



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
PUBLIC MEETING NOTICE FOR THE LEGISLATIVE COMMITTEE (LC),
COMMITTEE ON PROFESSIONAL CONDUCT (CPC), MOBILITY STAKEHOLDER
GROUP (MSG) AND CBA MEETINGS**

DATE: Wednesday, July 23, 2014

**MSG MEETING
TIME:** 1:30 p.m.

PLACE: California Board of Accountancy
2000 Evergreen St., Suite 250
Sacramento, CA 95815
Telephone: (916) 263-3680

DATE: Thursday, July 24, 2014

**LC MEETING
TIME:** 9:00 a.m.

DATE: Thursday, July 24, 2014

**CPC MEETING
TIME:** 9:30 a.m. or upon adjournment of
the LC meeting.

DATE: Thursday, July 24, 2014

**JOINT CBA & MSG MEETING
TIME:** 10:30 a.m. to 11:00 a.m.

DATE: Thursday, July 24, 2014

**CBA MEETING
TIME:** 11:00 a.m. to 5:00 p.m.

PLACE: Tsakopoulos Library Galleria
828 I Street
Sacramento, CA 95814
Telephone: (916) 264-2920

Enclosed for your information is a copy of the agendas for the LC, CPC, MSG and CBA meetings on July 23-24, 2014. For further information regarding these meetings, please contact:

Corey Riordan, Board Relations Analyst
(916) 561-1716 or cfriordan@cba.ca.gov
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815

An electronic copy of this notice can be found at <http://www.dca.ca.gov/cba/calendar.shtml>

The next CBA meeting is scheduled for September 18-19, 2014 in Southern California

The meeting is accessible to individuals who are physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Corey Riordan at (916) 561-1718, or email cfriordan@cba.ca.gov, or send a written request to the CBA Office at 2000 Evergreen Street, Ste. 250, Sacramento, CA 95815. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.



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**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
 MOBILITY STAKEHOLDER GROUP (MSG)**

**MSG MEETING
 AGENDA**

**Wednesday, July 23, 2014
 1:30 – 4:00 p.m.**

**California Board of Accountancy
 2000 Evergreen Street, Suite 250
 Sacramento, CA 95815
 (916) 561-1700**

	<u>CBA Item #</u>
Roll Call and Call to Order (Katrina Salazar, Chair).	
I. Approve Minutes of the March 20, 2014 Meeting.	XII.E.
II. Overview of the MSG Decision Matrix – A Summary of Previous Decisions Made by the MSG (Matthew Stanley, Legislative and Regulatory Coordinator).	XI.C.2.
III. Overview and Comparison of the Prior and Current California Practice Privilege Laws (Dominic Franzella, Licensing Chief).	XI.C.3.
IV. Overview of the Consumer Protection Provisions of the California Practice Privilege Law (Article 5.1 of Chapter 1 of Division 3 of the Business and Professions Code (BPC)) and Proposed Timeline for Future Discussions (Matthew Stanley).	XI.C.4.
V. Overview of the Implementation of the Current California Practice Privilege Law (Jenny Sheldon, Practice Privilege/Exam Manager, and Vincent Johnston, Enforcement Manager).	XI.C.5.
VI. Overview of Practice Privilege/Mobility Provisions in Other States/Jurisdictions (Dominic Franzella).	XI.C.6.
VII. Overview and Discussion Regarding Survey of Other States' Practice Privilege/Mobility Provisions to Obtain Information Necessary for Reporting Under BPC 5096.21(d) (Matthew Stanley).	XI.C.7.
VIII. Discussion Regarding Stakeholder Objectives Pursuant to BPC Section 5096.21(e) (Matthew Stanley).	XI.C.8.

IX. Discussion Regarding Proposed Agenda Items for Next Meeting
(**Matthew Stanley**).

XI.C.9.

X. Public Comments.*

Adjournment

Action may be taken on any item on the agenda. In accordance with the Bagley-Keene Open Meeting Act, all meetings of the MSG are open to the public.

*Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the MSG prior to the MSG taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the MSG. Individuals may appear before the MSG to discuss items not on the agenda; however, the MSG can take no official action on these items at the time of the same meeting. (Government Code section 11125.7(a).)

CBA members who are not members of the MSG may be attending the meeting. However, if a majority of members of the full CBA are present at the MSG meeting, members who are not MSG members may attend the meeting only as observers.



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DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
JOINT MEETING OF THE CBA
AND
MOBILITY STAKEHOLDER GROUP (MSG)

JOINT CBA & MSG MEETING
AGENDA

July 24, 2014
10:30 a.m. – 11:00 a.m.

Tsakopoulos Library Galleria
828 I Street
Sacramento, CA 95814
Telephone: (916) 264-2920

Roll Call and Call to Order.

- I. Presentation from the National Association of State Boards of Accountancy (NASBA) Regarding Mobility and the NASBA Enforcement Guidelines (**Ken Bishop, NASBA President and Chief Executive Officer**).
 - II. Public Comments. *
- Adjournment.

Action may be taken on any item on the agenda.

In accordance with the Bagley-Keene Open Meeting Act, all meetings of the CBA are open to the public. While the CBA and MSG intend to webcast this meeting, it may not be possible to webcast the entire open meeting due to limitations on resources.

*Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the CBA prior to the CBA taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the CBA, but the CBA President may, at his or her discretion, apportion available time among those who wish to speak. Individuals may appear before the members of this joint meeting to discuss items not on the agenda; however, the CBA or MSG can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

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MSG Item I.
 July 23, 2014

CBA Item XII.E.
 July 24, 2014

DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)

MINUTES OF THE
March 20, 2014
MOBILITY STAKEHOLDER GROUP MEETING

DRAFT

Hilton Pasadena
 168 South Los Robles Avenue
 Pasadena, CA 91101
 (626) 577-1000

CALL TO ORDER

Katrina Salazar, Chair, called the meeting of the Mobility Stakeholder Group (MSG) to order at 9:01 a.m. Ms. Salazar requested that the role be called.

Members

Katrina Salazar, Chair	Present
Hal Schultz, Vice-Chair	Present
Jose Campos	Present
Ed Howard	Present
Rafael Ixta	Present
Joe Petito	Present
Stuart Waldman	Present

CBA Members Observing

Sally Anderson
 Alicia Berhow
 Herschel Elkins

CBA Staff and Legal Counsel

Patti Bowers, Executive Officer
 Deanne Pearce, Assistant Executive Officer
 Rich Andres, Information Technology Staff
 Paul Fisher, Supervising Investigative CPA
 Dominic Franzella, Chief, Licensing Division

Sara Narvaez, Enforcement Manager
Corey Riordan, Board Relations Analyst
Kristy Shellans, Senior Staff Counsel, DCA Legal Affairs
Matthew Stanley, Legislation Analyst

Other Participants

Nancy Corrigan, Chair, Peer Review Oversight Committee
Jason Fox, California Society of CPAs (CalCPA)
Cheryl Gerhardt, Chair, Enforcement Advisory Committee
Pilar Onate-Quintana, KP Public Affairs
Jonathan Ross, KP Public Affairs

I. Welcome and Introduction of Members

Ms. Salazar welcomed the members to the MSG. Each member introduced themselves and gave a brief summary of their background.

II. Overview of the Purpose and Role of the MSG

Ms. Salazar provided a brief overview of the MSG's purpose and role. Its purpose, as mandated by law, is two-fold, to consider whether the provisions of the mobility law are consistent with the CBA's duty to protect the public, and to consider whether the mobility law satisfies the objectives of stakeholders of the accounting profession, including consumers.

She also stated that the MSG's role during its meetings will be to gather and examine information that will help it make determinations in fulfillment of those purposes.

III. Adoption of Policies and Procedures for the MSG

Mr. Stanley informed the MSG that the law requires the MSG to adopt policies and procedures at its first meeting.

Mr. Stanley reviewed potential calendars for meeting dates of the MSG including meetings held in conjunction with the CBA and not in conjunction with the CBA. He proposed calendars for two, three, four, or six meetings during the year.

It was moved by Ms. Salazar, seconded by Mr. Schultz, and carried unanimously to hold MSG meetings in conjunction with the CBA meetings three times per year.

Mr. Stanley continued the discussion by addressing the MSG's statutory requirement that it report to the CBA. He stated that the Chair's verbal report on the MSG meetings may satisfy the requirement. He also stated that the MSG may wish to prepare regular written reports on its findings as well. He stated that staff would be

maintaining a decision matrix to track decisions made by the MSG, and that it could become the basis for an annual report.

It was moved by Ms. Salazar, seconded by Mr. Campos, that the MSG prepare a written annual report due to the CBA once per calendar year.

Mr. Howard asked that the motion be revised to allow more than one report every twelve months. Ms. Salazar accepted the revisions as did Mr. Campos.

It was moved by Ms. Salazar, seconded by Mr. Campos, and carried unanimously that the MSG prepare for the CBA at least one written annual report each calendar year.

Mr. Stanley stated that the MSG may wish to prepare a final report to summarize its findings in time for it to be of use to the CBA as it prepares its report to the Legislature due January 1, 2018.

Mr. Waldman speculated that the MSG might be rushing its determination to have a final report over a year before the MSG sunsets.

It was moved by Mr. Petito, seconded by Mr. Campos, and carried unanimously that the MSG produce a final report to be utilized by the CBA.

IV. Discussion Regarding Proposed Agenda Items for Next Meeting

Mr. Stanley proposed several topics for inclusion on a future agenda and inquired whether the MSG wished to add any topics to the list. He proposed the following topics: an overview of the new mobility law and comparison with the old law, the consumer protection provisions of the mobility law, defining the objectives of the stakeholders, and a review of licensing and enforcement statistics for mobility.

Mr. Campos suggested exploring any issues encountered by other states regarding mobility.

Mr. Howard suggested a review of how the CBA has implemented the mobility law.

Mr. Ixta suggested a summary of differences between the various states' mobility laws and a discussion of how other states have handled discipline in the context of mobility.

Ms. Salazar stated that staff would take the MSG's suggestions and develop future agendas.

V. Public Comments

No Public Comments were received

VI. Agenda Items for Next Meeting

No agenda items were identified.

There being no further business, the meeting was adjourned at 9:28 a.m.

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**MSG Item II.**

July 23, 2014

CBA Item XI.C.2.

July 24, 2014

**Overview of the MSG Decision Matrix –
A Summary of Previous Decisions Made by the MSG**

Presented by: Matthew Stanley, Legislative and Regulatory Coordinator

Date: May 12, 2014

Purpose of the Item

The purpose of this item is to provide an overview of the Mobility Stakeholder Group's (MSG) decision matrix (**Attachment**).

Action(s) Needed

No specific action is required on this agenda item.

Background

At its March 2014 meeting, staff presented the MSG with a plan to maintain a decision matrix in order to track all decisions made by the MSG. The purpose for the decision matrix is to assist the MSG and staff in determining what activities have been accomplished and what decisions still remain for discussion.

Comments

The MSG made three decisions at its March 2014 meeting as follows:

- The MSG will meet three times per year in conjunction with the March, July and November CBA meetings.
- The MSG will prepare a written report to the CBA at least once per calendar year.
- The MSG will prepare a final report in time to be considered by the CBA as it prepares its final report to the Legislature, which is due January 1, 2018.

At future MSG meetings the decision matrix will be provided as a written report only agenda item unless otherwise directed by the MSG.

Fiscal/Economic Impact Considerations

There is no fiscal or economic impact for this item.

Recommendation

None.

Attachment

MSG Decision Matrix



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Attachment

MOBILITY STAKEHOLDER GROUP DECISION MATRIX

<u>Date</u>	<u>Decision</u>
March 2014	The MSG will meet three times per year in conjunction with the March, July and November CBA meetings.
March 2014	The MSG will prepare a written report to the CBA at least once per calendar year.
March 2014	The MSG will prepare a final report in time to be considered by the CBA as it prepares its final report to the Legislature, which is due January 1, 2018.



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MSG Item III.
July 23, 2014

CBA Item XI.C.3.
July 24, 2014

Overview and Comparison of the Prior and Current California Practice Privilege Laws

Presented by: Dominic Franzella, Chief, Licensing Division

Date: June 20, 2014

Purpose of the Item

The purpose of this item is to provide the Mobility Stakeholder Group (MSG) with an overview and comparison of the prior and current California practice privilege laws.

Action(s) Needed

No specific action is required on this agenda item.

Background

Prior to the enactment of the original practice privilege provisions, out-of-state CPAs that wanted or needed to practice in California were authorized to do so provided the practice was temporary and incidental. Under the prior temporary and incidental provision, out-of-state CPAs and accounting firms lawfully practicing in another state could temporarily practice in California incident to their practice in another state provided that the CPAs or accounting firms did not solicit California clients or assert or imply that they were licensed to practice public accountancy. Additionally, these out-of-state CPAs and accounting firms were expressly prohibited from engaging in the development, implementation, and marketing to California consumers any abusive tax avoidance transactions.

While the California Legislature instituted express regulation of the temporary and incidental practice, the term itself was never defined, nor was there any manner in which to know how many CPAs and accounting firms practiced under this authority. Additionally, there was a movement occurring nationally to create a higher degree of substantial equivalency amongst states and increase the ability of CPAs to obtain cross-border practice.

To address issues related to the lack of definition to the term temporary and incidental and to allow for increased cross-border practice, the California Legislature enacted the original practice privilege provisions with the passage of Senate Bill (SB) 1543 (Figueroa) (Chapter 921) in 2004. The law included an effective date of January 1, 2006. The delay to the effective date provided the California Board of Accountancy

Overview and Comparison of the Prior and Current California Practice Privilege Laws

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(CBA) time to adopt necessary regulations to implement, interpret, and make specific provisions of the law. Beginning January 1, 2006, individuals seeking to practice in California were required to notify the CBA by completing a notification form and paying a fee.

Shortly after implementation, concerns were raised by various stakeholders regarding the impact of the new law. Certain stakeholders raised issue that the new provisions did not address work done by accounting firms. As is the case in the accounting profession, the work performed by a CPA is done so on behalf of the accounting firm. The new provisions did not allow for accounting firms practice privilege. Additionally, with the elimination of the temporary and incidental provisions, out-of-country accountants providing services for the foreign-based clients were prohibited from practicing in California, unless they could qualify and obtain a practice privilege.

To address this issue, in 2006, the California Society of CPAs (CalCPA) sponsored Assembly Bill (AB) 1868 (Bermudez) (Chapter 458). AB 1868 was emergency legislation, which upon the governor's signature (September 25, 2006), reinstated the temporary and incidental provisions (both for out-of-state CPAs and out-of-country accountants) and provided that accounting firms that did not have an office in California could work through the holder of a practice privilege. The measure also required the CBA to adopt emergency regulations to lower the practice privilege fee for out-of-state CPAs not seeking the authority to sign reports on attest engagements.

Shortly after the passage of AB 1868, the CBA sought to sponsor legislation that would have adopted a no notice, no fee set of practice privilege provisions similar to those being adopted nationally. The initial proposal was included in AB 2473 (Niello), which also included the CBA's proposal to eliminate one of the CPA licensure requirements, Pathway 1. This bill received considerable opposition and was eventually pulled from consideration by the author prior to its first hearing in policy committee.

In 2012, the matter of CPA mobility was again broached in the Legislature. This time the CalCPA sponsored the legislation, which was included in SB 1405 (de León) (Chapter 411). SB 1405 was signed into law by the governor in September 2012, with an effective date of July 1, 2013. At its core, the legislation created no notice, no fee mobility provisions for California.

Comments

Provided below is an overview of the following areas and a comparison between the prior practice privilege provisions (January 1, 2006 – June 30, 2013) and the current practice privilege provisions (July 1, 2013 – present): minimum qualifications, notification requirements, term/expiration, fee, jurisdiction, accounting firm registration, website, reports to various stakeholders, MSG, and CBA-related determinations.

Overview and Comparison of the Prior and Current California Practice Privilege Laws

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Minimum Qualifications

Under both the prior and current practice privilege provisions, out-of-state CPAs seeking to practice in California under a practice privilege must meet the following qualifications:

- Do not maintain a principal place of business in California¹
- Hold a valid and current license, certificate, or permit to practice public accountancy from another jurisdiction
- Satisfy one of the following three options:
 - Continually practice public accountancy as a CPA under a valid license issued by another state or jurisdiction for four of the last 10 years
 - Have a license issued by a state or jurisdiction that the CBA determines to have met the education, examination, and experience requirements for licensure under Business and Professions Code (BPC) section 5093²
 - Individually possess the education, examination, and experience qualifications which have been determined by the CBA to have met the licensure requirements under BPC section 5093
- Out-of-state CPAs wanting the authority to sign reports on attest engagements must meet the attest requirements prescribed in BPC section 5095

Notification Requirements

Under the prior practice privilege provisions, all out-of-state CPAs that wanted to practice in California via a practice privilege needed to complete and submit a notification form (**Attachment 1**). Out-of-state CPAs could complete the notification form online or submit a hardcopy of the notification form via mail or facsimile. Out-of-state CPAs also were required to cease practicing and provide written notification to the CBA if at any time they acquired a disqualifying condition (see pages 3-4 of **Attachment 1**).

Under the current practice privilege provisions the vast majority of out-of-state CPAs are not required to notify the CBA prior to exercising a practice privilege. Those out-of-state CPAs who, in the last seven years immediately preceding the date they wish to practice in California, have any of the following circumstances are required to notify (using **Attachment 2**) and seek written CBA approval prior to exercising a practice privilege:

- Are the subject of any final disciplinary action by the licensing or disciplinary authority of any other jurisdiction with respect to any professional license or has any charges of professional misconduct pending against them in any other jurisdiction

¹ This requirement is waived for individuals that have an active application on file with the CBA for a California CPA license.

² This was historically known as Pathway 2, which includes passage of the Uniform CPA Examination, completion of baccalaureate degree or high with a minimum of 150 semester units, and one year of general accounting experience.

Overview and Comparison of the Prior and Current California Practice Privilege Laws

Page 4 of 9

- Has had their license in another jurisdiction reinstated after a suspension or revocation of the license
- Has been denied issuance or renewal of a professional license or certificate in any other jurisdiction for any reason other than an inadvertent administrative error
- Has been convicted of a crime or is subject to pending criminal charges in any jurisdiction other than a minor traffic violation
- Has otherwise acquired a disqualifying condition as described in BPC section 5096.2(a) (see **Attachment 3**)

Additionally, out-of-state CPAs that have already begun exercising a practice privilege in California must immediately cease practicing, notify the CBA (using **Attachment 4**), and await written CBA approval prior to continued practice if any of the following apply:

- The regulatory agency in the state in which the certificate, license, or permit was issued takes disciplinary action resulting in the suspension or revocation, including stayed suspension, stayed revocation, or probation of the certificate, license, or permit, or takes other disciplinary action against the certificate, license, or permit that arises from any of the following:
 - Gross negligence, recklessness, or intentional wrongdoing relating to the practice of public accountancy;
 - Fraud or misappropriation of funds;
 - Preparation, publication, or dissemination of false, fraudulent, or materially incomplete or misleading financial statements, reports, or information.
- They are convicted in any jurisdiction of any crime involving dishonesty, including, but not limited to, embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses.
- The United States Securities and Exchange Commission or the Public Company Accounting Oversight Board (PCAOB) bars them from practicing before them.
- Any governmental body or agency suspends their right to practice before the body or agency.

