WAC 4-30-044 What restrictions govern commissions, referral, and contingent fees? For the purposes of this section, the term "licensed firm" includes any affiliated entity(ies) and the term "firm owner" includes the owner(s) of any affiliated entity(ies).

1) Licensees and/or their employees must not for a commission recommend or refer to a client any product or service, or for a commission recommend or refer any product or service to be supplied by a client, or receive a commission, when such persons perform compilation, or other professional services for which a report expressing assurance is prescribed by professional standards for that client. This prohibition applies:
   (a) During the period in which such persons are engaged to perform professional services for which a report expressing assurance is prescribed by professional standards; and
   (b) During the period covered by any information for which a report expressing assurance is prescribed by professional standards and a report was issued by such persons.

2) Licensees and/or their employees must also not:
   (a) Perform for a contingent fee any professional services for, or receive such a fee from a client for whom such persons perform compilation, or other professional services for which a report expressing assurance is prescribed by professional standards; or
   (b) Prepare an original or amended tax return or claim for a tax refund for a contingent fee for any client.

3) The prohibition against contingent fees applies:
   (a) During the period in which such persons are engaged to perform professional services for which a report expressing assurance is prescribed by professional standards; and
   (b) During the period covered by any information for which a report expressing assurance is prescribed by professional standards and a report was issued by such persons.

4) Fees are not considered contingent if fixed by courts or other public authorities, or, in tax matters, if determined based on the results of judicial proceedings or the findings of governmental agencies. Fees may vary depending, for example, on the complexity of services rendered.

5) Any person subject to board rules who is not prohibited by this section from performing services for, or receiving a commission, referral or contingent fee and who are paid or expect to be paid accordingly must disclose that fact to any person or entity to whom such persons recommend or refer a product or service to which the commission, referral or contingent fee relates in the manner prescribed below:
   (a) Disclose the arrangement in writing and in advance of client acceptance;
   (b) Disclose the method of calculating the fee or amount of fee;
   (c) Specify the licensee's, CPA-Inactive certificate holder's, or nonlicensee firm owner's role as the client's advisor; and
   (d) Obtain the client's consent to the fee arrangement in writing.

6) Nothing in this rule shall be interpreted to preclude licensees, as defined in WAC 4-30-010, CPA-Inactive certificate holders, or nonlicensee firm owners from purchasing, selling, or merging all or a portion of a licensed firm or affiliated entity or to require disclosure to clients of terms or payments made or received pursuant to the purchase, sale, or merger.