

**WAC 4-30-044 Contingent fees.** (1) A licensee in public practice shall not:

(a) Perform for a contingent fee any professional services for, or receive such a fee from, a client for whom the licensee or the licensee's firm performs:

(i) An audit or review of a financial statement; or

(ii) A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or

(iii) An examination of prospective financial information; or

(b) Prepare an original or amended tax return or claim for a tax refund for a contingent fee for any client.

(2) The prohibition above applies during the period in which the licensee or licensee's firm is engaged to perform any of the services listed above and the period covered by any historical financial statements involved in any such listed services.

(3) Except as stated in the next sentence, a contingent fee is a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. Solely for purposes of this rule, fees are not regarded as being 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.

(4) A licensee's fees may vary depending, for example, on the complexity of services rendered.

(5) Any licensee who is not prohibited by this rule from performing services for a contingent fee must:

(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 role as the client's advisor; and

(d) Obtain the client's consent to the fee arrangement in writing.

(6) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350 (1), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 24-21-116, s 4-30-044, filed 10/21/24, effective 11/21/24; WSR 23-04-088, § 4-30-044, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, amended and recodified as § 4-30-044, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-626, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-626, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-626, filed 1/31/02, effective 3/15/02; WSR 01-03-012, § 4-25-626, filed 1/5/01, effective 2/5/01; WSR 98-12-055, § 4-25-626, filed 5/29/98, effective 6/29/98.]