Term/Expiration

Under the prior practice privilege provisions, the term was one year, with the practice rights expiring one year from the date the notification form was submitted online, postmarked via mail, or received via facsimile. The one-year term included any and all time the CBA spent reviewing any reported disqualifying conditions (whether reported prior to beginning practice or after practice commenced). Therefore, individuals in these circumstances had less than one year of actual practice rights. The same was true for individuals placed on administrative suspension.

Overview and Comparison of the Prior and Current California Practice Privilege Laws

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Under the current practice privilege provision, there is no expiration of the right to exercise a practice privilege. That said, for out-of-state CPAs that have an existing condition that does not allow for them to immediately practice, as noted previously, after they notify the CBA, they must await written permission to begin practicing. Similarly, out-of-state CPAs that acquire certain disqualifying conditions while practicing, experience a cessation in practice rights while the CBA determines if continued practice is in the best interest of consumers.

Additionally, for out-of-state CPAs that have cessation or pre-notification requirements, but fail to adhere to notifying the CBA, included in the current provisions are automatic termination and revocation of rights for failing to adhere to the notification and reporting requirements. Failure to submit the required notification and await approval from the CBA to practice is grounds for discipline as if the practice privilege was a CPA license and the out-of-state CPAs were a California licensee. Additionally, they will be prohibited from practicing in California for a minimum of one year, and if the CBA determines that the failure to submit the notification form was intentional, the practice privilege will be revoked and reinstatement will not be possible for a minimum of two years.

Fee

Under the prior practice privilege provisions, out-of-state CPAs were required to remit the appropriate fee of either \$100 or \$50.³ The amount required was based on whether the out-of-state CPAs wanted the authority to sign reports on attest engagements, which required the \$100 fee. If out-of-state CPAs did not want the authority to sign reports on attest engagements, the fee was \$50. In either instance, individuals needed to remit the appropriate fee within 30 days of filing the notification form.

Under the new practice privilege provisions, no fee is required to exercise a practice privilege in California.

Jurisdiction

Under both the prior and current practice privilege provisions, out-of-state CPAs:

- Consent to the personal and subject matter jurisdiction and disciplinary authority of the CBA and the courts of California.
- Shall comply with the practice privilege provisions, all CBA Regulations, and other laws, regulations, and professional standards applicable to the practice of

³ Under the original practice privilege provisions included as part of SB 1543 and the subsequent regulations, the fee for all practice privileges was \$100. With the passage of AB 1868, the fee for individuals not wanting the authority to sign attest reports needed to be set in regulation by the CBA not to exceed 80 percent of the fee to be charged for individuals wanting authority to sign reports on attest engagements. As part of the rulemaking implementing this section, the CBA established the fee at 50 percent of the fee charged to individuals wanting authority to sign reports on attest engagements.

Overview and Comparison of the Prior and Current California Practice Privilege Laws

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public accountancy by the CPAs of this state, and to any other laws and regulations applicable to CPAs practice under the practice privilege provisions

- Shall not provide public accounting services in California from any office located in this state, except as an employee of an accounting firm registered in California.⁴
- Are deemed to have appointed the regulatory agency of the state that issued the license as the agent on whom notices, subpoenas, or other process may be served in an action or proceeding.
- Shall cooperate with any CBA investigation or inquiry and timely respond to a CBA investigation, inquiry, request, notice, demand, or subpoena for information or documents and timely provide the CBA the identified information or documents.

Additionally, under both the prior and current practice privilege provisions, the CBA or the Executive Officer can administratively suspend out-of-state CPAs' right to practice via a practice privilege without prior notice or hearing. The purpose of the administrative suspension is for conducting a disciplinary investigation, proceeding, or inquiry concerning out-of-state CPAs' representations made on any notices, competence or qualifications to practice under a practice privilege, failure to timely respond to a CBA inquiry or request for information of documents, or under other conditions and circumstances provided by the CBA in regulation.⁵

Accounting Firm Registration

As noted in the Background section, under the original practice privilege provisions included in SB 1543 there were no provisions related to accounting firm privileges. For many stakeholders this presented a problem since accounting services provided to clients are done so through the accounting firm. To address this issue, AB 1868 included a provision that an accounting firm could work through an authorized practice privilege holder. For an accounting firm to practice under this new provision, as part of the notification form, out-of-state CPAs were required to include the name of the firm, its address and telephone number, and federal taxpayer identification number.

Under the current practice privilege provisions, a registration requirement exists for out-of-state accounting firms that are going to provide certain accounting services to California-headquartered entities. Firms must submit a registration form (**Attachment 5**) and obtain approval from the CBA prior to providing services. Additionally, the services must be performed by a qualified practice privilege holder. The services that require registration include:

⁴ This does not apply to public accounting services provided to a client at the client's place of business or residence.

⁵ While no other circumstances exist under the current practice privilege provision, under the prior provisions the CBA could administratively suspend out-of-state CPAs' practice privilege for failing to timely pay the fee.

Overview and Comparison of the Prior and Current California Practice Privilege Laws

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- An audit or review of a financial statement.
- A compilation of a financial statement when that out-of-state CPAs expects, or reasonably might expect, that a third party will use the financial statement and the compilation report does not disclose a lack of independence.
- An examination of prospective financial information.

Website

Under the prior practice privilege provisions, nothing in the law required the CBA to place certain information on its website. The CBA did maintain an area on its license lookup feature that provided information regarding the out-of-state CPAs' present practice privilege status, whether they had the authority to sign reports on attest engagements, their address of record, and the state license used by out-of-state CPAs to qualify for a practice privilege, including a link to the state's website.

Under the current practice privilege provisions, the law spells out specific information that the CBA must include on its website. Under **MSG Agenda Item V.**, staff has provided a more detailed overview of these differences and how the CBA has complied with the requirements; however, a summary of the law is also provided below.

The CBA must add an out-of-state CPA feature to its license lookup tab that allows consumers to obtain information about an individual whose principal place of business is not in California and who seeks to exercise a practice privilege in California that is at least equal to the information that was previously available to consumers under the prior practice privilege provisions. The lookup feature must include all of the following:

- The ability of consumers to search by name and state of licensure.
- The disclosure of information in the possession of the CBA, which the CBA is otherwise authorized to publicly disclose, about out-of-state CPAs exercising a practice privilege in California, including, but not limited to, whether the CBA has taken action of any form against the individual and, if so, what the action was or is.
- A disclaimer that consumers must click through prior to being referred to any other website, which in plain language explains that consumers are being referred to a website that is maintained by a regulatory agency or other entity that is not affiliated with the CBA. The disclaimer must include a link to relevant sections of the practice privilege provision that set forth disqualify conditions, including, but not limited to those found in BPC section 5096.2 (see **Attachment 2**).
- A statement in plain language that notifies consumers that they are permitted to file complaints against practice privilege holders with the CBA.
- A link to the website or sites that the CBA determines provide consumers the most complete and reliable information available about out-of-state CPAs' status as a licensee.

Overview and Comparison of the Prior and Current California Practice Privilege Laws

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- If the board of another state does not maintain a website that allows consumers to obtain information about its licensees including, but not limited to, disciplinary history, and that information is not available through a link to a website maintained by another entity, a link to contact information for that board, which contains a disclaimer in plain language that explains that consumers are being referred to a board that does not permit consumers to obtain information, including, but not limited to, disciplinary history about individuals through the website, and that the board is not affiliated with the CBA.

Biennially, the CBA must perform a survey of other states boards of accountancy's websites and disclosure policies to determine and ensure that the information and disclaimers on the CBA website are accurate.

Reports to Various Stakeholders

Another element not previously included in the prior practice privilege provisions, and new to the current practice privilege provisions is the need for the CBA to provide specific reports to various stakeholders. The CBA must provide two reports – one preliminary and one final – to various stakeholders to include the Legislature, the Director of the Department of Consumer Affairs, and available upon request to the public. The preliminary report is due July 1, 2015, and the final report is due on or before January 1, 2018.

Mobility Stakeholder Group

Unlike the prior practice privilege provisions, for the current practice privilege provisions, the California Legislature included a provision that required the CBA to convene a stakeholder group on or before July 1, 2014. The purpose of the group – now known as the Mobility Stakeholder Group or MSG – is twofold: (1) consider whether the practice privilege provisions are consistent with the CBA's duty to protect the public, and (2) consider whether the practice privilege provisions satisfy the objectives of stakeholders of the accounting profession, including consumers.

Determinations

Under the current practice privilege provisions, the CBA is required to make determinations on the following regarding other state boards of accountancy:

- Whether the state timely and adequately addresses enforcement referrals made by the CBA or otherwise fails to respond to requests the CBA deems necessary to meet its obligations under the practice privilege provisions
- Whether the state makes the disciplinary history of its licensees publicly available through the Internet in a manner that allows the CBA to adequately link consumers to a website to obtain information that was previously made available to consumers about out-of-state CPAs from that state prior to January 1, 2013 through the prior practice privilege notification form

Overview and Comparison of the Prior and Current California Practice Privilege Laws

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- Whether the state imposes discipline against licensees that is appropriate in light of the nature of the alleged misconduct

The CBA must report its preliminary determinations no later than July 1, 2015. The CBA will then, again, prior to January 1, 2016 need to review its determinations, and do so on an ongoing and recurring basis as it deems appropriate.

Fiscal/Economic Impact Considerations

None.

Recommendation

None.

Attachments

1. Prior Practice Privilege Provisions Notification Form
2. Current Practice Privilege Provisions Pre-Notification Form
3. Business and Professions Code Section 5096.2(a) – List of Disqualifying Conditions
4. Current Practice Privilege Provisions Cessation Notification Form
5. Current Practice Privilege Provisions Out-of-State Accounting Firm Registration Form



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 2000 EVERGREEN STREET, SUITE 250
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Attachment 1

NOTIFICATION AND AGREEMENT TO CONDITIONS FOR THE PRIVILEGE TO PRACTICE PUBLIC ACCOUNTING IN CALIFORNIA PURSUANT TO CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION 5096 AND TITLE 16, DIVISION 1, ARTICLE 4 OF THE CALIFORNIA CODE OF REGULATIONS

CONTACT INFORMATION

Individual Information

Name: _____ Prior Name(s): _____

Date of Birth: ____ / ____ / ____ Social Security Number: _____

Daytime Direct Telephone Number: _____ E-mail Address: _____
 (optional)

Certified Public Accounting Firm Information

Complete the Certified Public Accounting Firm Information **ONLY** if the certified public accounting firm name you are associated with is different from the individual name above.

Certified Public Accounting Firm Name: _____

Firm Address: _____

Firm Main Telephone Number: _____ Fax Number: _____ Firm Taxpayer ID Number: _____

Include additional certified public accounting firms you are associated with on Attachment 2, if necessary.

Other Contact Information

Address of Record (mailing address: fill out only if different from firm address or if no firm address is listed above): _____

QUALIFICATION REQUIREMENTS

I state as follows:

1. I am an individual.
2. a. My principal place of business is not in California; **OR**
 b. I have a pending application for licensure in California under Sections 5087 and 5088.
3. I qualify for a practice privilege based on my current, valid license to practice public accountancy in the following state:

State: _____ License Number: _____ Date Originally Issued: _____ Expiration Date: _____

4. a. The license identified in Item 3 is deemed substantially equivalent by the California Board of Accountancy; **OR**
- b. My individual qualifications have been determined by the National Association of State Boards of Accountancy (NASBA) to be substantially equivalent (NASBA file no. _____); **OR**
- c. I have continually practiced public accountancy as a certified public accountant under a valid license issued by any state for four of the last 10 years.
5. a. I am submitting this notice to the CBA at or before the time I begin the practice of public accountancy in California; **OR**
- b. I am submitting this notice after I began the practice of public accountancy in California on ____/____/____. My reason(s) for not providing notice on or before that date is (are) provided below. (The safe harbor provision is referenced in Section 5096.14 of the California Business and Professions Code.)
-
-
6. I have met the continuing education requirements and any exam requirements for the state of licensure identified in Item 3.

I consent and agree to the following:

7. To comply with the laws of the state of California, including the California Accountancy Act (Business and Professions Code Section 5000 et seq., accessible at http://www.dca.ca.gov/cba/acnt_act.htm) and the regulations thereunder (accessible at <http://www.dca.ca.gov/cba/regs.htm>).
8. To the personal and subject matter jurisdiction of the CBA including, but not limited to, the following:
- a. To suspend, without prior notice or hearing and in the sole discretion of the CBA or its representatives, the privilege to practice public accounting;
 - b. To impose discipline for any violation of the California Accountancy Act or regulations thereunder and recover costs for investigation and prosecution; and
 - c. To provide information relating to a practice privilege and/or refer any additional and further discipline to the board of accountancy of any other state and/or the Securities and Exchange Commission (SEC), the Public Company Accounting Oversight Board (PCAOB) or other relevant regulatory authorities.
9. To respond fully and completely to all inquiries by the CBA relating to my California practice privilege, including after the expiration of this privilege.
10. To the authority of the CBA to verify the accuracy and truthfulness of the information provided in this notification. I consent to the release of all information relevant to the CBA's inquiries now or in the future by:
- a. Contacting other state agencies;
 - b. Contacting the SEC, PCAOB or any other federal agency before which I am authorized to practice; and
 - c. Contacting NASBA.
11. In the event that any of the information in this notice changes, to provide the CBA written

notice of any such change within 30 days of its occurrence.

12. To submit any applicable fees timely.

AUTHORITY TO SIGN ATTEST REPORTS

Choose **ONE** of the following options:

- I WISH** to be able to sign an attest report under this practice privilege, and I have at least 500 hours of experience in attest services. By checking this box, I agree to pay within 30 days of submission of this Notification Form, the \$100 Notification Fee which includes authorization to sign attest reports.

OR

- I DO NOT WISH** to be able to sign an attest report under this practice privilege. Under this choice, I may participate in attest engagements but may not sign an attest report. By checking this box, I agree to pay the \$50 Notification Fee, due within 30 days of submission of this Notification Form.

DISQUALIFYING CONDITIONS

Please respond to the following items. For any items checked "Yes" in (A) – (G), you must provide additional information as requested in Attachment 1, and you are not authorized to practice in California unless and until you receive notice from the CBA that the privilege has been granted.

Please check "Yes" for any items even if they were previously reviewed and cleared by the Board in a past California Practice Privilege. To expedite the review process, please include the details of all disqualifying conditions, including those previously reported in the additional information you provide.

- | | | | |
|--------------------------|--------------------------|-----|---|
| Y | N | A. | I have been convicted of a crime other than a minor traffic violation. |
| <input type="checkbox"/> | <input type="checkbox"/> | | |
| Y | N | B. | I have had a license, registration, permit or authority to practice a profession surrendered, denied, suspended, revoked, or otherwise disciplined or sanctioned except for the following occurrences: |
| <input type="checkbox"/> | <input type="checkbox"/> | | |
| | | (1) | an action by a state board of accountancy in which the only sanction was a requirement that the individual complete specified continuing education courses. |
| | | (2) | the revocation of a license or other authority to practice public accountancy, other than the license upon which the practice privilege is based, solely because of failure to complete continuing education or failure to renew. |

- Y N C. I am currently the subject of an investigation, inquiry or proceeding by or before a state, federal, or local court or agency (including the PCAOB) involving my professional conduct.
- Y N D. I have an unresolved administrative suspension or an unpaid fine related to a prior California Practice Privilege.
- Y N E. I did not respond to a request for information from the CBA related to a prior California Practice Privilege.
- Y N F. I have been notified by the CBA that prior Board approval is required before practice under a new California Practice Privilege may commence.
- Y N G. I have had a judgment or arbitration award against me involving my professional conduct in the amount of \$30,000 or greater.

REQUIRED ADDITIONAL INFORMATION

I currently hold a California Practice Privilege. Yes No

Expiration date: _____ Unique Identifier: _____

I have held a California CPA/PA license. Yes No License number: _____

In addition to the state of licensure identified in Item 3, I also am authorized to practice public accountancy in the following:

State: _____ License Number: _____

State: _____ License Number: _____

Include additional licenses on Attachment 2, if necessary.

An answer of "No" to any of the following statements does not disqualify you from a California Practice Privilege.

I am an associated person of a firm registered with the PCAOB. Yes No

My firm has undergone peer review within the last three years. Yes No

The state of licensure identified in Item 3 requires CE in fraud detection. Yes No

If yes, I have fulfilled this requirement. Yes No

I, _____, understand that any misrepresentation or omission in connection with this notification disqualifies me from the California Practice Privilege and is cause for termination. Further I authorize the California Board of Accountancy to act accordingly, including notifying other state or federal authorities. I certify under penalty of



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perjury under the laws of the state of California that the foregoing information is true and correct.

Signature: _____ Date: _____

Unless you have checked "Y" to any items under Disqualifying Conditions, your privilege to practice commences with the submission of your properly completed notification. Your fee must be received within 30 days. Your privilege expires one year from the date of submission of this notification.

ATTACHMENT 1

Name: _____
Last First MI

1. If you checked "Yes" to any of items A - G under Disqualifying Conditions, please provide explanatory details:

Three horizontal lines for providing explanatory details.

2. If you checked "Yes" to Item G under Disqualifying Conditions, please also provide:

Date of Judgment/ Arbitration Award: _____ Jurisdiction/Court: _____ Docket No: _____

State: _____ License Number: _____
State: _____ License Number: _____
State: _____ License Number: _____
State: _____ License Number: _____

PERSONAL INFORMATION COLLECTION AND ACCESS: The information provided in this form will be used by the California Board of Accountancy to determine whether you qualify for practice privilege in California. Sections 5096 through 5096.15 of the California Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is ground for rejection of the form as being incomplete. Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the CBA, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in California Civil Code Section 1798.24. Each individual has the right to review his or her file, except as otherwise provided by the California Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act. The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this form, and may be contacted at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815, telephone number (916) 263-3680, regarding questions about this notice or access to records.

- D. Been convicted of a crime or subjected to pending criminal charges in another jurisdiction other than a minor traffic violation?

All misdemeanors, felonies, infractions or citations, including traffic violations, must be reported. Convictions that were later expunged from the record of the court or set aside pursuant to section 1203.4 of the California Penal Code or equivalent non-California law MUST be disclosed. "Minor Traffic Violations" should NOT be reported. For the purposes of responding to this question, "minor traffic violations" means traffic infractions under \$1000 not involving alcohol, dangerous drugs, or controlled substances. Convictions that were adjudicated in the juvenile court or convictions under California Health and Safety Code sections 11357(b), (c), (d), or (e), or section 11360(b) which are two years or older should NOT be reported.

- E. Acquired either of the following disqualifying conditions:

- Revocation, suspension, denial, surrender, or other discipline or sanctions involving any license, permit, registration, certificate, or other authority to practice any profession in this or any other state or foreign country or to practice before any state, federal, or local court or agency, or the Public Company Accounting Oversight Board.
- Any judgment or arbitration award involving professional conduct in the amount of thirty thousand dollars (\$30,000) or greater.

If you checked a condition above, you are not authorized to practice public accountancy in California unless and until you receive written approval from the CBA.

In addition, you must complete and return Attachment 1 providing explanatory details along with this form to the CBA to meet your reporting requirement. Any misrepresentation or omission in connection with this notification may disqualify you from the California practice privilege.

