



# STATE OF IOWA

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From the Iowa Accountancy Examining Board  
September 27, 2017

At its regular meeting on September 27, 2017, the Iowa Accountancy Examining Board (“**Board**”) reviewed an informal inquiry into the Board’s position regarding the ethics of an Iowa CPA or CPA Firm providing professional services to a retail marijuana business legally operating in the State of Nevada. The Board issued the following response, which it now makes publicly available to provide informal guidance to the profession regarding this issue:

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To whom it may concern:

Given both the general nature and procedural posture of your request, the Board is not able to make a binding determination as to whether the particular services you seek to provide in the State of Nevada could ever subject your firm or its members to disciplinary action. However, as a general matter and following significant deliberation, the Board would likely take the following position should such a similar issue arise as part of a concrete case or controversy. We hope this information will assist you and your firm in making an informed business decision.

It is exclusively the jurisdiction of state and federal courts to determine if and when drug laws are violated and, in the absence of such a determination by the courts, the Board will not attempt to interpret local, state, or federal marijuana laws, assess compliance with the same, or speculate on local, state, or federal drug enforcement policies. Unless and until a particular establishment is found to be in violation of applicable law by a court of competent jurisdiction, it is the Board’s position that offering to provide or providing professional services to retail marijuana businesses legally operating in another state does not, on its face, constitute an act discreditable to the profession, constitute a lack of good moral character, or otherwise violate the statutes and/or rules the Board administers. See Iowa Code § 542; Iowa Admin. Code ch. 193A. Thus, the Board will not generally pursue disciplinary action against licensees who offer to provide or provide professional services to such businesses.

Notwithstanding the foregoing, the Board’s position does not negate the possibility that disciplinary action may be taken should a licensee continue to provide services to a business that is found to be operating in violation of applicable laws, rules, or regulations, or should the licensee be found guilty of a criminal act related to the provisioning of such services or otherwise. See Iowa Admin. Code r. 193A—14.3(11) (authorizing Board to initiate disciplinary action against a licensee “[c]onvict[ed] in this state or any other jurisdiction, of any felony, or of any crime described in Iowa Code section 542.5(2)”). The board will treat any successful prosecution related to state or federal marijuana laws just as it would the prosecution of any other criminal act.

Further, licensees who choose to provide professional services to the marijuana industry will be held to the same professional standards, laws, rules, and regulations applicable to all licensees for any services provided. Thus, as with all professional services, licensees providing services to the marijuana industry must provide such services in a competent, independent, and objective manner, exercising due care and with the utmost integrity.

The Board cautions that licensees choosing to provide services to this industry should consider the current uncertainty surrounding the enforcement of applicable local, state, and federal drug laws, anti-money laundering laws, and related provisions of the Internal Revenue Code. It is highly recommended that any Iowa licensee seeking to provide or providing services to the recreational marijuana industry consult with independent legal counsel about the risks and legal issues associated therewith.

The Board's position on this matter should not be construed as: (a) an endorsement for licensees to provide professional services to the marijuana industry; (b) a statement about the feasibility of meeting applicable professional standards in providing services to the marijuana industry; or (c) a statement about the meaning of any local, state, or federal marijuana laws or the potential for enforcement of the same in any other jurisdiction by applicable law enforcement agencies. Further, this informal response has not been rendered as part of a contested case, in response to a petition for declaratory order filed with the Board pursuant to Iowa Administrative Code chapter 193.10(1), or as part of a rulemaking process, and is therefore not binding on the Board in any future proceeding, whether related or otherwise.