

Ethics & Compliance

Independence Overview



What is “Independence” and why is it important?

PwC operates in a highly regulated environment, and the firm is subject to a number of regulations that help us maintain the public’s trust, including independence rules established by the SEC, PCAOB, and AICPA, among other regulators.

The word “*independence*” refers to the ability of our professionals to act with integrity, objectivity and impartiality in all of our work. Staying independent means we have to consider our personal financial interests, any employment and business relationships we pursue, and fee arrangements we enter into.

By auditing clients’ financial statements and providing a broad range of other professional services, PwC as a firm and our partners and staff as individuals commit to being independent of our audit clients and their affiliates (called “restricted entities”). Our reputation depends on us being unbiased and free from any conflicts of interest with clients at all times.

How will “Independence” affect you?

If you choose to accept employment with PwC, independence rules may impact your personal financial interests, as well as those of your spouse/spouse equivalent and any dependents you support.

The rules can be complex and depend on such factors as staff level, specific role at the firm, client assignments, and work office location.

PwC’s Ethics & Compliance Office (E&C) makes many resources, programs and tools available to help you maintain your independence and other compliance responsibilities throughout your career at PwC.

Everyone who accepts an offer of employment with PwC participates in a “*personal independence clearance process*” to determine actions you may need to take regarding your investments and other financial arrangements (loans, mortgages, etc.) prior to joining the firm.

Independence considerations

Relationships with restricted entities (PwC audit clients or their affiliates) that can be impacted include:

- *Stocks, bonds, mutual funds, 529 Savings Plans and other types of investments*
- *Brokerage accounts, including margin loans, cash management and other similar accounts*
- *Banking or checking accounts with balances over \$250,000*
- Credit cards with balances that exceed \$10,000
- 401(k) plans or other employee benefit plans with a current or former employer
- Mortgage on any type of property
- Insurance coverage, such as a whole life, universal, homeowner or renter, vehicle, or variable life insurance product
- Participation in a partnership, service as a member of a board, or as an executor or trustee

To discuss these topics with PwC prior to making your employment decision, please contact the PwC Compliance Resource Center at 1-877-815-8616 in the US (or 1-201-521-3328 outside US).

About the “personal clearance process”

The personal clearance process requires an investment of effort and time. The benefit is that you know you are joining a firm with a long legacy of earning the trust of clients, the public and the regulators.

Generally, the independence rules governing personal financial interests apply to partners and staff who directly provide professional services to clients or have significant direct contact with clients. The personal clearance process is an important step in assessing independence.

In certain cases, if you have a personal financial interest or relationship with a PwC restricted entity (an audit client and its affiliates), you may be asked to change those relationships before you can join the firm.

At any time if you have questions about the personal clearance process or how the independence rules might impact you, contact the PwC Compliance Resource Center.

Before you start: PwC’s “personal clearance process”

- Upon accepting PwC’s offer of employment, you will receive details and instructions for how to complete the personal clearance process.
- As part of the personal clearance process, you may be required (depending on your role with the firm) to provide information regarding your financial interests and arrangements (e.g., redacted statements of securities such as stocks and mutual funds, 529 Savings Plans, 401(k) plan investments, loans, mortgages) as well as your CPA licenses, if applicable.
- You will *not* be asked for specific financial information, such as the number of shares you own. The information you submit will be reviewed to determine whether you need to take any actions to become compliant with PwC’s Independence Policy prior to starting with the firm.
- PwC may conclude that certain roles are exempt from certain independence rules; however, everyone, regardless of role, will be required to complete the personal clearance process before beginning employment with PwC.

Independence resources

PwC’s Ethics & Compliance Office has many resources to help you understand the rules and how they might impact you and your family, if you choose to accept employment with PwC.

If you have any questions regarding the personal clearance process, independence rules, CPA requirements or any other compliance matter, please contact us -- either before you accept employment, or after you join the firm.

PwC Compliance Resource Center
1-877-815-8616 (inside the US)
1-201-521-3328 (outside the US)

The information provided here is not intended to be comprehensive. You will receive additional details and instructions upon accepting PwC’s offer of employment.