I hereby certify, under penalty of perjury under the laws of the State of California, that all statements, answers, and representations on this form and any accompanying attachments are true, complete, and accurate. I further certify that I have read this entire form. By submitting this form and signing below, I am granting permission to the CBA to verify the information provided and to perform any investigation pertaining to the information I have provided as the CBA deems necessary.

Signature: _____

Date: _____

Name: _____

Attachment 1

1. Please provide explanatory details of your listed event:

NOTICE OF PERSONAL INFORMATION COLLECTION AND ACCESS: The information provided in this form will be used by the California Board of Accountancy to determine whether you qualify for practice privilege in California. Sections 5096 through 5096.21 of the California Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the form as being incomplete. Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the Board, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in California Civil Code section 1798.24. Each individual has the right to review his or her file, except as otherwise provided by the California Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act. The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this form, and may be contacted at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815, telephone number (916) 263-3680 regarding questions about this notice or access to records.



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CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
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Attachment 3

Business and Professions Code (BPC) Section 5096.2(a) List of Disqualifying Conditions

- No longer qualifies under, or complies with the provisions of the practice privilege article, including, but not limited to, BPC section 5096, or implementing regulations
- Any act that if committed by an applicant for licensure would be grounds for denial of a license under BPC section 480
- Any act that if committed by a licensee would be grounds for discipline under BPC section 5100
- Any act outside California that would be a violation if committed within California
- Conviction of any crime other than a minor traffic violation¹
- Revocation, suspension, denial, surrender, or other discipline or sanctions involving any license, permit, registration, certificate, or other authority to practice any profession in California or any other state or foreign country or to practice before any state, federal, or local court or agency, or the Public Company Accounting Oversight Board
- Any judgment or arbitration award against the individual involving professional conduct of the individual in the amount of \$30,000 or greater
- Any other conditions as specified by the CBA in regulation²

¹ For purposes of the current practice privilege provisions, CBA Regulations section 18(b)(1) defines a minor traffic violation as infractions under \$1000 not involving alcohol, dangerous drugs, or controlled substances.

² The CBA has not specified any additional disqualifying conditions via regulation.

- C. I have been barred from practicing before the United States Securities and Exchange Commission or the Public Company Accounting Oversight Board.
- D. I have had my right to practice before any governmental body or agency suspended.

If you checked a box above, you are not authorized to practice public accountancy in California unless and until you receive written approval from the CBA.

Are you seeking approval to continue practicing in California? Yes No

You must complete and return Attachment 1 providing explanatory details along with this form to the CBA to meet your reporting requirement.

I hereby certify, under penalty of perjury under the laws of the State of California, that all statements, answers, and representations on this form and any accompanying attachments are true, complete, and accurate. I further certify that I have read this entire form. By submitting this form and signing below, I am granting permission to the CBA to verify the information provided and to perform any investigation pertaining to the information I have provided as the CBA deems necessary.

Signature: _____

Date: _____

Name: _____

Attachment 1

1. Please provide explanatory details and any supporting documentation of your condition requiring cessation of practice:

PERSONAL INFORMATION COLLECTION AND ACCESS: The information provided in this form will be used by the California Board of Accountancy to determine whether you qualify for practice privilege in California. Sections 5096 through 5096.21 of the California Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the form as being incomplete. Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the Board, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in California Civil Code section 1798.24. Each individual has the right to review his or her file, except as otherwise provided by the California Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act. The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this form, and may be contacted at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815, telephone number (916) 263-3680 regarding questions about this notice or access to records.



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Attachment 5

OUT-OF-STATE ACCOUNTING FIRM REGISTRATION FORM

This form must be completed by out-of-state accounting firms that intend to perform any of the following services for an entity headquartered in California:

- An audit or review of a financial statement;
- A compilation of a financial statement when it is expected, or reasonably might be expected, that a third party will use the financial statement and the compilation report does not disclose a lack of independence; or,
- An examination of prospective financial information.

Section A: Firm Information

Instructions: Unless otherwise noted, all of the below information is required.

Firm Name

Address of Principal Place of Business (Address of Record)

City

State

Zip Code

Mailing Address (If different than above)

City

State

Zip Code

Business Telephone Number

()

Fax Number

()

Business E-mail:

Social Security Number (only required for sole proprietorships):*

Federal Employer Identification Number (required for general partnerships, limited partnerships and limited liability partnerships):*

Out-of-State Accounting Firm Registration Form

Page 2 of 6

Section B: Licensure Information

Instructions: Provide the state of licensure, license number, and license expiration date for all states in which the firm is licensed or otherwise authorized to practice public accountancy. Attach additional pages, if necessary.

State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date
State of Licensure	License Number	Expiration Date

Section C: Form of Legal Organization

Instructions: Check the box that corresponds to the form of legal organization under which the firm is licensed or otherwise authorized to practice public accountancy.

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> General Partnership |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Limited Partnership (LP) |
| <input type="checkbox"/> Limited Liability Company (LLC) | <input type="checkbox"/> Limited Liability Partnership(LLP) |

Out-of-State Accounting Firm Registration Form

Page 3 of 6

Section D: Enforcement Actions

Instructions: Have any of the following enforcement actions been taken against any of the licenses listed in Section B? (Check all that apply)

- Pending disciplinary action such as an accusation filed.
- Revocation or suspension, including stayed revocation or stayed suspension.
- Probation or other limitation on practice ordered by a state board of accountancy including any interim suspension order.
- Temporary restraining order or other restriction on practice ordered by a court.
- Public letter of reprimand issued.
- Infraction, citation, or fine imposed.
- Any other enforcement related orders of a state board of accountancy.

Section E: Firm Ownership Information

Instructions: An out-of-state accounting firm must provide a list of all owners associated with the firm. Please complete Attachment 1 and provide all of the required information as described below. Attach additional pages, if necessary.

Sole Proprietorship

The full name, address, license number, state of licensure, and expiration date of the license.

General Partnerships, Limited Partnership, and Limited Liability Partnership

A list of all Certified Public Accountant (CPA) partners, including full name, address, license number, state of licensure, and expiration date of the license.

A list of all non-CPA partners, including full name and address** for each partner.

Corporations

A list of all Certified Public Accountant (CPA) shareholders, including full name, address, license number, state of licensure, and expiration date of the license.

A list of all non-CPA shareholders, including full name and address for each shareholder.

Limited Liability Company

A list of all CPA directors or members, including full name, address, license number, state of licensure, and expiration date of the license.

A list of all non-CPA directors or members, the list must include the full name and address for each director or member.

Out-of-State Accounting Firm Registration Form

Page 4 of 6

Section F: Important Notice

Instructions: By signing the penalty of perjury statement below and submitting this registration form, you are certifying that you have received and read this notice.

- The practice of public accountancy by the accounting firm is limited to authorized practice by the holder of a practice privilege provided for by California Business and Professions Code Section 5096.
- If the firm engages in the practice of public accountancy through a practice privilege holder, it has consented to the personal, subject matter, and disciplinary jurisdiction of the California Board of Accountancy.
- The California Board of Accountancy may revoke, suspend, issue a fine pursuant to Article 6.5 (commencing with Section 5116 of the California Business and Professions Code), or otherwise restrict or discipline the firm for any act that would be grounds for discipline against a holder of a practice privilege through which the firm practices.
- Pursuant to Sections 2105, 15909.02, 16959, and 17451 of the California Corporations Code, before transacting intrastate business in California a business must first qualify and register with the California Secretary of State. For the purposes of determining if a business is transacting intrastate business, Section 191, subdivision (ai) of Section 15901.02, and subdivision (ap) of Section 17001 of the California Corporations Code defines transacting intrastate business as entering into repeated and successive transactions of its business in California, other than in interstate or foreign commerce.
- Any material misrepresentation of any information on the application is grounds for refusal or subsequent revocation of the registration.
- For sole proprietors and partnerships: The California State Board of Equalization (BOE) and the California Franchise Tax Board (FTB) may share taxpayer information with the CBA. You are required to pay your state tax obligation and your license may be suspended or your renewal application denied if the state tax obligation is not paid and your name appears on either the BOE or FTB certified list of top 500 tax delinquencies (Section 494.5 of the California Business and Professions Code).

Section G: Penalty of Perjury Statement

I hereby certify, under penalty of perjury under the laws of the State of California, that I am a person authorized to act for and bind the applicant and that all statements, answers, and representations made on this form and any accompanying attachments are true, complete, and accurate to the best of my knowledge. I further certify that I have read this entire registration form. By submitting this form and signing below, I am granting permission to the California Board of Accountancy to verify the information provided and to perform any investigation pertaining to the information I have provided on behalf of the firm as the California Board of Accountancy deems necessary.

Signature

Date

Printed Name

Title

Out-of-State Accounting Firm Registration Form

Page 5 of 6

NOTICE OF PERSONAL INFORMATION COLLECTION AND ACCESS:

The information provided in this form will be used by the California Board of Accountancy to determine whether the out-of-state firm qualifies for registration in California. Sections 30, 31, 5035.3, 5070, and 5096 through 5096.21 of the California Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the form as being incomplete. Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, Board of Equalization, the Franchise Tax Board or to another government agency as may be necessary to permit the Board, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in California Civil Code Section 1798.24. Each individual has the right to review his or her file, except as otherwise provided by the California Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act. The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this form, and may be contacted at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815, telephone number (916) 263-3680 regarding questions about this notice or access to records.

*Disclosure of your social security number if you are a sole proprietor or federal employer identification number ("FEIN") if you are a partnership is mandatory. Section 30 of the California Business and Professions Code and Public Law 94-455 (42 USCA 405(c)(2)(C)) authorize collection of your social security number. Your social security number or FEIN will be used exclusively for tax enforcement purposes or compliance with any judgment or order for family support in accordance with section 17520 of the California Family Code. If you fail to disclose your social security number or your FEIN, your application for initial or renewal license will not be processed AND you may be reported to the Franchise Tax Board, which may assess a \$100 penalty against you.

**If provided to the Board and identified as residential or home, addresses will not be made available to the public unless listed as the "address of record" on the application.

Out-of-State Accounting Firm Registration Form

Attachment 1 – Detailed Firm Ownership Information				
CPA Owners, Partners, Shareholders, Directors, and Members				
Full Name	Address of Record	State of Licensure	License Number	Expiration Date
Full Name	Address of Record	State of Licensure	License Number	Expiration Date
Full Name	Address of Record	State of Licensure	License Number	Expiration Date
Full Name	Address of Record	State of Licensure	License Number	Expiration Date
Full Name	Address of Record	State of Licensure	License Number	Expiration Date
Full Name	Address of Record	State of Licensure	License Number	Expiration Date
Non-CPA Owners, Partners, Shareholders, Directors, and Members				
Full Name	Address of Record			
Full Name	Address of Record			
Full Name	Address of Record			
Full Name	Address of Record			
Full Name	Address of Record			

**DEPARTMENT OF CONSUMER AFFAIRS**

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**MSG Item IV.**

July 23, 2014

CBA Item XI.C.4

July 24, 2014

Overview of the Consumer Protection Provisions of the California Practice Privilege Law (Article 5.1 of Chapter 1 of Division 3 of the Business and Professions Code (BPC)) and Proposed Timeline for Future Discussions

Presented by: Matthew Stanley, Legislative and Regulatory Coordinator

Date: May 12, 2014

Purpose of the Item

The purpose of this agenda item is to provide the Mobility Stakeholder Group (MSG) with an overview of the consumer protection provisions in California's practice privilege law (also known as the mobility law) and a possible schedule for its future deliberations as to whether these provisions are adequate to protect the public.

Action(s) Needed

The MSG will be asked to approve a proposed schedule for considering whether the provisions of the mobility law are consistent with the California Board of Accountancy's (CBA) duty to protect the public.

Background

At its March 2014 meeting, the MSG requested a review of the existing consumer protection provisions in the mobility law. The MSG is charged with considering whether the provisions of the mobility law are consistent with the CBA's duty to protect the public.

Comments

Pursuant to Business and Professions Code (BPC) section 5000.1 (**Attachment 1**), protection of the public shall be the highest priority for the CBA in exercising its licensing, regulatory, and disciplinary functions. The mobility law was designed by the Legislature and stakeholders to protect California consumers while allowing out-of-state CPAs to practice public accounting in California without (in most cases) providing notice or paying a fee.

The consumer protection provisions were designed in such a way as to address potential concerns regarding a no notice, no fee program. With this type of program, the CBA would no longer be actively aware of who was practicing public accounting in California from out-of-state.

Attachment 2 is a summary of the consumer protection provisions in the mobility law listed by code section. This summary is intended to serve as a foundation for future discussions. The complete mobility law is found as **Attachment 3**.

Overview of the Consumer Protection Provisions of the California Practice Privilege Law (Article 5.1 of Chapter 1 of Division 3 of the Business and Professions Code (BPC)) and Proposed Timeline for Future Discussion

Page 2 of 3

Staff propose that the MSG discuss the following consumer protection provisions over the course of the next two meetings. Each discussion will allow the MSG to review in detail, deliberate, determine whether the provisions are consistent with the CBA's duty to protect consumers, and to make recommendations to the CBA. It is envisioned that the MSG will decide at each meeting which portions of the law are adequate for consumer protection and which portions may need some modification to make it adequate.

Qualifying and Pre-Notification – BPC sections 5096 (a), (d), and (i)

This discussion will cover two major areas of the law. The first topic will be the qualifications necessary for exercising a practice privilege, such as licensure, states which are substantially equivalent, and experience as a CPA. The second topic is the pre-notification requirement for those who have had certain disqualifying events during the previous seven year period necessitating the filing of a form with the CBA prior to practice. The discussion will also cover the penalties for failure to comply with these requirements.

Cessation of Practice – BPC sections Section 5096 (e)-(h)

This discussion will focus on the conditions under which a practice privilege holder must cease practicing in California and file a form with the CBA. The discussion will also cover the penalties for failure to comply with these requirements.

Unqualified Practice and Administrative Suspension – BPC sections 5096.1 and 5096.4

This discussion will cover two topics. The first will be a discussion regarding unqualified practice, both what it is and the penalties for engaging in such practice. The second is a discussion regarding the administrative suspension process. It will cover what it is, how it is lifted, and in what cases it might be used.

Revocation and other Disciplinary Actions – BPC section 5096.2

This discussion will center on the formal disciplinary process, as defined in the Administrative Procedure Act, and how it applies to the practice privilege program. It will cover what events can lead to revocation and other discipline.

Experience, Definitions, Investigations, and Regulations – BPC sections 5096.5, 5096.7, 5096.8, and 5096.9

This discussion will be highly varied as it will cover the experience needed in order to be authorized to sign attest reports, the various definitions in the mobility law, the CBA's authority to conduct investigations regarding practice privilege holders, and the CBA's ability to adopt regulations as needed to govern the mobility program.

Out-of-State Accounting Firms, Determinations, and the MSG – BPC sections 5096.12 and 5096.21

This discussion will most likely focus on the out-of-state accounting firm registration process. This process allows firms to register in California in order to allow a practice privilege holder working for the firm to perform certain attest services for California

Overview of the Consumer Protection Provisions of the California Practice Privilege Law (Article 5.1 of Chapter 1 of Division 3 of the Business and Professions Code (BPC)) and Proposed Timeline for Future Discussion

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headquartered entities. The remainder of the discussion will focus on the MSG and the legislative report which will be submitted by July 1, 2015. Also discussed will be the MSG and its role as a consumer protection element of the mobility law.

CBA Website – BPC section 5096.20

The final section for discussion will be regarding the laws governing the consumer protection elements that must be posted to the CBA website. It is anticipated that usage data will be available at this time covering the first 18 months of mobility.

The outcomes of the discussions will be used in preparing the MGS's final report by 2017.

Fiscal/Economic Impact Considerations

There is no fiscal or economic impact for this item.

Recommendation

Staff recommends approving the above identified consumer protection provisions as discussion topics for the next two MSG meetings.

Attachments

1. Business and Professions Code Section 5000.1
2. Summary of the Consumer Protection in the Mobility Law
3. California's Practice Privilege Law



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



Attachment 1

Business and Professions Code Section 5000.1

Protection of the public shall be the highest priority for the California Board of Accountancy in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

(Added by Stats. 2002, Ch. 107, Sec. 23. Effective January 1, 2003.)

**DEPARTMENT OF CONSUMER AFFAIRS**

CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>

**Attachment 2****Summary of Consumer Protection Provisions in the Mobility Law****In Section 5096**

- (a) The individual must possess a valid and current license and must satisfy one of the following:
 - (1) continually practiced under a valid license for at least four of the last ten years
 - (2) the license must be from a substantially equivalent state
 - (3) the individual must possess substantially equivalent education, examination and experience.
- (d) Performance of certain attest functions may only be performed through a firm registered with the CBA.
- (e)
 - (1) The individual is subject to the jurisdiction and discipline of the CBA.
 - (2) The individual must comply with the CBA's laws and rules except for continuing education and the ethics exam requirements.
 - (3) The individual may not work out of an office in California unless they are an employee of a CBA registered firm working from that firm's offices.
 - (4) Process may be served on the individual's licensing board.
 - (5) The individual is required to cooperate with the CBA.
 - (6) The individual must cease practice if their license has disciplinary action taken against it.
 - (7) The individual must cease practice if they are convicted of any crime involving dishonesty.
 - (8) The individual must cease practice if the Securities and Exchange Commission (SEC) or the Public Company Accounting Oversight Board (PCAOB) bars them from practicing before them.
 - (9) The individual must cease practice if any governmental body or agency suspends their right to practice before them.
 - (10) The individual must notify the CBA of pending criminal charges.
- (f) If the individual is required to cease practice, they must notify the CBA within 15 days and may not practice until the CBA provides written permission.
- (g) If the individual fails to cease practice or notify the CBA, the practice privilege is suspended for at least one year; two years if the CBA believes it was intentional.
- (h) The CBA must require an individual who provides the notice to cease practice until it gives written permission to resume practice.
- (i)
 - (1) Individuals who met the following criteria within the past seven years must pre-notify the CBA and await written permission from it prior to practicing in California:

- (A) has been the subject of final disciplinary action
 - (B) has had a license reinstated after a suspension or revocation
 - (C) has been denied issuance or renewal of a license
 - (D) has been convicted of a crime or is subject to pending criminal charges
 - (E) has acquired a disqualifying condition from Section 5096.2(a).
- (2) Individuals who fail to pre-notify the CBA or who fail to cease practice are subject to the jurisdiction and discipline of the CBA and are not allowed to practice in California for a minimum of one year; two years if the CBA believes it was intentional.

In Section 5096.1

- (a) An individual licensed by another state who does not qualify for a practice privilege, but is engaged in the practice of public accountancy in California is:
- (1) practicing unlawfully
 - (2) subject to the jurisdiction and discipline of the CBA and state
 - (3) able to have process served on them through their licensing board.
- (b) The CBA may revoke a practice privilege of anyone violating this section or who has committed any act which would be grounds for discipline.

