



B Lab Statement on AAFCPA's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies providing tax advisory services:

"Companies in the tax advisory industry are eligible for B Corp Certification if they are able to confirm that their tax philosophy, used to provide services and recommendations to clients, aligns with the company specific principles listed in B Lab's framework, specifically, 1) the tax advice provided appropriately reflects the actual amount of income generated by the client over time; and, 2) the tax advice provided to a client for a jurisdiction appropriately reflects the actual operations of the client in that jurisdiction."

AAFCPAs is required to disclose a summary of how it complies with the above requirements as a part of its B Corp Certification. For more information on the review process, please refer to B Lab's position statement on Companies that Provide Tax Advisory Services and B Corp Certification [here](#).

Summary of Company

AAFCPAs is an US-based accounting & auditing firm. Tax related services represent 19% of the company's overall revenue and its services include but are not limited to Inbound & Outbound International Tax Planning & Compliance for Multi-National Businesses and Individuals; Entrepreneurial Tax & Advisory; Tax Exposure Due Diligence for Mergers & Acquisitions; Financial Statement Audits; state and local tax; non-profit and tax exempt services. In terms of fees, AAFCPAs charge hourly rates based on estimated budget. The firm's clients include but are not limited to local (US-based) High-Net-Worth Individuals, Small to Medium Enterprises, and US subsidiaries of overseas businesses.

AAFCPAs Policies and Practices

In alignment with the requirements and principles stated in B Lab's position statement for companies that provide tax advisory services, AAFCPA] has a philosophy statement for the tax advice that they provide to their clients and their own engagement with governments and tax regulators, which has been shared with all their employees. The philosophy statement reads as follows:

AAFCPAs is proud to be a Certified B Corp, guided by values of transparency and social responsibility. We recognize that taxes play an important role in building a healthy society. In serving our clients, we use our professional judgment to advise on tax positions that may involve multiple interpretations, but only when those positions accurately reflect each client's income and operations and meet at least a reasonable basis to be sustained by tax authorities.



We work collaboratively with government and tax authorities and limit our advocacy to (a) assisting specific clients in meeting regulatory compliance and (b) supporting the AICPA and state societies, which advocate for the accounting profession as a whole and may sometimes engage in limited tax advocacy.

To uphold these standards, we provide regular training for our employees and partners, maintain clear internal conduct policies, use engagement documentation with clients, and periodically review client relationships.

AAFCPAs follow the [American Institute of Certified Public Accountants \(AICPA\)](#) as well as its [ethical standards](#). In order to prevent the risk of providing advice resulting in aggressive tax avoidance, AAFCPAs require representative letters from clients and tax attorney positions explaining the reasoning for positions that may be considered aggressive. The company also conducts risk assessment for its clients, which identifies risks and the mitigating controls in place. If residual risks are identified, the company assesses if implementation of additional controls are needed.

The firm defines a high-risk engagement using the following criteria:

- Whether the client is in a specialized industry
- New industry for the firm
- New or specialized accounting pronouncements apply to the client
- New professional standards apply to the firm relating to the engagements
- Engagements that require an inordinate amount of time to complete relative to the available resources of the firm
- The entity is in the development stage
- Conditions such as these exist at the entity:
 - Aggressive earnings management
 - Unreliable processes for developing accounting estimates, or questionable estimates by management
 - Questions regarding the entity's ability to continue as a going concern
 - Other conditions identified by the engagement partner

The company is bound by the [AICPA Code of Professional Conduct](#), which highlights responsibility, service for the public interest, integrity, objectivity, and due care ethics training is provided for professional team members at least every two years, as required by the [State of Massachusetts Board of Accountancy](#). In addition, the firm also adheres to the [Statements on Standards for Tax Services \(SSTS\)](#). Furthermore, AAFCPAs have required standards when items of assessment need a quality control review, such as tax positions that may fall under mass marketing and implementation of tax avoidance schemes to clients, the topic is also brought up to the company's risk committee for deliberation on the matter.



While the firm has international clients, AAFCPAs does not assist in the use of low-tax jurisdictions for the sole purpose of tax avoidance or positions that are deemed to be illegal. AAFCPAs services related to low tax jurisdictions represent 1% of their work. Although there are clients in low-tax jurisdictions and the company confirms that there is a business purpose for the clients to be in those jurisdictions, the firm only works with the US tax aspects of said clients.

In order to prevent any potential conflicts of interest, the firm escalates the topic to the head of the tax department and passes it to the risk committee when appropriate.

AAFCPAs has not faced any litigation or penalties by government agencies for tax advisory services in the last 5 years. Additionally, the company does not lobby for any specific tax legislation, and no formal advocacy position is taken by the company.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the [certification process](#), or
2. Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community.