, government, and education. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination.

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