In Section 5096.2

- (a)
- (1) Practice privileges may be revoked for
 - (A) No longer qualifying for a practice privilege
 - (B) Committing an act that would be grounds for denial of a license
 - (C) Committing an act that would be grounds for discipline
 - (D) Committing an act outside of California that would be a violation in California
 - (E) Acquiring a disqualifying condition in paragraph (2)
 - (2) Disqualifying conditions are
 - (A) Conviction of a crime other than a minor traffic violation
 - (B) Any professional license or authority to practice that has been disciplined
 - (C) Any judgement or award involving professional conduct in excess of \$30,000
 - (D) Any other conditions specified in regulation
- (c) An individual whose practice privilege has been revoked must apply to the CBA for reinstatement no less than a year after the revocation's effective date.
- (d) The holder of a practice privilege is subject to suspension, citations, fines, or other disciplinary actions for conduct that would be grounds for discipline of a CBA licensee or for violations of the mobility law.
- (e) The CBA may recover costs as a part of any disciplinary proceedings.
- (f) Discipline of a practice privilege falls under the same rules used to discipline a CBA licensee.

- (g) If a practice privilege is revoked or limited, the CBA notifies the licensing entities, the SEC, the PCAOB, and National Association of State Boards of Accountancy (NASBA).

In Section 5096.4

- (a) The Executive Officer (EO) or the CBA may administratively suspend (ASO) a practice privilege without notice or hearing in order to conduct an investigation.
- (b) The ASO is effective immediately.
- (c) The ASO provides a right to an appeal under the Administrative Procedure Act.
- (d) The burden of proof is on the holder of the practice privilege.
- (e) The ASO stays in effect until an order of the CBA or EO.

Section 5096.5

- (a) A practice privilege holder must meet the attest experience requirement in order to be authorized to sign attest reports.

In Section 5096.7

- (a) A practice privilege is the same as a license for purposes of the Accountancy Act.

In Section 5096.8

All of the CBA's authority in the Accountancy Act is applicable to the mobility law as well.

In Section 5096.9

The CBA may adopt regulations as needed for the mobility law.

In Section 5096.12

- (a) An out-of-state licensed firm with no office in California may practice in California through the holder of a practice privilege.
 - (1) Such practice is limited by the practice privilege of the holder.
 - (2) Such a firm is under the jurisdiction and discipline of the CBA.
- (b) The CBA may discipline a firm for any act that would be grounds for discipline against a holder of a practice privilege.
- (c) A firm providing certain attest services must register with the CBA.

In Section 5096.20

- (a) The CBA website must have a license lookup for out-of-state licensees that contains information at least equivalent to the prior practice privilege information that was available on the CBA website. This information includes:

- (1) Search by name and state of licensure
 - (2) Information possessed by the CBA that it is authorized to publically disclose including actions taken against the individual
 - (3) A disclaimer when the user is referred to another website
 - (4) A statement that consumers can file complaints against out-of-state licensees
 - (5) Links that provide the most complete information about an individual's license status (typically, the individual's licensing entity)
 - (6) If another licensing entity does not have a website with a license lookup feature, a link to that entity's contact information with a disclaimer.
- (b) The CBA must review all linked websites to ensure its disclaimers are accurate.

In Section 5096.21

- (a) After January 1, 2016, if the CBA determines allowing another state's licensees to practice under the mobility law in California violates its duty to protect consumers, it must require such licensees to obtain a practice privilege using the prior practice privilege system with its notice and fee provisions.
- (e) The CBA shall convene the Mobility Stakeholder Group to consider the provisions of the mobility law and whether they are consistent with the CBA's role of protecting consumers and to consider whether the provisions of the mobility law are meeting the objectives of stakeholders.

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CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



Attachment 3

California's Practice Privilege Law**Accountancy Act Article 5.1. Practice Privileges****5096.**

(a) An individual whose principal place of business is not in this state and who has a valid and current license, certificate, or permit to practice public accountancy from another state may, subject to the conditions and limitations in this article, engage in the practice of public accountancy in this state under a practice privilege without obtaining a certificate or license under this chapter if the individual satisfies one of the following:

(1) The individual has continually practiced public accountancy as a certified public accountant under a valid license issued by any state for at least 4 of the last 10 years.

(2) The individual has a license, certificate, or permit from a state that has been determined by the board to have education, examination, and experience qualifications for licensure substantially equivalent to this state's qualifications under Section 5093.

(3) The individual possesses education, examination, and experience qualifications for licensure that have been determined by the board to be substantially equivalent to this state's qualifications under Section 5093.

(b) The board may designate states as substantially equivalent under paragraph (2) of subdivision (a) and may accept individual qualification evaluations or appraisals conducted by designated entities, as satisfying the requirements of paragraph (3) of subdivision (a).

(c) An individual who qualifies for the practice privilege under this section may engage in the practice of public accountancy in this state, and no notice, fee, or other requirement shall be imposed on that individual by the board.

(d) An individual who qualifies for the practice privilege under this section may perform the following services only through a firm of certified public accountants that has obtained a registration from the board pursuant to Section 5096.12:

(1) An audit or review of a financial statement for an entity headquartered in California.

(2) A compilation of a financial statement when that person expects, or reasonably might expect, that a third party will use the financial statement and the compilation report does not disclose a lack of independence for an entity headquartered in California.

(3) An examination of prospective financial information for an entity headquartered in California.

(e) An individual who holds a practice privilege under this article:

(1) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board and the courts of this state.

(2) Shall comply with the provisions of this chapter, board regulations, and other laws, regulations, and professional standards applicable to the practice of public accountancy by the licensees of this state and to any other laws and regulations applicable to

individuals practicing under practice privileges in this state except the individual is deemed, solely for the purpose of this article, to have met the continuing education requirements and ethics examination requirements of this state when the individual has met the examination and continuing education requirements of the state in which the individual holds the valid license, certificate, or permit on which the substantial equivalency is based.

(3) Shall not provide public accountancy services in this state from any office located in this state, except as an employee of a firm registered in this state. This paragraph does not apply to public accountancy services provided to a client at the client's place of business or residence.

(4) Is deemed to have appointed the regulatory agency of the state that issued the individual's certificate, license, or permit upon which substantial equivalency is based as the individual's agent on whom notices, subpoenas, or other process may be served in any action or proceeding by the board against the individual.

(5) Shall cooperate with any board investigation or inquiry and shall timely respond to a board investigation, inquiry, request, notice, demand, or subpoena for information or documents and timely provide to the board the identified information and documents.

(6) Shall cease exercising the practice privilege in this state if the regulatory agency in the state in which the individual's certificate, license, or permit was issued takes disciplinary action resulting in the suspension or revocation, including stayed suspension, stayed revocation, or probation of the individual's certificate, license, or permit, or takes other disciplinary action against the individual's certificate, license, or permit that arises from any of the following:

(A) Gross negligence, recklessness, or intentional wrongdoing relating to the practice of public accountancy.

(B) Fraud or misappropriation of funds.

(C) Preparation, publication, or dissemination of false, fraudulent, or materially incomplete or misleading financial statements, reports, or information.

(7) Shall cease exercising the practice privilege in this state if convicted in any jurisdiction of any crime involving dishonesty, including, but not limited to, embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses.

(8) Shall cease exercising the practice privilege if the United States Securities and Exchange Commission or the Public Company Accounting Oversight Board bars the individual from practicing before them.

(9) Shall cease exercising the practice privilege if any governmental body or agency suspends the right of the individual to practice before the body or agency.

(10) Shall notify the board of any pending criminal charges, other than for a minor traffic violation, in any jurisdiction.

(f) An individual who is required to cease practice pursuant to paragraphs (6) to (9), inclusive, of subdivision (e) shall notify the board within 15 calendar days, on a form prescribed by the board, and shall not practice public accountancy in this state pursuant to this section until he or she has received from the board written permission to do so.

(g) An individual who fails to cease practice as required by subdivision (e) or who fails to provide the notice required by subdivision (f) shall be subject to the personal and subject matter jurisdiction and disciplinary authority of the board as if the practice

privilege were a license and the individual were a licensee. An individual in violation of subdivision (e) or (f) shall, for a minimum of one year from the date the board learns there has been a violation of subdivision (e) or (f), not practice in this state and shall not have the possibility of reinstatement during that period. If the board determines that the failure to cease practice or provide the notice was intentional, that individual's practice privilege shall be revoked and there shall be no possibility of reinstatement for a minimum of two years.

(h) The board shall require an individual who provides notice to the board pursuant to subdivision (f) to cease the practice of public accountancy in this state until the board provides the individual with written permission to resume the practice of public accountancy in this state.

(i) (1) An individual to whom, within the last seven years immediately preceding the date on which he or she wishes to practice in this state, any of the following criteria apply, shall notify the board, on a form prescribed by the board, and shall not practice public accountancy in this state pursuant to this section until the board provides the individual with written permission to do so:

(A) He or she has been the subject of any final disciplinary action by the licensing or disciplinary authority of any other jurisdiction with respect to any professional license or has any charges of professional misconduct pending against him or her in any other jurisdiction.

(B) He or she has had his or her license in another jurisdiction reinstated after a suspension or revocation of the license.

(C) He or she has been denied issuance or renewal of a professional license or certificate in any other jurisdiction for any reason other than an inadvertent administrative error.

(D) He or she has been convicted of a crime or is subject to pending criminal charges in any jurisdiction other than a minor traffic violation.

(E) He or she has otherwise acquired a disqualifying condition as described in subdivision (a) of Section 5096.2.

(2) An individual who fails to cease practice as required by subdivision (e) or who fails to provide the notice required by paragraph (1) shall be subject to the personal and subject matter jurisdiction and disciplinary authority of the board as if the practice privilege were a license and the individual were a licensee. An individual in violation of subdivision (e) or paragraph (1) shall, for a minimum of one year from the date the board knows there has been a violation of subdivision (e) or paragraph (1), not practice in this state and shall not have the possibility of reinstatement during that period. If the board determines that the failure to cease practice or provide the notice was intentional, that individual shall be prohibited from practicing in this state in the same manner as if a licensee has his or her practice privilege revoked and there shall be no possibility of reinstatement for a minimum of two years.

(j) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.1.

(a) Any individual, not a licensee of this state, who is engaged in any act which is the practice of public accountancy in this state, and who does not qualify to practice pursuant to the practice privilege described in Section 5096 and who has a license, certificate, or other authority to engage in the practice of public accountancy in any other state, regardless of whether active, inactive, suspended, or subject to renewal on payment of a fee or completion of an educational or ethics requirement, is:

(1) Deemed to be practicing public accountancy unlawfully in this state.

(2) Subject to the personal and subject matter jurisdiction and disciplinary authority of the board and the courts of this state to the same extent as a holder of a valid practice privilege.

(3) Deemed to have appointed the regulatory agency of the state that issued the individual's certificate or license as the individual's agent on whom notice, subpoenas, or other process may be served in any action or proceeding by the board against the individual.

(b) The board may revoke a practice privilege from any individual who has violated this section or implementing regulations or committed any act which would be grounds for discipline against the holder of a practice privilege.

(c) This section shall become operative on July 1, 2013.

(d) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.2.

(a) (1) Practice privileges may be revoked for any of the following reasons:

(A) If an individual no longer qualifies under, or complies with, the provisions of this article, including, but not limited to, Section 5096, or implementing regulations.

(B) If an individual commits any act that if committed by an applicant for licensure would be grounds for denial of a license under Section 480.

(C) If an individual commits any act that if committed by a licensee would be grounds for discipline under Section 5100.

(D) If an individual commits any act outside of this state that would be a violation if committed within this state.

(E) If an individual acquires at any time, while exercising the practice privilege, any disqualifying condition under paragraph (2).

(2) Disqualifying conditions include:

(A) Conviction of any crime other than a minor traffic violation.

(B) Revocation, suspension, denial, surrender, or other discipline or sanctions involving any license, permit, registration, certificate, or other authority to practice any profession in this or any other state or foreign country or to practice before any state, federal, or local court or agency, or the Public Company Accounting Oversight Board.

(C) Any judgment or arbitration award against the individual involving the professional conduct of the individual in the amount of thirty thousand dollars (\$30,000) or greater.

(D) Any other conditions as specified by the board in regulation.

- (3) The board may adopt regulations exempting specified minor occurrences of the conditions listed in subparagraph (B) of paragraph (2) from being disqualifying conditions under this subdivision.
- (b) The board may revoke practice privileges using either of the following procedures:
- (1) Notifying the individual in writing of all of the following:
- (A) That the practice privilege is revoked.
- (B) The reasons for revocation.
- (C) The earliest date on which the individual may qualify for a practice privilege.
- (D) That the individual has a right to appeal the notice and request a hearing under the provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) if a written notice of appeal and request for hearing is made within 60 days.
- (E) That, if the individual does not submit a notice of appeal and request for hearing within 60 days, the board's action set forth in the notice shall become final.
- (2) Filing a statement of issues under the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
- (c) An individual whose practice privilege has been revoked may only subsequently exercise the practice privilege upon application to the board for reinstatement of the practice privilege not less than one year after the effective date of the notice or decision revoking the practice privilege, unless a longer time period is specified in the notice or decision revoking the practice privilege.
- (d) Holders of practice privileges are subject to suspension, citations, fines, or other disciplinary actions for any conduct that would be grounds for discipline against a licensee of the board or for any conduct in violation of this article or regulations adopted thereunder.
- (e) The board may recover its costs pursuant to Section 5107 as part of any disciplinary proceeding against the holder of a practice privilege.
- (f) The provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), including, but not limited to, the commencement of a disciplinary proceeding by the filing of an accusation by the board, shall apply under this article.
- (g) If the board revokes or otherwise limits an individual's practice privilege, the board shall promptly notify the regulatory agency of the state or states in which the individual is licensed, and the United States Securities and Exchange Commission, the Public Company Accounting Oversight Board, and the National Association of State Boards of Accountancy.
- (h) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.4.

- (a) The right of an individual to practice in this state under a practice privilege may be administratively suspended at any time by an order issued by the board or its executive officer, without prior notice or hearing, for the purpose of conducting a disciplinary investigation, proceeding, or inquiry concerning the individual's competence or

qualifications to practice under practice privileges, failure to timely respond to a board inquiry or request for information or documents, or under other conditions and circumstances provided for by board regulation.

(b) The administrative suspension order is immediately effective when mailed to the individual's address of record or agent for notice and service as provided for in this article.

(c) The administrative suspension order shall contain the following:

(1) The reason for the suspension.

(2) A statement that the individual has the right, within 30 days, to appeal the administrative suspension order and request a hearing.

(3) A statement that any appeal hearing will be conducted under the provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) applicable to individuals who are denied licensure, including the filing of a statement of issues by the board setting forth the reasons for the administrative suspension of practice privileges and specifying the statutes and rules with which the individual must show compliance by producing proof at the hearing and in addition any particular matters that have come to the attention of the board and that would authorize the administrative suspension, or the revocation of practice privileges.

(d) The burden is on the holder of the suspended practice privilege to establish both qualification and fitness to practice under practice privileges.

(e) The administrative suspension shall continue in effect until terminated by an order of the board or the executive officer.

(f) Administrative suspension is not discipline and shall not preclude any individual from applying for a license to practice public accountancy in this state.

(g) Proceedings to appeal an administrative suspension order may be combined or coordinated with proceedings for revocation or discipline of a practice privilege.

(h) This section shall become operative on July 1, 2013.

(i) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.5.

(a) Notwithstanding any other provision of this article, an individual may not sign any attest report pursuant to a practice privilege unless the individual meets the experience requirements of Section 5095.

(b) This section shall become operative on July 1, 2013.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.6.

(a) In addition to the authority otherwise provided for by this code, the board may delegate to the executive officer the authority to issue any notice or order provided for in this article and to act on behalf of the board, including, but not limited to, issuing an

interim suspension order, subject to the right of the individual to timely appeal and request a hearing as provided for in this article.

(b) This section shall become operative on July 1, 2013.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.7.

(a) Anywhere the term “license,” “licensee,” “permit,” or “certificate” is used in this chapter or Division 1.5 (commencing with Section 475), it shall include persons holding practice privileges under this article, unless otherwise inconsistent with the provisions of the article.

(b) Anywhere the term “employee” is used in this article it shall include, but is not limited to, partners, shareholders, and other owners.

(c) For purposes of this article, the term “license” includes certificate or permit.

(d) This section shall become operative on July 1, 2013.

(e) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.8.

In addition to the authority otherwise provided by this code, all investigative powers of the board, including those delegated to the executive officer, shall apply to investigations concerning compliance with, or actual or potential violations of, the provisions of this article or implementing regulations, including, but not limited to, the power to conduct investigations and hearings by the executive officer under Section 5103 and to issuance of subpoenas under Section 5108.

5096.9.

(a) The board is authorized to adopt regulations to implement, interpret, or make specific the provisions of this article.

(b) The board shall adopt emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) to establish policies, guidelines, and procedures to initially implement this article as it goes into effect on July 1, 2013. The adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, or general welfare. The emergency regulations shall be submitted to the Office of Administrative Law for filing with the Secretary of State in accordance with the Administrative Procedure Act.

5096.12.

(a) A certified public accounting firm that is authorized to practice in another state and that does not have an office in this state may engage in the practice of public accountancy in this state through the holder of a practice privilege provided that:

(1) The practice of public accountancy by the firm is limited to authorized practice by the holder of the practice privilege.

(2) A firm that engages in practice under this section is deemed to consent to the personal, subject matter, and disciplinary jurisdiction of the board with respect to any practice under this section.

(b) The board may revoke, suspend, issue a fine pursuant to Article 6.5 (commencing with Section 5116), issue a citation and fine pursuant to Section 125.9, or otherwise restrict or discipline the firm for any act that would be grounds for discipline against a holder of a practice privilege through which the firm practices.

(c) A firm that provides the services described in subdivision (d) of Section 5096 shall obtain a registration from the board.

(d) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.20.

(a) To ensure that Californians are protected from out-of-state licensees with disqualifying conditions who may unlawfully attempt to practice in this state under a practice privilege, prior to July 1, 2013, the board shall add an out-of-state licensee feature to its license lookup tab of the home page of its Internet Web site that allows consumers to obtain information about an individual whose principal place of business is not in this state and who seeks to exercise a practice privilege in this state, that is at least equal to the information that was available to consumers through its home page prior to January 1, 2013, through the practice privilege form previously filed by out-of-state licensees pursuant to Section 5096, as added by Chapter 921 of the Statutes of 2004, and the regulations adopted thereunder. At minimum, these features shall include all of the following:

(1) The ability of the consumer to search by name and state of licensure.

(2) The disclosure of information in the possession of the board, which the board is otherwise authorized to publicly disclose, about an individual exercising a practice privilege in this state, including, but not limited to, whether the board has taken action of any form against that individual and, if so, what the action was or is.

(3) A disclaimer that the consumer must click through prior to being referred to any other Internet Web site, which in plain language explains that the consumer is being referred to an Internet Web site that is maintained by a regulatory agency or other entity that is not affiliated with the board. This disclaimer shall include a link to relevant sections of this article that set forth disqualifying conditions, including, but not limited to, Section 5096.2.

(4) A statement in plain language that notifies consumers that they are permitted to file complaints against such individuals with the board.

(5) A link to the Internet Web site or sites that the board determines, in its discretion, provides the consumer the most complete and reliable information available about the individual's status as a licenseholder, permitholder, or certificate holder.

(6) If the board of another state does not maintain an Internet Web site that allows a consumer to obtain information about its licensees including, but not limited to, disciplinary history, and that information is not available through a link to an Internet Web site maintained by another entity, a link to contact information for that board, which contains a disclaimer in plain language that explains that the consumer is being referred

to a board that does not permit the consumer to obtain information, including, but not limited to, disciplinary history, about individuals through the Internet Web site, and that the out-of-state board is not affiliated with the board.

(b) The board shall biennially survey the Internet Web sites and disclosure policies of other boards to ensure that its disclaimers are accurate.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

5096.21.

(a) On and after January 1, 2016, if the board determines, through a majority vote of the board at a regularly scheduled meeting, that allowing individuals from a particular state to practice in this state pursuant to a practice privilege as described in Section 5096, violates the board's duty to protect the public, pursuant to Section 5000.1, the board shall require, by regulation, out-of-state individuals licensed from that state, as a condition to exercising a practice privilege in this state, to file the notification form and pay the applicable fees as required by former Section 5096, as added by Chapter 921 of the Statutes of 2004, and regulations adopted thereunder.

(b) The board shall, at minimum, consider the following factors in making the determination required by subdivision (a):

(1) Whether the state timely and adequately addresses enforcement referrals made by the board to the accountancy regulatory board of that state, or otherwise fails to respond to requests the board deems necessary to meet its obligations under this article.

(2) Whether the state makes the disciplinary history of its licensees publicly available through the Internet in a manner that allows the board to adequately link consumers to an Internet Web site to obtain information that was previously made available to consumers about individuals from the state prior to January 1, 2013, through the notification form.

(3) Whether the state imposes discipline against licensees that is appropriate in light of the nature of the alleged misconduct.

(c) Notwithstanding subdivision (a), if (1) the National Association of State Boards of Accountancy (NASBA) adopts enforcement best practices guidelines, (2) the board, upon a majority vote at a regularly scheduled board meeting, issues a finding after a public hearing that those practices meet or exceed the board's own enforcement practices, (3) a state has in place and is operating pursuant to enforcement practices substantially equivalent to the best practices guidelines, and (4) disciplinary history of a state's licensees is publicly available through the Internet in a manner that allows the board to link consumers to an Internet Web site to obtain information at least equal to the information that was previously available to consumers through the practice privilege form filed by out-of-state licensees pursuant to former Section 5096, as added by Chapter 921 of the Statutes of 2004, no practice privilege form shall be required to be filed by any licensee of that state as required by subdivision (a), nor shall the board be required to report on that state to the Legislature as required by subdivision (d).

(d) (1) The board shall report to the relevant policy committees of the Legislature, the director, and the public, upon request, preliminary determinations made pursuant to this

section no later than July 1, 2015. The board shall, prior to January 1, 2016, and thereafter as it deems appropriate, review its determinations made pursuant to subdivision (b) to ensure that it is in compliance with this section.

(2) This subdivision shall become inoperative on July 1, 2017, pursuant to Section 10231.5 of the Government Code.

(e) On or before July 1, 2014, the board shall convene a stakeholder group consisting of members of the board, board enforcement staff, and representatives of the accounting profession and consumer representatives to consider whether the provisions of this article are consistent with the board's duty to protect the public consistent with Section 5000.1, and whether the provisions of this article satisfy the objectives of stakeholders of the accounting profession in this state, including consumers. The group, at its first meeting, shall adopt policies and procedures relative to how it will conduct its business, including, but not limited to, policies and procedures addressing periodic reporting of its findings to the board.

(f) On or before January 1, 2018, the board shall prepare a report to be provided to the relevant policy committees of the Legislature, the director, and the public, upon request, that, at minimum, explains in detail all of the following:

(1) How the board has implemented this article and whether implementation is complete.

(2) Whether this article is, in the opinion of the board, more, less, or equivalent in the protection it affords the public than its predecessor article.

(3) Describes how other state boards of accountancy have addressed referrals to those boards from the board, the timeframe in which those referrals were addressed, and the outcome of investigations conducted by those boards.

(g) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



MSG Item V.
July 23, 2014

CBA Item XI.C.5.
July 24, 2014

Overview of the Implementation of the Current California Practice Privilege Law

Presented by: Jenny Sheldon, Practice Privilege and Examination Manager
Vincent Johnston, Enforcement Manger

Date: July 9, 2014

Purpose of the Item

The purpose of this agenda item is to provide the Mobility Stakeholder Group (MSG) with an overview of the actions undertaken by the California Board of Accountancy (CBA) to implement the current practice privilege law, with an emphasis on the CBA website.

Action(s) Needed

No specific action is required on this agenda item.

Background

On September 20, 2012 Governor Brown signed Senate Bill (SB) 1405, which, in part, substantially changed the practice privilege provisions of Business and Professions Code (BPC) section 5096 *et seq.* The new provisions allow out-of-state licensees to practice in California without providing the CBA a notice or fee, establish conditions under which an individual must provide notification prior to beginning practice in California or cease practicing if exercising a practice privilege in California, establish requirements for registration of an out-of-state accounting firm, and specify content to be included under the License Lookup tab of the CBA website.

Comments

The practice privilege portions of Senate Bill (SB) 1405 were amended into the bill in late June 2012. Staff immediately recognized the far-reaching effect the bill would have on the CBA's practice privilege provisions and internal processes, and created an internal implementation team of senior management and key program and enforcement staff. The implementation team began meeting in July 2012 with the express purpose of developing and carrying out an implementation plan associated with new the practice privilege provisions (**Attachment 1**).

Rulemaking Activities

At the January 2013 CBA meeting, the CBA directed staff to draft regulatory language necessary to implement the new practice privilege provisions and initiate the emergency rulemaking process.

Overview of the Implementation of the Current California Practice Privilege Law

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At its meeting in March 2013, the CBA adopted the final regulatory language. The emergency regulations were approved by the Office of Administrative Law and took effect on July 1, 2013 concurrently with the provisions of SB 1405. Through a separate rulemaking process, the regulations became permanent on December 18, 2013.

Information Management

As discussed in **MSG Agenda Item III**, SB 1405 implemented significant changes to the practice privilege requirements including both pre- and cessation notification requirements, an out-of-state accounting firm registration, detailed website content, and various reporting requirements. In order to process and store all of the information received by the CBA, the CBA information technology staff built an internal database known as "MOBI." MOBI allows staff to track all outstanding investigations, applications for registration as an out-of-state accounting firm, and displays information regarding registration and discipline on the CBA website. MOBI is linked to the Out-of-State Licensed CPAs and Out-of-State Registered Accounting Firms portions of the CBA License Lookup feature and updates the information in real time.

Website Content

As detailed in **MSG Agenda Item IV**, many consumer protection provisions were built into the new practice privilege law including specific website content. BPC section 5096.20 required the addition of an out-of-state licensee section to the License Lookup tab of the CBA website that, at minimum, includes the following:

- The ability to search by name and state of licensure. (**Attachments 2-3**)
- Information in the possession of the CBA about an individual exercising a practice privilege in California, including, but not limited to, any action the CBA has taken against the individual.
- A disclaimer that the consumer must click through prior to being referred to any other websites, which in plain language explains that the consumer is being referred to a website that is maintained by a regulatory agency or other entity that is not affiliated with the CBA, as well as a link to relevant sections of Article 5.1 of the Accountancy Act that set forth disqualifying conditions. (**Attachment 4**)
- A statement in plain language that notifies consumers that they are permitted to file complaints against such individuals with the CBA. (**Attachment 5**)
- A link to the websites that the CBA determines provides the consumer with the most complete and reliable information available about the individual's status as a license, permit, or certificate holder.
- If the board of another state does not maintain a website that allows a consumer to obtain information about its licensees including disciplinary history, and that information is not available through a link to a website maintained by another entity, a link to contact information for that board, which contains a disclaimer in plain language that explains that the consumer is being referred to a board that does not permit the consumer to obtain information, including disciplinary history, about individuals through the website, and that the out-of-state board is not

Overview of the Implementation of the Current California Practice Privilege Law

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affiliated with the CBA. The CBA is required to biennially survey the websites and disclosure policies of other boards to ensure that disclaimers remain accurate.

In determining whether to provide consumers a link directly to a state board's license lookup feature or to the board's contact information, staff focused on the completeness of available disciplinary information. Staff reviewed the website content and disclosure policies of each board of accountancy prior to the launch of the new website content and identified five boards as lacking the requisite disciplinary information – Commonwealth of Northern Mariana Islands, Guam, Kansas, North Dakota, and Puerto Rico. The CBA notified each state board in writing of its intent to post the disclaimer information and requested that the CBA be notified if the state board deemed the determination to be inaccurate.

The disclaimer language provided to consumers regarding states with incomplete license lookup information is provided in **Attachment 6**, with the exception of Puerto Rico, which is provided in **Attachment 7**. Puerto Rico is slightly different in that it uses a paid service through the National Association of State Boards of Accountancy that provides disciplinary information through the mail, not electronically. Staff will perform the required biennial survey of each state board's website and disclosure policies prior to July 1, 2015.

In order to fulfill the specific website content requirement related to providing information in the possession of the CBA about individuals and accounting firms exercising a practice privilege, the CBA gathers information obtained through the pre- and cessation of practice notification requirements, out-of-state accounting firm registrations, and the Securities and Exchange Commission and Public Company Accounting Oversight Board discipline reports.

Pre-Notification Requirement

An out-of-state licensee who meets one or more of the conditions listed in BPC section 5096(i) is required to notify the CBA and await written permission from the CBA before practicing in California. The licensee must complete the Practice Privilege Pre-Notification of Listed Events Form (Pre-Notification Form) that requests explanatory details related to five specific disciplinary actions. Of the 15 Pre-Notification Forms received, nine were inadvertently completed by out-of-state licensees that did not have a pre-notification reporting requirement. The remaining six were reviewed and authorized to practice.

Cessation of Practice Notification Requirement

An out-of-state licensee is required to immediately cease exercising a practice privilege, notify the CBA within 15 days, and await written permission to practice from the CBA if the regulatory agency in the state in which the individual's license was issued takes disciplinary action against the individual's license that arises from any of the circumstances listed in BPC section 5096(e). The licensee must complete the Notification of Cessation of Practice Privilege Form, which requests detailed information related to disciplinary action taken and whether the individual seeks to continue practicing in California. The CBA has not received any Cessation Event Forms to date.

Overview of the Implementation of the Current California Practice Privilege Law

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Out-of-State Accounting Firm Registration

An out-of-state licensee may only perform the accounting services listed in BPC section 5096(d) through an accounting firm that is registered with the CBA. The Out-of-State Accounting Firm Registration Form solicits information related to all licenses of the accounting firm, detailed ownership information, and whether disciplinary action has ever been taken against the accounting firm's license. All information provided on the registration form is verified with the appropriate state board of accountancy. The CBA has approved the registration of 199 out-of-state accounting firms.

SEC and PCAOB Discipline

In addition to the information that the CBA receives from these three forms, enforcement staff review the Disciplinary Actions pages of the SEC and PCAOB websites at least twice a year. Enforcement staff then updates MOBI to state that these licensees are prohibited from exercising a practice privilege in California, and send the licensee a letter informing him/her of the need to pre-notify and obtain CPA approval prior to beginning practice in California. In the past year, staff has identified 28 SEC disciplines and seven PCAOB restrictions.

Outreach

To ensure information related to the new notification and registration requirements, and website content was readily available to all interested parties, the CBA initiated a coordinated outreach, which included:

- Issuance of a press release upon the signing of SB 1405 and again in June 2013
- Mailing letters to all past and present practice privilege holders
- Publishing informational articles in three editions of UPDATE
- Posting a new practice privilege handbook to the CBA website along with an E-News alert
- Posting several messages on the CBA's social media accounts.

Website Demonstration

Staff will provide a live demonstration of the Out-of-State Licensed CPAs and Out-of-State Registered Accounting Firms portions of the CBA License Lookup website during the July MSG meeting. In addition to the information available on the CBA website from MOBI, CPAverify is an online central repository of information about licensed CPAs and public accounting firms maintained by the National Association of State Boards of Accountancy to provide a single-search resource covering participating jurisdictions where a person or firm has been licensed. The CBA provides a link to CPAverify on each out-of-state licensee search page. The CBA also created an interactive map for consumers to connect directly to the boards of accountancy in other states. In the case where the other state board does not maintain a website that includes disciplinary history, a disclaimer is provided to the consumer as required by law.

Fiscal/Economic Impact Considerations

None.

Recommendation

Overview of the Implementation of the Current California Practice Privilege Law

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None.

Attachments

1. SB 1405 Implementation Plan
2. Out-of-State Licensed CPA Search Page
3. Out-of-State Registered Accounting Firm Search Page
4. External Website Redirection Disclaimer
5. License Lookup Home Page
6. Disclaimer for States Without Complete License Lookup Information
7. Disclaimer for Puerto Rico's License Lookup Information

**CALIFORNIA BOARD OF ACCOUNTANCY
PROJECT OUTLINE**

Attachment 1

PROJECT TITLE: Strategic Plan Objective #3.2 – Implement a New Practice Privilege Program Following Passage of Senate Bill 1405

PROJECT OUTLINE MAINTAINED BY: Jenny Sheldon

UNIT: Practice Privilege Unit

UPDATED: June 16, 2014

TASK #	TASK NAME	START DATE	FINISH DATE	STAFF / UNIT ASSIGNED	STATUS/COMMENTS	"X" WHEN COMPLETE
1.0	Rulemaking Activities					
1.1	Emergency Rulemaking					
1.1.1	Draft regulatory language	8/14/2012	10/19/2012	Matthew		X
1.1.2	CBA approval of draft regulatory language	11/16/2012	1/25/2013	CBA		X
1.1.3	Draft required emergency rulemaking materials	11/16/2012	2/15/2013	Matthew	Includes the preparation of the Finding of Emergency and Fiscal/Economic Impact Statement	X
1.1.4	CBA final approval of language	3/22/2013	3/22/2013	CBA	Only necessary if the CBA makes substantial changes to the draft regulatory language in January and direct staff to bring back the language prior to final approval	X
1.1.5	DCA and State and Consumer Services Agency (SCSA) review emergency rulemaking materials	4/12/2013	6/12/2013	DCA/SCSA		X
1.1.6	Send emergency regulation materials to the CBA's interested parties list and post to the CBA's website.	6/14/2013	6/14/2013	Matthew	Staff will perform this at a minimum of five days prior to submitting to the Office of Administrative Law (OAL).	X
1.1.7	OAL reviews and renders determination on emergency regulations	6/20/2013	6/28/2013	OAL	OAL has 10 calendar days to review the emergency rulemaking materials. Staff will request an operative date of July 1, 2013 for the regulations.	X

TASK #	TASK NAME	START DATE	FINISH DATE	STAFF / UNIT ASSIGNED	STATUS/COMMENTS	"X" WHEN COMPLETE
1.1.8	Practice Privilege regulations take effect for 180 days	7/1/2013	12/27/2013			X
1.1.9	CBA re-adoption – 1 st	11/22/2013	11/22/2013	CBA	If the Certification of Compliance (detailed in 1.2) rulemaking process is not yet complete prior to the conclusion of the 180 days, the CBA can request two additional 90-day extensions.	X
1.1.10	1 st re-adoption effective	12/27/2013	3/27/2014			X
1.1.11	CBA re-adoption – 2 nd	1/2014	1/2014	CBA		X
1.1.12	2 nd re-adoption effective	3/27/2014	6/25/2014			X
1.2	Certification of Compliance and Regular Rulemaking Materials					
1.2.1	Prepare certification of compliance	11/2012	12/2012	Matthew	The certification of compliance is, in essence, a regular rulemaking.	X
1.2.2	CBA approval of draft regulatory language	3/22/13	3/22/13	CBA		X
1.2.3	Submit certification of compliance and regular rulemaking materials to OAL and DCA	4/2/2013	4/2/2013	Matthew		X
1.2.4	Notify interested parties of the rulemaking	4/12/2013	4/12/2013	Matthew		X
1.2.5	Public comment period	4/12/2013	5/28/2013	Public	Individuals can provide written comments at any time during the 45-day public comment period.	X
1.2.6	CBA conducts public hearing and approves final regulatory language	7/25/2013	7/25/2013	CBA		X

TASK #	TASK NAME	START DATE	FINISH DATE	STAFF / UNIT ASSIGNED	STATUS/COMMENTS	"X" WHEN COMPLETE
1.2.7	Prepare and post 15-day re-notice	7/29/2013	8/2/2013	Matthew	Only necessary if the CBA makes changes to the language as a result of public comments received in writing or at the hearing or if technical changes are identified by the CBA or staff	X
1.2.8	Complete Certificate of Compliance rulemaking file	8/19/2013	9/30/2013	Matthew		X
1.2.9	DCA, SCSA, and DOF review Certificate of Compliance rulemaking file.	9/30/2013	3/28/2014	DCA/SCSA/DOF		X
1.2.10	OAL reviews and renders determination on final regulations	4/11/2014	5/23/2014	OAL		X
1.2.11	Practice privilege regulations become final	6/25/14	7/1/2014			X
2.0	Outreach					
2.1	Press Releases					
2.1.1	Issue press release upon signing of SB 1405	8/2012	9/20/2012	Lauren		X
2.1.2	Issue press release prior to new provisions taking effect July 1, 2013	6/2013	6/2013	Lauren		X
2.2	Update Articles					
2.2.1	Develop article for Fall 2012 edition	8/2012	9/2012	Licensing Staff	Articles will focus on pertinent information related to getting the word out on California's practice privilege provision	X
2.2.2	Develop article for Spring 2013 edition	10/2012	1/2013	Licensing Staff		X
2.2.3	Develop article for Fall 2013 edition	8/1/2013	9/15/2013	Licensing Staff		X

TASK #	TASK NAME	START DATE	FINISH DATE	STAFF / UNIT ASSIGNED	STATUS/COMMENTS	"X" WHEN COMPLETE
2.3	Miscellaneous					
2.3.1	Mail letter to present and prior practice privilege holders regarding new practice privilege provisions	1/15/2013	3/22/2013	Licensing Staff		X
2.3.2	Explore options for communication opportunities via social media	1/2013	Ongoing	Lauren		X
3.0	CBA Website					
3.1	License Lookup – Consumers					
3.1.1	Redesign/develop web pages for License Lookup	10/1/2012	4/30/2013	Staff	Web License Lookup feature will be developed, at a minimum, in conformity with Business and Professions Code (BPC) section 5096.20	X
3.1.2	CBA review of website	5/24/2013	5/24/2013	CBA		X
3.1.3	Redesigned License Lookup feature goes live	7/1/2013	7/1/2013	Staff		X
3.2	Out-of-State CPA/Accounting Firm Information					
3.2.1	Create practice privilege informational page to guide out-of-state CPAs and accounting firms regarding California's mobility provisions	10/1/2012	4/30/2013	Staff		X
3.2.2	CBA review of website	5/24/2013	5/24/2013	CBA		X
3.2.3	Out-of-state CPAs/accounting firm information and forms goes live	7/1/2013	7/1/2013	Staff		X

TASK #	TASK NAME	START DATE	FINISH DATE	STAFF / UNIT ASSIGNED	STATUS/COMMENTS	"X" WHEN COMPLETE
4.0	Preliminary Determinations Report				BPC section 5096.21(d) – Due July 1, 2015	
4.1	Planning meetings to establish dates, expectations, and questions for research	April 2014	July 2014	Senior Staff/ Matthew/Vince		
4.2	Research other state board enforcement information as determined in planning meetings	July 2014	August 2014	Matthew		
4.3	Prepare draft report	November 2014	February 2015	Matthew		
4.4	CBA review draft preliminary report	March 2015 CBA Meeting	March 2015 CBA Meeting	CBA		
4.5	CBA review final preliminary report	May 2015 CBA Meeting	May 2015 CBA Meeting	CBA		
4.6	Delivery of the final report	6/30/2015	6/30/2015	Matthew	Report will go to the Legislature, Director of DCA, and made available to the public upon request (which will be accomplished via posting to the CBA website)	
4.2	CBA review preliminary determinations made in July 1, 2015 report	July 2015 CBA Meeting	November 2015 CBA Meeting	CBA	This must be completed prior to January 1, 2016.	
5.0	Final Determinations Report				BPC section 5096.21(f) – Due January 1, 2018	
	Prepare draft report	7/1/2017	8/15/2017	Matthew		

TASK #	TASK NAME	START DATE	FINISH DATE	STAFF / UNIT ASSIGNED	STATUS/COMMENTS	"X" WHEN COMPLETE
	CBA review draft report	September 2017 CBA Meeting	September 2017 CBA Meeting	CBA		
	CBA review final report	November 2017 CBA Meeting	November 2017 CBA Meeting	CBA		
	Delivery of the final report	12/1/2017	12/15/2017	Matthew	Report will go to the Legislature, Director of DCA, and made available to the public upon request (which will be accomplished via posting to the CBA website)	
6.0	Mobility Stakeholder Group (MSG)					
6.1	CBA considers composition of the MSG	November 2012 CBA Meeting	November 2012 CBA Meeting	CBA	BPC section 5096.21(e). Membership includes two members of the CBA, one CBA enforcement staff, two representatives of the accounting profession, and two consumer representatives	X
6.2	CBA President appoints MSG members	February 2014	February 2014	CBA	First meeting must occur on or before July 1, 2014	X
6.3	MSG meeting	3/20/2014	3/20/2014	Taskforce	Held in conjunction with the March 2014 CBA meeting	X
6.4	MSG meeting	7/23/2014	7/23/2014	Taskforce	Held in conjunction with the July 2014 CBA meeting	
6.5	MSG meeting	11/19/2014	11/19/2014	Taskforce	Held in conjunction with the November 2014 CBA meeting	
6.6	MSG meeting	TBD	TBD	Taskforce	Meeting dates for the 2015 calendar year have yet to be scheduled	

[California Board of Accountancy Out-of-State Licensed CPA Search](#)

Out-Of-State Licensed CPA

To search California Board of Accountancy records for information about out-of-state CPAs, enter the search criteria below.

Last Name

First Name

Middle Name

State

[NASBA CPAverify website](#)

NASBA CPAverify Website

In addition to the information available on the California Board of Accountancy website, CPAverify is an online central repository of information about licensed CPAs and public accounting firms maintained by the National Association of State Boards of Accountancy (NASBA) to provide a single-search resource covering participating jurisdictions where a person or firm has been licensed.

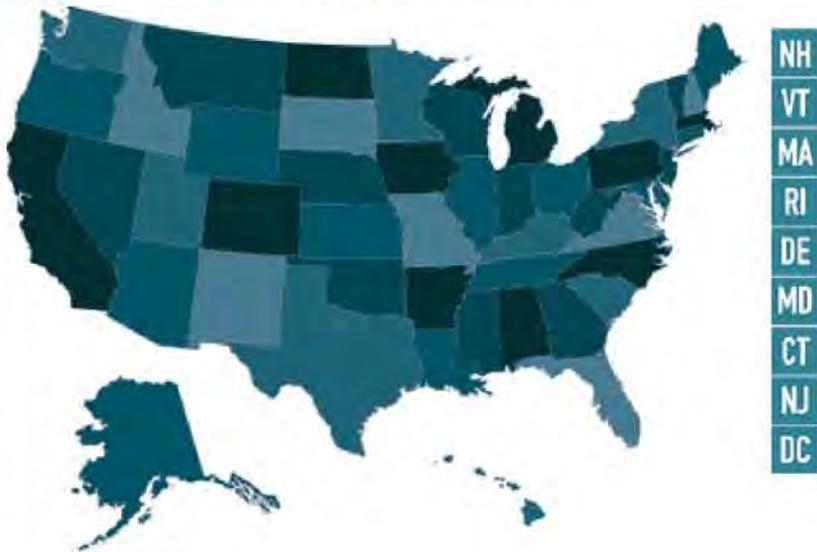


[Other State Board websites](#)

Other State Board websites

By selecting a state below, you will be directed to the state's official website related to the regulation of the practice of public accountancy. There you may be able to review the most timely and accurate information about CPAs licensed by that state.

- [Alabama](#)
- [Alaska](#)
- [Arizona](#)
- [Arkansas](#)
- [Colorado](#)
- [Commonwealth of Northern Mariana Islands](#)
- [Connecticut](#)
- [Delaware](#)
- [District Of Columbia](#)
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- [Illinois](#)
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- [North Dakota](#)
- [Ohio](#)
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- [Oregon](#)
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California Board of Accountancy Out-of-State Registered Accounting Firm Search

Out-Of-State Registered Accounting Firm

To obtain information on out-of-state Registered Accounting Firms, enter the search criteria below.

Firm Name

California Registration Number

State

NASBA CPAverify website

NASBA CPAverify Website

In addition to the information available on the California Board of Accountancy website, CPAverify is an online central repository of information about licensed CPAs and public accounting firms maintained by the National Association of State Boards of Accountancy (NASBA) to provide a single-search resource covering participating jurisdictions where a person or firm has been licensed.



Other State Board websites

Other State Board websites

By selecting a state below, you will be directed to the state's official website related to the regulation of the practice of public accountancy. There you may be able to review the most timely and accurate information about CPAs licensed by that state.

[Alabama](#)

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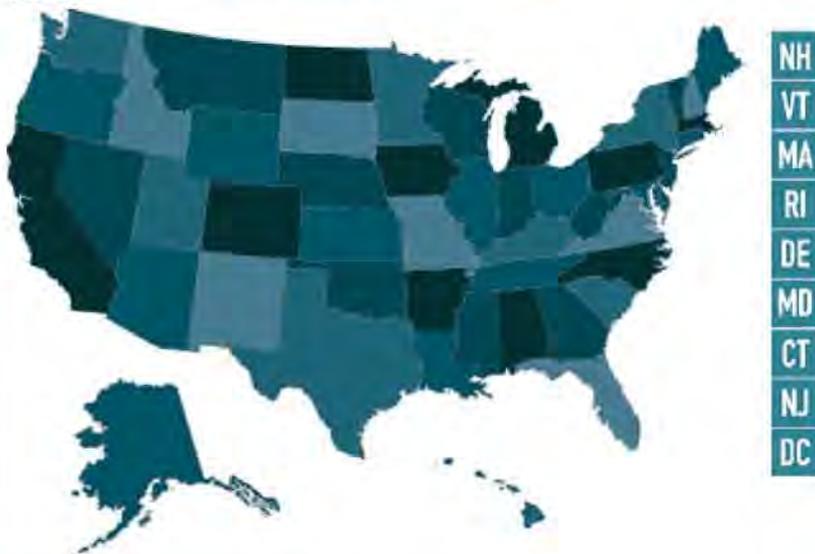
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California Board of Accountancy

License Lookup

California-Licensed CPAs

A California-licensed CPA is an individual who has met the education, examination, and experience requirements of California State law and has been issued a license to practice public accountancy by the California Board of Accountancy (CBA).

California-Licensed Accounting Firms

A California-licensed accounting firm consists of accounting firms meeting minimum registration requirements to provide public accounting services in California. These firms consist of corporations and partnerships, as well as sole practitioners operating under a name different from the name on their CPA licenses.

Out-of-State Licensed CPAs

An individual, whose principal place of business is not in California and who has a valid and current license to practice public accountancy from another state, may, with limited exceptions, engage in the practice of public accountancy in California without obtaining a California license. In order for the individual to qualify for practice privilege, the out-of-state licensed CPA must satisfy one of the following:

- ✦ Have continually practiced public accountancy as a CPA in another state for at least four of the last 10 years
- ✦ Come from one of the [substantially equivalent states](#) that the CBA has deemed to have education, examination, and experience requirements substantially equivalent to its own licensure requirements found in [Business and Professions Code section 5093](#).
- ✦ Individually possess education, examination, and experience qualifications for licensure that the CBA has determined to be substantially equivalent to its own licensure requirements found in [Business and Professions Code section 5093](#).

In certain circumstances, an out-of-state CPA must either seek the approval of the CBA prior to engaging in the practice of public accountancy, or must cease practicing in California until such time as the CBA provides permission to continue practice. In addition, there are certain disqualifying conditions that can lead to the revocation of practice privilege.

- ✦ [List of events that would require an individual to seek approval prior to practicing in California](#)
- ✦ [List of events that would require an individual to cease practice in California](#)
- ✦ [List of disqualifying conditions that can lead to the revocation of a practice privilege](#)

If after performing a search of CBA records on an out-of-state license CPA you receive information that indicates no results are available, this does not mean that the individual is not authorized to practice public accountancy in California.

To file a complaint against an out-of-state licensed CPA, please complete the [CBA's complaint form](#).

Out-of-State Registered Accounting Firms

To perform certain services for a California-headquartered entity, an out-of-state accounting firm must first register with the CBA. The specific services that first require registration with the CBA include the following:

- ✦ An audit or review of a financial statement

- ⇒ A compilation of a financial statement when it is expected, or reasonably might be expected, that a third party will use the financial statement and the compilation report does not disclose a lack of independence.
- ⇒ An examination of prospective financial information.

To file a complaint against an out-of-state registered accounting firm, please complete the [CBA's complaint form](#).

External Website Notice**States Without Complete License Lookup Information**

This state board of accountancy does not provide the consumer sufficient opportunity to obtain information about individuals through their Internet website, including, but not limited to, disciplinary history. You will be taken to the appropriate contact information for this out-of-state board in order to further your inquiry.

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For free and instant access to Puerto Rico's license information please visit [CPAverify](#).

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2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
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WEB ADDRESS: <http://www.cba.ca.gov>



MSG Item VI.
July 23, 2014

CBA Item XI.C.6.
July 24, 2014

Overview of Practice Privilege/Mobility Provisions in Other States/Jurisdictions

Presented by: Dominic Franzella, Chief, Licensing Division

Date: June 20, 2014

Purpose of the Item

The purpose of this agenda item is to provide the Mobility Stakeholder Group (MSG) with the varying requirements for other states'/jurisdictions' practice privilege/mobility provisions.

Action(s) Needed

No specific action is required on this agenda item.

Background

At its March 21, 2014 meeting, the MSG requested that staff provide a summary of the differences regarding other states'/jurisdictions' practice privilege/mobility provisions.

Comments

The following items are being provided to the MSG:

- **Attachment 1** – A spreadsheet that provides a quick overview of key elements for other states'/jurisdictions' practice privilege/mobility provisions.¹
- **Attachment 2** – A compilation of detailed information regarding other states'/jurisdictions' practice privilege provisions as reported on the National Association of State Boards of Accountancy (NASBA) Accountancy Licensing Library (ALL).²

Additionally, staff has provided a summary of the information gleaned from reviewing the various provisions and preparing **Attachment 1** as it relates to the following topics: no notice/no fee, substantial equivalency by state, individual or both; quid pro quo

¹ To develop this spreadsheet, staff relied on the data found in **Attachment 2** and when unclear or unavailable, staff obtained the data from the specific state/jurisdiction. The information obtained from the ALL was done so as of June 11, 2014.

² The ALL is an online resource that provides up-to-date, CPA licensing information for all 55 state boards of accountancy.

Overview of Practice Privilege/Mobility Provisions in Other States/Jurisdictions

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requirement, specified disqualifying conditions, and applicable out-of-state accounting firm registration.

No Notice/No Fee

It appears that all states that have adopted practice privilege mobility provisions for individuals have done so with a no notice, no fee element.

Substantial Equivalency by State, Individual or Both

The vast majority of states rely on some form of substantial equivalency. All states reviewed provide an avenue for state substantial equivalency, with most using NASBA's list of substantially equivalent states. Many also provide for individual substantial equivalency should a state not consider another state's licensing requirements substantially equivalent. In these instances, many states (California included) require that the individual demonstrate individual substantial equivalency through NASBA's CredentialNet.

It only appears as though Alabama, Nebraska, North Carolina, and Oklahoma, simply rely on an out-of-state practitioner to hold a license to practice public accountancy, regardless of the state or the requirements under which the license was issued.

Quid Pro Quo Requirement

In reviewing the materials, staff identified two states – Georgia and Massachusetts – that maintain a quid pro quo element in their respective practice privilege/mobility provisions. In both cases, the rights of an out-of-state practitioner to practice in these states is tied to whether the state from which s/he was licensed offers similar practice rights to practitioners from these states.

Specified Disqualifying Conditions

Aside from maintaining an active license to practice public accountancy from another state, three states – Arkansas, Iowa, and New York – maintain certain specified disqualifying conditions that either bar individuals from practice via practice privilege/mobility (Arkansas, Iowa), or (like California) require pre-notification and clearance by the state/jurisdiction prior to practice via practice privilege/mobility (New York).

Applicable Out-of-State Accounting Firm Registration

The vast majority of states do continue to maintain out-of-state accounting firm registration requirements. While the types of services rendered may vary (with most requiring the threshold to be attest services), all appear to be tied to whether the service the out-of-state accounting firm is providing is to a client located in the state. This is similar to requirements found in California.

Fiscal/Economic Impact Considerations

None.

Overview of Practice Privilege/Mobility Provisions in Other States/Jurisdictions

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Recommendation

None.

Attachments

1. Overview of States'/Jurisdictions' Practice Privilege/Mobility Provisions
2. Detailed Overview of Individual States'/Jurisdictions' Practice Privilege/Mobility Provisions



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Attachment 1

Overview of States'/Jurisdictions' Practice Privilege/Mobility Provisions

	No Notice/ No Fee	Substantial Equivalency by State, Individual or Both	Quid-Pro-Quo Requirement	Specified Pre-Practice Disqualifying Conditions	Outright Accounting Firm Mobility	Accounting Firm Registration Conditions Apply
Alabama	X				X	
Alaska	X	X				X
Arizona	X	X			X	
Arkansas	X	X		X		X
California	X	X		X		X
CNMI	--	--	--	--	--	--
Colorado	X	X			X	
Connecticut	X	X				X
Delaware	X	X			X	
District of Columbia	X	X				X
Florida	X	X				X
Georgia	X	X	X			X
Guam	--	--	--	--	--	--
Hawaii	--	--	--	--	--	--
Idaho	X	X			X	
Illinois	X	X				X
Indiana	X	X			X	X
Iowa	X	X		X		X
Kansas	X	X				X
Kentucky	X	X				X
Louisiana	X	X				X
Maine	X	X				X
Maryland	X	X				X
Massachusetts	X	X	X			X
Michigan	X	X				X
Minnesota	X	X				X
Mississippi	X	X				X

Overview of States/Jurisdictions' Practice Privilege/Mobility Provisions

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	No Notice/ No Fee	Substantial Equivalency by State, Individual or Both	Quid-Pro-Quo Requirement	Specified Disqualifying Conditions	Outright Accounting Firm Mobility	Accounting Firm Registration Conditions Apply
Missouri	X	X				X
Montana	X	X				X
Nebraska	X					X
Nevada ¹	X	X				X
New Hampshire	X	X				X
New Jersey	X	X				X
New Mexico	X	X				X
New York	X	X		X		X
North Carolina	X					X
North Dakota	X	X			X	
Ohio	X	X			X	
Oklahoma	X					X
Oregon	X	X				X
Pennsylvania	X	X				
Puerto Rico	--	--	--	--	--	--
Rhode Island	X	X				X
South Carolina	X	X				X
South Dakota	X	X				X
Tennessee	X	X			X	
Texas	X	X				X
Utah	X	X			X	
Vermont	X	X				X
Virgin Islands	--	--	--	--	--	--
Virginia	X	X				X
Washington	X	X				X
West Virginia	X	X				X
Wisconsin	X	X			X	
Wyoming	X	X				X

¹ Nevada has no notice, no fee mobility for all non-attest services in Nevada. If a CPA or accounting firm will be performing attest services for a client having its home office in Nevada, registration is required as an accounting firm or sole proprietorship.



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Attachment 2

Detailed Overview of Individual States'/Jurisdictions' Practice Privilege/Mobility Provisions

[Initial Licensure](#) [Reciprocal Licensure](#) [Practice Privilege](#) [Firm Registration](#) [Renewals/CPE](#) [Relinquish A License](#)
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alabama

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective October 1, 2009, practice privileges became available in Alabama. Practice privileges were created by Act No. 2009-620 during the 2009 legislative session. The details of Act No. 2009-620 are provided below.

Beginning October 1, 2009, a CPA whose principal place of business is outside of Alabama may exercise all the privileges of Alabama CPAs without the need to obtain a license or pay a fee, if the individual holds an active permit, certificate or license which allows the person to engage in the practice of public accountancy as a CPA in another state. [Click here](#) to go to the Alabama State Board of Public Accountancy Mobility information page.

Practice Privileges extend to professional services offered or rendered, whether in person or by mail, telephone or electronic means, and no notice, fee or other submission shall be provided by any such individual.

Consent to Jurisdiction

By law, a CPA of another state exercising practice privileges in Alabama and the entity which employs the CPA consent, as a condition to the exercise of this privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of this Board and the courts of Alabama.

Compliance with the provisions of the Alabama Accountancy Law and the rules and regulations adopted by the Board.

In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in this state individually and on behalf of the CPA firm.

The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by the Alabama Board against the licensee.

Out-of-state firms with no office in Alabama will not be subject to Alabama's firm registration requirements, which is consistent with current law.



alaska

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective January 1, 2011, practice privileges became available in Alaska. Practice privileges were created by HB315 during the 2010 legislative session. The details of HB315 are provided below.

An individual who does not have a license in Alaska but who is licensed to practice public accounting in another state and whose principal place of business for the practice of public accounting is in the other state may engage in the practice of public accounting in Alaska under a practice privilege if:

The state in which the individual is licensed requires as a condition of licensure that an individual:

Have at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university;

Achieve a passing grade on the Uniform CPA Examination; and

Possess at least one year of experience, which includes providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills; the experience may be obtained through practice with the government, industry, colleges, universities, or the public; OR

The state does not require as a condition of licensure that an individual satisfy the above requirements but the individual's qualifications are substantially equivalent to the above listed requirements.

The education of an individual who holds a valid license to practice public accounting that is issued by another state before January 1, 2013, and who passes the Uniform CPA Exam before January 1, 2013, is exempt from the 150 hour educational requirement.

Alaska uses [this list of substantially equivalent jurisdictions](#) to assist CPAs in determining whether or not their home jurisdiction is considered substantially equivalent for mobility by the Alaska Board.

Unless the individual is a sole practitioner, if an individual who engages in the practice of public accounting under a practice privilege performs designated functions for a client whose home office is in Alaska, the individual may only provide the designated functions through a legal entity that has a permit.

An individual who is qualified to engage in the practice of public accounting in Alaska is not required to provide a notice to the Alaska Board, to pay a fee to the Board, or to submit documentation to the Board. The person may engage in practice privileges in Alaska by mail, by telephone, by electronic means, or in person.

Consent to Jurisdiction

An individual with a practice privilege who engaged in the practice of public accounting in Alaska, a legal entity with an Alaska permit or an out-of-state exemption issued by the Alaska Board who engaged in the practice of public accounting in Alaska, and a legal entity that hires an individual with a practice privilege shall:

Consent to the personal and subject matter jurisdiction and disciplinary authority of the Alaska Board;

Agree to comply with the Alaska laws, rules and regulations adopted by the Alaska Board;

Agree that the individual or legal entity will stop offering to engage or engaging in the practice of public accounting, whether individually or on behalf of a legal entity, if the license from the state of the individual's or legal entity's principal place of business becomes invalid; and

Consent to the appointment of the state board that issued the individual's license as the individual's or legal entity's agent for service of process in a court action or in another proceeding against the individual or legal entity that arises out of a transaction or an operation connected with or incidental to the individual's or legal entity's engagement in the practice of public accounting.

Firm Registration May Be Required

A legal entity that does not have an office in Alaska, that is authorized to practice public accounting in another state, and that performs designated functions for a client whose home office is located in Alaska may not engage in the practice of public accounting in Alaska unless the legal entity has an out-of-state permit.

"Designated Function" means:

An audit or other engagement performed in accordance with SAS;

An examination of prospective financial information performed in accordance with SSAE; or

An engagement performed in accordance with PCAOB.

The Board has confirmed that performance of services under SSARS will also trigger the need for an Alaska firm permit.

Requirements for an Out-of-state Permit include:

Firm must hold a current active license to practice public accounting in the other state;

Firm must participate in a quality review program comparable to the Alaska peer review program requirements;

Firm must complete and submit the proper application form; and

Firm must pay the fees required by the Alaska Board.

A legal entity that performs designated services but not designated functions for a client whose home office is located in Alaska may engage in the practice of public accounting in Alaska under an out-of-state exemption if the legal entity:

Does not have an office in Alaska;

Is authorized to practice public accounting in another state;

Performs the designated services through an individual with a practice privilege; and

Participates in a quality review program comparable to the program required in Alaska.

"Designated Service" means a review of a financial statement, if the performance of the review is established by the SSARS; or a compilation service.

A legal entity that does not have an office in Alaska, is authorized to practice public accounting in another state, and does not perform designated function or designated services for a client whose home office is located in Alaska may engage in the practice of public accounting in Alaska under an out-of-state exemption if the services that the legal entity performs within the practice of public accounting are performed:

Through an individual who has a practice privilege; and

Only to the extent that the legal entity can lawfully perform the services in the state where the individual with a practice privilege has the individual's principal place of business.

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arizona

Practice Privilege / Mobility / Interstate Practice Requirements

Limited Reciprocity Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Limited Reciprocity Privilege. A CPA who is not a resident of Arizona, does not have a principal place of business in Arizona, holds a valid registration, certificate or license as a CPA issued by another state, and who is not the subject of suspension or revocation of a certificate as provided by section 32-741 or relinquishment of a certificate as provided by section 32-741.04, ARS 32-725(B)(2), may exercise limited reciprocity privileges in Arizona if the Applicant either:

Holds a license in a state that requires as a condition of licensure that an individual has all of the following:

At least 150 semester hours of college education including a baccalaureate degree or higher degree that is conferred by an accredited institution or a college or university that maintains standards that are comparable to those of an accredited institution;

A passing grade on the Uniform CPA Examination;

At least one year of experience in the practice of accounting that has been verified; OR

The individual meets the qualifications for reciprocal licensure by substantial equivalency. (Click *Reciprocal Licensure* above to view the qualifications.)

Must not have been engaged in any conduct that would constitute grounds for revocation or suspension of a certificate or other disciplinary action.

Click here to view a [list of substantially equivalent jurisdictions](#) provided by the Arizona Board. If you are currently licensed with your principal place of business in a jurisdiction that is either non-substantially equivalent or marked with **, please contact the Arizona Board directly before exercising practice privileges in Arizona.

An out-of-state CPA who does not qualify for limited reciprocal privileges may enter Arizona and provide services limited to the following;

Expert witness services;

Teaching or lecturing; and

Other services as determined by the Arizona Board.

An individual qualifying for limited reciprocity privileges is considered to have qualifications that are substantially equivalent to the requirements of Arizona and has all the privileges of Arizona licensees without the need to obtain an Arizona CPA license. Such individuals may use the title "CPA" or "Certified Public Accountant" and may offer or practice accounting in person or by mail, telephone or electronic means. No notice, fee or other submission is required.

Consent to Jurisdiction

Each individual exercising the limited reciprocity privilege and each partnership, corporation or other entity engaging in the practice of accounting, shall consent to the following:

Shall comply with the Arizona board's laws and rules, and has the burden of demonstrating his/her eligibility to exercise the privilege in any investigation or other proceeding;

Shall cease offering or practicing accounting in person or by mail, telephone or electronic means in Arizona if the individual or entity no longer satisfies the requirements for eligibility;

Is subject to the personal and subject matter jurisdiction of the Arizona Board and its power to investigate complaints and take disciplinary action; and

Is subject to service by (1) the appointment of the state board that issued the registration, certificate or license to the individual as agent, on whom process may be served in any action or proceeding by the Board, or (2) directly on the person.

Firm Registration Requirements May Apply

A partnership, corporation or other entity formed under the laws of another state or US territory relating to the practice of public accounting in that state or US territory may use the title "CPA" or "CPA" in Arizona and may engage in the practice of accounting in Arizona, including the provision of attest services, without having to register as a firm if all of the following apply:

The partnership, corporation or other entity is owned by or employs an individual who is a limited reciprocity privilege holder;

The partnership, corporation or other entity is in good standing in its principal place of business under the laws of that jurisdiction relating to the practice of accounting;

The principal place of business of the limited reciprocity privilege holder is a recognized place of business for the practice of accounting by the partnership, corporation or other entity; and

The partnership, corporation or other entity does not have an office in Arizona and does not represent that it has an office in Arizona.

The partnership, corporation or other entity holds an active permit or registration as a CPA firm in another state or US territory.

The practice of accounting is performed by or under the direct supervision of an individual who is qualified for the limited reciprocity privilege.



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Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective July 31, 2009, SB133 will provide practice privileges in Arkansas without the need to file notice with the Arkansas Board, pay a fee or obtain a temporary permit. The requirements for practice privileges under SB133 are set forth below.

An individual whose principal place of business is not in Arkansas and who holds a valid license as a CPA from a substantially equivalent state shall be presumed to have qualifications substantially equivalent to Arkansas's requirements; shall have all the privileges of licensees of Arkansas without the need to obtain a certificate or permit if the individual:

Has a valid license as a certified public accountant from a substantially equivalent state; OR

Has individual qualifications that are substantially equivalent with the CPA licensure requirements of the UAA.

Individuals must obtain an individual substantial equivalency evaluation from NASBA's CredentialNet Service verifying that the individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the UAA.

An individual who passed the Uniform CPA Exam and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirement in Section 17-12-302.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Arkansas, and no notice or other submission shall be provided by the individual.

An individual who held an Arkansas CPA certificate at one time whose Arkansas CPA certificate has been revoked or surrendered in connection with a disciplinary investigation or proceeding is prohibited from performing attest or compilation services or using the title "CPA" whether or not such individual may otherwise qualify for practice privileges.

Practice privileges are not available if:

The individual has been convicted of a felony under the laws of any jurisdiction.

The individual has been convicted of any crime under the laws of any jurisdiction if an element of the crime involves dishonesty or fraud, such as forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud or similar offenses.

The individual's license to practice public accounting has been suspended, revoked or otherwise disciplined by a licensing authority in this or another state, territory or country, for any cause other than failure to pay appropriate fees. "Disciplined" includes the voluntary surrender of a license to resolve a pending disciplinary investigation or proceeding in Arkansas or other jurisdiction.

The individual's right to practice public accounting before any state or federal agency or before the PCAOB has been suspended or revoked.

The individual has applied for licensure as a CPA in Arkansas or other jurisdiction and that application has been denied.

The individual's authority to exercise practice privileges has been revoked in Arkansas or other jurisdictions.

Consent to Jurisdiction

An individual licensee of another state exercising the practice privilege and the CPA firm that employs the licensee, as a condition of the exercise of this privilege, simultaneously consent and agree to the following:

To the personal and subject matter jurisdiction and disciplinary authority of the Arkansas Board;

To comply with the Arkansas Board's rules and laws;

To cease offering or rendering professional services in Arkansas individually and on behalf of the firm if the license from the state of the individual's principal place of business is no longer valid; and

To the appointment of the state board that issued the license as the agent upon whom process may be served in the action or proceeding by the Arkansas Board against the licensee.

Firm Registration Requirements May Apply

An individual and firm who qualifies for practice privileges may perform the following services for a client with its home office in Arkansas only through a firm that has obtained an Arkansas firm permit:

A financial statement audit or other engagement to be performed in accordance with SAS;

An examination of prospective financial information to be performed in accordance with SSAE; or

An engagement to be performed in accordance with PCAOB.

A firm that does not have an office in Arkansas may perform compilations or a review of a financial statement to be performed in accordance with SSARS for a client having its home office in Arkansas and may use the title "CPA" or "CPA firm" without registered in Arkansas only if the firm:

Meets the qualifications for firms in Arkansas; and

Performs the services through an individual with practice privileges in Arkansas.

A firm that is not subject to firm registration in Arkansas under the above requirements may perform other professional services while using the title "CPA" or "CPA firm" in Arkansas without registering in Arkansas only if the firm:

Performs the services through an individual with practice privileges in Arkansas; and

Can lawfully performed the services in the state where the individual(s) with practice privileges have their principal place of business.

Corporations, LLCs, partnerships, sole proprietorships and other permissible forms of practice that are practicing in Arkansas under practice privileges are subject to the following:

Ownership: A person who does not hold a current valid license as a CPA in Arkansas or some other state or U.S. jurisdiction but who actively participates within Arkansas under a practice privilege firm must not hold himself out as a CPA and must not have ultimate responsibility for the performance of audits, review or compilations of financial statements, PCAOB engagements or any other form of attestation with regard to financial information.

Equity Ownership Limitations: Persons who are not CPAs or registered PAs shall not hold, in the aggregate, more than 49% of such firm's equity ownership or voting rights, or shall not receive, in the aggregate, more than 49% of the entity's profits or losses.

The principal executive officer, managing member or managing partner shall be a shareholder, member or partner who is a licensed CPA or PA, who holds a current, valid license in Arkansas or another state or jurisdiction. Directors, members, partners and officers who are not licensees shall not exercise any authority whatsoever over professional matters relating to the practice of public accounting.

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california

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirements

An individual whose principal place of business is not in this state and who has a valid and current license, certificate, or permit to practice public accountancy from another state may, subject to the conditions and limitations in this article, engage in the practice of public accountancy in this state under a practice privilege without obtaining a certificate or license from the California Board if the individual satisfies one of the following:

The individual has continually practiced public accountancy as a certified public accountant under a valid license issued by any state for at least four of the last 10 years.

The individual has a license, certificate, or permit from a state which has been determined by the board to have education, examination, and experience qualifications for licensure substantially equivalent to this state's qualifications. Pursuant to Reg 5.5, California considers all US jurisdictions to be substantially equivalent for mobility purposes except the US Virgin Islands.

The individual possesses education, examination, and experience qualifications for licensure which have been determined by the board to be substantially equivalent to this state's qualifications under Section 5093. Individual must apply to CredentialNet to obtain verification of their individual qualifications prior to exercising practice privileges in California.

Please Note: In order to sign any attest report, the holder of the practice privilege must meet the attest experience requirement of [Section 5095](#), which requires a minimum of 500 hours of experience, satisfactory to the board, in attest services.

An individual who qualifies for the practice privilege under this section may engage in the practice of public accountancy in this state, and no notice, fee, or other requirement shall be imposed on that individual by the board.

Firm Registration May Apply

An individual who qualifies for the practice privilege under this section may perform the following services only through a firm of certified public accountants that has obtained a registration from the California board:

An audit or review of a financial statement for an entity headquartered in California.

A compilation of a financial statement when that person expects, or reasonably might expect, that a third party will use the financial statement and the compilation report does not disclose a lack of independence for an entity headquartered in California.

An examination of prospective financial information for an entity headquartered in California.

Consent to Jurisdiction

An individual who holds a practice privilege in California:

(1) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board and the courts of California.

(2) Shall comply with the provisions of California's accountancy law, board regulations, and other laws, regulations, and professional standards applicable to the practice of public accountancy by the licensees of California and to any other laws and regulations applicable to individuals practicing under practice privileges in California except the individual is deemed, solely for the purpose of practice privileges, to have met the continuing education requirements and ethics examination requirements of California when the individual has met the examination and continuing education requirements of the state in which the individual holds the valid license, certificate, or permit on which the substantial equivalency is based.

(3) Shall not provide public accountancy services in California from any office located in this state, except as an employee of a firm registered in California. This paragraph does not apply to public accountancy services provided to a client at the client's place of business or residence.

(4) Is deemed to have appointed the regulatory agency of the state that issued the individual's certificate, license, or permit upon which substantial equivalency is based as the individual's agent on whom notices, subpoenas, or other process may be served in any action or proceeding by the board against the individual.

(5) Shall cooperate with any board investigation or inquiry and shall timely respond to a board investigation, inquiry, request, notice, demand, or subpoena for information or documents and timely provide to the board the identified information and documents.

(6) Shall cease exercising the practice privilege in California if the regulatory agency in the state in which the individual's certificate, license, or permit was issued takes disciplinary action resulting in the suspension or revocation, including stayed suspension, stayed revocation, or probation of the individual's certificate, license, or permit, or takes other disciplinary action against the individual's certificate, license, or permit that arises from any of the following:

Gross negligence, recklessness, or intentional wrongdoing relating to the practice of public accountancy.

Fraud or misappropriation of funds.

Preparation, publication, or dissemination of false, fraudulent, or materially incomplete or misleading financial statements, reports, or information.

(7) Shall cease exercising the practice privilege in this state if convicted in any jurisdiction of any crime involving dishonesty, including, but not limited to, embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses.

(8) Shall cease exercising the practice privilege if the United States Securities and Exchange Commission or the Public Company Accounting Oversight Board bars the individual from practicing before them.

(9) Shall cease exercising the practice privilege if any governmental body or agency suspends the right of the individual to practice before the body or agency.

(10) Shall notify the board of any pending criminal charges, other than for a minor traffic violation, in any jurisdiction.

Notice Required to the California Board.

An individual to whom, within the last seven years immediately preceding the date on which he or she wishes to practice in California, any of the following

criteria apply, shall notify the board, on a form prescribed by the board, and shall not practice public accountancy in California through practice privileges until the board provides the individual with written permission to do so:

He or she has been the subject of any final disciplinary action by the licensing or disciplinary authority of any other jurisdiction with respect to any professional license or has any charges of professional misconduct pending against him or her in any other jurisdiction.

He or she has had his or her license in another jurisdiction reinstated after a suspension or revocation of the license.

He or she has been denied issuance or renewal of a professional license or certificate in any other jurisdiction for any reason other than an inadvertent administrative error.

He or she has been convicted of a crime or is subject to pending criminal charges in any jurisdiction other than a minor traffic violation.

He or she has otherwise acquired a disqualifying condition as described in subdivision (a) of Section 5096.2.

Sections 5096 and 5096.2 further describe conditions which will disqualify the non-resident CPA from exercising practice privileges in California. These sections also set forth reasons for revocation of the California practice privilege. Please read this information in detail before exercising practice privileges in California.

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- Practice Privilege
- Firm Registration
- Renewals/CPE
- Relinquish A License
- My Account

colorado

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges.

Effective August 6, 2008: An individual whose principal place of business is not in Colorado shall be presumed to have qualifications substantially equivalent to Colorado's requirements and shall have all the privileges of licensees of Colorado without the need to obtain a Colorado CPA license if the individual:

- Holds an valid license in good standing in a substantially equivalent jurisdiction; OR
- Has individual qualifications that are substantially equivalent to the UAA.

A CPA who holds a valid license in a jurisdiction not on the substantially equivalent list linked above must obtain an individual substantial equivalency evaluation from NASBA's [CredentialNet](#) Service.

Please Note: Any individual who passed the Uniform CPA Exam and holds a valid license issued by any other state prior to January 1, 2012, shall be exempt from the UAA's education requirement.

Practice privileges extend to the offering or rendering of professional services, whether in person, or by mail, telephone, or electronic means, and no notice or other submission shall be provided by any individual exercising the privilege.

Discipline by the Colorado Board

The Colorado Board may revoke, suspend, fine, censure, issue a letter of admonition, place on probation, impose other conditions or limitations or deny the practice privilege to the holder for violation of the Colorado Board's laws or rules.

If an individual practice privilege holder's certificate, license or permit to practice as a CPA or the firm's permit is limited or subjected to any form of discipline or denial by a foreign jurisdiction while exercising the practice privilege in Colorado, the practice privilege holder must notify the Colorado Board within seven (7) days of the action taken by the other jurisdiction.

Firm Registration

Any foreign partnership, corporation, limited partnership, limited liability partnership, or limited liability company engaging in the practice of accounting in Colorado through a holder of a practice privilege is not required to register with the Colorado Board.

Contact Information Required

Any person authorized to use the title "Certified Public Accountant" or "CPA" must provide an address and telephone number for the CPA's firm or sole practitioner to any client residing in or headquartered in Colorado.



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commonwealth of the northern mariana islands

Practice Privilege / Mobility / Interstate Practice Requirements

Provisional Certificate

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Holds an active CPA license in good standing issued by another state;

Principal place of business is, and remains, outside of CNMI.

Provides notice to the CNMI; and

Consents to each of the terms and conditions pertaining to the use of practice privileges as specified in the Accountancy Act and regulations promulgated thereunder.

Such individuals may apply pursuant to Substantial Equivalency or Experience as defined below.

Substantial equivalency:

Meets all current requirements in the CNMI for issuance of a certificate at the time application is made; or

At the time of the issuance of the Applicant's certificate in the other state, met all such requirements applicable in CNMI; or

Experience:

Has five years of experience outside the CNMI in the practice of public accountancy or meets equivalent requirements prescribed by rule by the CNMI Board, after passing the examination upon which the Applicant's certificate was based and within ten years immediately preceding the application;

connecticut

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective May 12, 2008: Any individual whose principal place of business is not in Connecticut shall be presumed to have qualifications substantially equivalent to Connecticut's requirements, shall qualify for a practice privilege, and shall have all the privileges of licensees of Connecticut without the need to obtain a Connecticut CPA license if:

Such individual holds a valid license as a CPA from any state which NASBA has verified to be substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act; OR

Such individual holds a valid license as a CPA from any state which NASBA has not verified to be in substantial equivalence with the CPA licensure requirements of the UAA and the individual obtains verification from NASBA that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the UAA. Any individual who passed the Uniform CPA Exam and holds a valid license issued by any other state prior to January 1, 2012 may be exempt from the education requirement of the UAA for purposes of obtaining practice privileges.

Notwithstanding any provision of the general statutes, any individual who qualifies for a practice privilege may offer or render professional services, whether in person or by mail, telephone, or electronic means, based on a practice privilege, and no notice, fee or other submission shall be required of any such individual.

Any individual licensee of another state exercising the privilege and the firm that employs such licensee shall consent, as a condition of the grant of such privilege:

To the personal and subject matter jurisdiction and disciplinary authority of the Connecticut Board

To comply with any applicable provision of state law and board rules;

That in the event the license from the state of such individual's principal place of business is no longer valid, such individual shall cease offering or rendering professional services in Connecticut individually and on behalf of a firm; and

To the appointment of the state board that issued such license as the agent upon whom process may be served in any action or proceeding by the Connecticut Board against such licensee.

[Click here](#) to view the Board's informational web page regarding Practice Privilege Requirements.

[Click here](#) to view [additional information for out-of-state firms](#) on the Connecticut Board's web site.

Any individual who qualified for practice privileges and performs any of the following services, for any entity with its home office in Connecticut, may only provide such services through a firm that has obtained a firm permit:

Any financial statement audit or other engagement to be performed in accordance with SAS;

Any examination of prospective financial information to be performed in accordance with SSAE; or

Any engagement to be performed in accordance with PCAOB Auditing Standards.



delaware

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges. An applicant whose principal place of business is outside Delaware may exercise all the privileges of CPA licensees of Delaware without the need to obtain a license if the individual:

Holds a valid license as a CPA from any state which NASBA has verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act; OR

Holds a valid license as CPA from any state which NASBA has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act *if* such individual obtains from NASBA verification that such individual's CPA qualifications are substantially equivalent to the UAA-[Click here for CredentialNet application for individual qualification verification](#).

An individual who does not qualify for practice privileges must obtain a reciprocal certificate/permit to practice.

Please Note: Any individual who passed the Uniform CPA exam and holds a valid license issued by any other state prior to January 1, 2012 may be exempt from the education requirement in Section 107(a)(2) - requiring 150 semester hours and baccalaureate degree - for purposes of practice privileges.

Such CPAs shall have all the privileges of certificate and permit holders of Delaware without the need to obtain a certificate or permit from the Delaware Board.

Consent to Jurisdiction

An individual licensee of another state exercising practice privileges in Delaware and the firm which employs that licensee simultaneously consent, as a condition of the grant of this privilege:

To the personal and subject matter jurisdiction and disciplinary authority of the Delaware Board;

To comply with the Delaware Board's laws and rules;

That in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in Delaware individually and on behalf of a firm; and

To the appointment of the state board which issued their license as their agent upon whom process may be served in any action or proceeding by the Delaware Board against the licensee.



district of columbia

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege/Mobility

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges.

Practice privileges became effective in the District of Columbia on October 1, 2012. An out-of-state CPA holding a valid active license in another jurisdiction and whose principal place of business is not in the District will have all the privileges of licensees and permit holders in the District without the need to obtain a license or permit if:

The individual holds a valid license as a CPA from any state that the NASBA National Qualification Appraisal Service has verified to be in substantial equivalence with the licensure requirements of the UAA, OR

The individual is not licensed in a substantially equivalent jurisdiction but the individual has obtained from the NASBA NQAS verification that the individual's CPA qualifications are substantially equivalent to the licensure requirements of the UAA. Any individual who passed the Uniform CPA Exam and holds a license issued by any state prior to January 1, 2012, may be exempted from the 150 semester hour educational requirement of the UAA.

An individual granted practice privileges who offers or renders professional services, whether in person or by mail, telephone, or electronic means, need not provide notice or other submission to any individual.

Consent to Jurisdiction

An individual licensee of another state exercising practice privileges and the firm that employs the licensee simultaneously consent, as a condition of the grant of the privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of the District of Columbia Board;

Compliance with the Board's laws and rules;

In the event the license from the state of the individual's principal place of business is no longer valid, the cessation of the offering or rendering of professional services in the District, individually and on behalf of a firm, and

The appointment of the state board that issued the license as the licensee's agent upon whom process may be served in any action or proceeding by the Board against the licensee.

Firm Registration Requirements May Apply

The performance of the following service by an individual qualified to exercise practice privileges in the District and provided for an entity with its home office in the District may only be performed through a firm that has obtained a registration and permit from the DC Board.

Any financial statement audit or other engagement performed in accordance with Statements on Auditing Standards;

Any examination of prospective financial information performed in accordance with Statements on Standards for Attestation Engagement; or

Any engagement to be performed in accordance with Public Company Accountancy Oversight Board Auditing Standards.

Note that firm registration will require at least one individual must hold an individual CPA license in D.C.

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florida

Practice Privilege / Mobility / Interstate Practice Requirements

Temporary Permit / Temporary License for Military Spouse/Practice

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges/Temporary Permit.

A CPA who is not employed by a CPA firm licensed in Florida and whose address of record in their home state of licensure is not in Florida may temporarily provide services in Florida *without providing notice or paying a fee* if the individual:

- Holds a valid active license in a jurisdiction determined by the board or its designee to be substantially equivalent to the UAA; OR
- Holds a valid license as a CPA and obtains verification from [NASBA'S CredentialNet](#) service that the individual meets the Standards for Regulation including Substantial Equivalency of the UAA.

For a further explanation of states that are considered substantially equivalent to Florida, please [click here](#), then click on the "substantial equivalency" link provided in question #2 on Florida's mobility page. (Florida also accepts Puerto Rico but has not yet updated its list to reflect this change.)

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Florida, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Florida and the firm which employs the CPA consents, as a condition to the exercising of this privilege, to the following:

- The personal and subject matter jurisdiction and disciplinary authority of this Board.
- Compliance with the provisions of the Florida Accountancy Law and the rules and regulations adopted by the Board or governing the practice of the profession in Florida.
- In the event the license from the state of the individual's principal place of business is no longer valid or is otherwise conditioned or restricted, the individual shall cease offering or rendering professional services in Florida individually and on behalf of the CPA firm.
- The appointment of the board of accountancy or licensing authority which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

Effective July 1, 2009, the following must hold a Florida firm license:

- Any firm with an office in Florida that uses the title "CPA," "CPA firm," or any other title, designation, words, letters, abbreviations, or device tending to indicate that the firm practices public accounting;
- Any firm that does not have an office in Florida but performs one or more types of services involving the expression of an opinion on financial statements, the attestation as an expert in accountancy to the reliability or fairness of presentation of financial information, the utilization of any form of opinion or financial statements that provide a level of assurance, the utilization of any form of disclaimer of opinion which conveys an assurance of reliability as to matters not specifically disclaimed, or the expression of an opinion on the reliability of an assertion by one party for the use by a third party for a client having its home office in Florida.

A firm that is not subject to the above requirements may perform other professional services while using the above referenced designations in Florida without a Florida firm license only if:

- The firm performs such services through an individual with practice privileges in Florida; and
- The firm can lawfully do so in the state where the individual with practice privileges has his or her principal place of business.

[You may view the Florida Board's web page discussing practice privileges at this link.](#)

Individuals who do not qualify for practice privileges will still be able to apply for the Temporary Practice Permit described below.

Temporary Practice Permit

General Requirements for Temporary Practice Permit

- Applicant must file a formal application that is valid for only 90 days.
- Application only covers one engagement.
- Application must include the names of everyone entering the State of Florida to work on the engagement.
- Application must be filed before beginning the engagement.
- If this is the first application, then the applicant must submit a sample of work product to the Florida Board.
- A temporary license is not required of CPAs or firms entering Florida for the purpose of preparing federal tax returns or advising as to federal tax matters if they do not use the title "CPA," "CPA firm" or any other title, designation, words, letters, abbreviations or device tending to indicate that the CPA or firm is authorized to practice public accounting.

Temporary License for Military Spouse.

A spouse of an active duty member of the Armed Forces of the United States may be issued a temporary CPA license in Florida. The applicant's spouse must be on active duty and assigned to a duty station in Florida. The applicant must hold a valid license as a CPA in another state, the District of Columbia, any United States territory or possession, or a foreign jurisdiction. The temporary license is valid for six months.

General Requirements

Applicant must file a formal application that is valid for only 6 months and is non-renewable.

Applicants must be married to an active duty member of the Armed Forces of the United States. Applicants must provide a copy of their military dependent ID card.

The applicant's spouse must be assigned to a duty station in Florida. Applicants must provide a copy of their spouse's military orders that reflect an active duty assignment in Florida, both that the applicant's spouse is assigned to a duty station in Florida and that the applicant is also assigned to a duty station in Florida.

Applicants must hold a valid CPA license in another state, the District of Columbia, any United States territory or possession, or a foreign jurisdiction. Applicants are required to provide a copy of the certificate of licensure and a copy of the statutes and/or rules that define the scope of work for the current license.

An applicant must submit a complete set of fingerprints to FDLE and have a background check as part of the licensing process.

In order to obtain a Temporary License for Military Spouse, Florida law requires you to live in the state of Florida.

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georgia

Practice Privilege / Mobility / Interstate Practice Requirements

Practice privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

NOTE: Effective July 1, 2009, Georgia now provides practice privileges. Practices privileges were created in HB1055 during the 2008 legislative session. An individual may not engage in the practice of public accountancy in Georgia based on substantial equivalency privilege unless such individual holds a valid license as a CPA in a state which grants similar reciprocity to license holders of Georgia.

A CPA whose principal place of business is outside of Georgia may temporarily provide services in Georgia *without providing notice or paying a fee* if the individual:

- Holds a valid active license as a CPA from any state which requires as a condition of licensure, that an individual:
 - Has at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university;
 - Achieves a passing grade on the Uniform Certified Public Accountant Examination; and
 - Possesses at least one year of experience, including providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, which may be obtained through government, industry, academic, or public practice all of which was verified by a licensee; OR
- Holds a valid license as a CPA from any state which does not meet the requirements above but such individual's CPA qualifications are substantially equivalent to those requirements.

Any individual who passed the Uniform CPA Exam and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirement of 150 semester hours for purposes of practice privileges in Georgia.

Temporary Permits are no longer available in Georgia. An individual who does not qualify for practice privileges must apply for a Reciprocal License and Firm Permit.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Georgia, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Georgia and the firm which employs the CPA simultaneously consent, as a condition to the exercising of this privilege, to the following:

- The personal and subject matter jurisdiction and disciplinary authority of this Board.
- Compliance with the provisions of the Georgia Accountancy Law and the rules and regulations adopted by the Board.
- In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in Georgia individually and on behalf of the CPA firm.
- The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

An individual exercising practice privileges in the performance of the following services for any entity with its home office in Georgia must perform such services through a firm which has registered with the Georgia Board:

- A financial statement audit or other engagement to be performed in accordance with SAS,
- An examination of prospective financial information to be performed in accordance with SSAE, or
- An engagement to be performed in accordance with the auditing standards of the PCAOB.

An individual qualifying for practice privileges in Georgia may provide expert witness services in Georgia.

An out-of-state firm (those firms with no office in this state) may provide review of financial statements in accordance with SSARS for a client having its home office in Georgia and may use the title "CPA" or "CPA firm" without obtaining a Georgia firm permit if the firm:

- Meets requirements for firm ownership and peer review in Georgia; and
- Performs services through an individual with practice privileges. Privileges are not permitted for an individual unless that individual holds a valid license as a CPA in a state which grants similar practice privileges to license holders in Georgia.

An out-of-state firm that does not perform any of the services described above may perform other professional services while using the title "CPA" or "CPA firm" without a Georgia firm permit if the firm:

- Performs the services through an individual with practice privileges in Georgia; and
- May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



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guam

Practice Privilege / Mobility / Interstate Practice Requirements

Notice of Intent

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirements

Applicant's principal place of business must NOT be in Guam.

Applicant must have a valid certificate or license as a CPA from any state which has been deemed to be substantially equivalent to Guam OR Applicant's individual qualifications must be substantially equivalent to the UAA. Click *Initial Licensure* above for information on current licensing requirements.

Practice privileges only apply to individuals. *No firm shall perform services as a certificated public accounting firm in Guam without a Firm Permit to Practice.* Click *Firm Registration* above for additional information.

Notice must be received by the Guam Board within thirty days after the individual knowingly avails himself/herself of the laws of Guam by either accepting an engagement or assignment to render professional services in Guam or offering to render professional services through direct solicitation or marketing targeted to persons in Guam.

A non-resident individual is not required to file a Notice of Intent if the individual's contact in Guam is limited to the following:

- (1) teaching college or continuing education course;
- (2) delivering a lecture;
- (3) moderating a panel discussion; or

(4) rendering professional services to the individual's employer or to persons employed by the individual's employer provided that such services are not rendered for the employer's clients.

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hawaii

Practice Privilege / Mobility / Interstate Practice Requirements

Temporary Permit to Practice

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant must be at least 18 years of age.

Applicant must possess a history of competence, trustworthiness and fair dealing.

Applicant must hold a valid certified public accountant or public accountant license in another state or hold a valid comparable license from a foreign country.

Applicant's work in Hawaii must be incidental to the Applicant's practice in such other state or country and the Applicant must desire to practice public accounting in Hawaii on a temporary basis.

The applicant must apply for the Temporary Permit to Practice at least 60 days in advance.

Applicant must complete the appropriate application and submit applicable fees.

Please Note: Temporary permits are only valid for 90 days. A new application must be filed for each 90-day period.

Out-of-State CPA's coming in to Hawaii for a temporary engagement must also obtain a Firm Permit to Practice (FPTP), as provided in HAR 16-71-24, because the firm of which the CPA is a part will be engaging in the practice of public accounting in the State. Furthermore, one of the requirements for a FPTP is that the out-of-State firm have at least one Hawaii-licensed CPA/PA with a Hawaii permit to practice (not a Hawaii TPTP).

In the situation with an out-of-State CPA who must obtain a TPTP, the firm that must obtain a FPTP may base that FPTP on another principal who is already licensed and permitted in the State of Hawaii.



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idaho

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Effective July 1, 2008, an individual whose principal place of business is outside of Idaho may exercise all the privileges of Idaho CPAs *without the need to obtain a license or pay a fee* if the individual:

- Holds an active license in good standing in a substantially equivalent jurisdiction; OR
- Has individual qualifications that are substantially equivalent to Idaho's requirements; OR
- Has been licensed for no less than four years as a certified public accountant within the previous ten years.

There are no notice or fee requirements for such practice privileges; however such individuals will be subject to the disciplinary authority of the Idaho Board.

A CPA who holds a license in a jurisdiction not on the substantially equivalent list linked above may submit documentation of their individual substantially equivalent qualifications to the Idaho Board of Accountancy or they may obtain an individual substantial equivalency evaluation from NASBA's [CredentialNet Service](#). Documentation sent to the Idaho Board should be mailed to P.O. Box 83720, Boise ID 83720-0002.

Consent to Jurisdiction

Licensees of other states exercising the privilege afforded hereby consent, as a condition to the grant of this privilege:

- To the personal and subject matter jurisdiction and disciplinary authority of the Idaho Board;
- To comply with the law and board rules; and
- To the appointment of the state boards which issued their licenses as their agents upon whom process may be served in any action or proceeding by Idaho Board's against such licensees.

Firm Registration Requirements May Apply

Individuals with practice privileges in Idaho shall comply with the peer review requirements in the state of their principal place of business.

Internet Disclosures. An individual entering into an engagement to provide professional services via a web site, pursuant to practice privileges granted by Idaho, shall disclose, via their web site, their principal state of licensure, license number and address. A firm offering or rendering professional services to Idaho businesses or residents via a web site shall provide, in the web site's homepage, a means for regulators and the public to contact a responsible licensee in charge at the firm regarding complaints, questions or regulatory compliance. Such a firm or individual consents to the disciplinary authority of the Idaho Board by the act of providing services via a web site.

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Illinois

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirements

Effective January 1, 2008: An individual whose principal place of business is not in Illinois shall have all the privileges of a person licensed in Illinois as a licensed certified public accountant without the need to obtain a license or registration from the Department or file notice with the Department, if the individual:

Holds a valid license as a CPA issued by another state that the NQAS of NASBA has verified to be in substantial equivalence with the CPA licensure requirements of the Uniform Accountancy Act; OR

Holds a valid license as a CPA issued by another state and obtains verification from the NQAS (CredentialNet) of NASBA that the individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act. However, any individual who has passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the education requirements of Section 3 of the Illinois Act.

Sec. 3. Qualifications of applicants. To be admitted to take the examination after the year 2000, for the purpose of determining the qualifications of applicants for certificates as certified public accountants under this Act, the applicants shall be required to present proof of the successful completion of 150 college or university semester hours of study or their quarter-hour or other academic credit unit equivalent, to include a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule. In adopting those rules, the Board shall consider, among other things, any impediments to the interstate practice of public accounting that may result from differences in the requirements in other states.

Notwithstanding any other provision of law, an individual who offers or renders professional services through practice privileges, whether in person or by mail, telephone, or electronic means, shall be granted practice privileges in Illinois and no notice or other submission must be provided by any such individual.

An individual licensee of another state who is exercising this privilege and the CPA firm that employs such individual, if any, as a condition of the grant of this privilege, hereby simultaneously consent:

To the personal and subject matter jurisdiction and disciplinary authority of the Department;

To comply with the Illinois Act and the Department's rules adopted under this Act;

That in the event that the license from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering accounting activities in Illinois individually or on behalf of a CPA firm; and

To the appointment of the state board that issued the individual's or the CPA firm's license as the agent upon which process may be served in any action or proceeding by the Department against the individual.

An individual licensee who qualifies for practice privileges performs, for any entity headquartered in Illinois, (1) financial statement audit or other engagement in accordance with SAS; (2) an examination of prospective financial information in accordance with SSAE; or (3) an engagement in accordance with PCAOB standards may only do so through a firm licensed under the Illinois Act.



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indiana

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant must *not* be a resident of the State of Indiana.

Applicant's principal place of business must *not* be in Indiana.

Applicant must hold an active unrestricted license in good standing in another jurisdiction.

A CPA who is not a resident of the state of Indiana and whose principal place of business is outside Indiana shall have all the privileges granted to an Indiana CPA *without the need to obtain a certificate or a permit in Indiana* if:

The CPA is licensed in a substantially equivalent state; or

Indiana utilizes the NASBA list for substantially equivalent jurisdictions. However, if you are licensed in a state has is marked with single or double asterisks, you should contact the Indiana Board directly to confirm your individual eligibility.

The CPA has individual qualifications that are substantially equivalent.

NOTE: Any CPA availing himself/herself of practice privileges in the State of Indiana is subject to disciplinary action by the Indiana Board of Accountancy.

Notwithstanding any other provision of law, an individual who offers or renders professional services, in person or by mail, telephone, or other electronic means, as authorized under this section is not required to provide notice or other submissions to the board; and is subject to the requirements listed below.

An individual of another state exercising the privilege granted under this section, and a CPA firm that employs the individual consent, as a condition of the grant of this privilege:

to the personal and subject matter jurisdiction and disciplinary authority of the Indiana Board;

to comply with Indiana Code 25-2.1 and Title 872 of the Indiana Administrative code;

that if a certificate as a CPA from the state of the individual's principal place of business is no longer valid, the individual shall cease exercising the privilege granted under this section in Indiana, individually and on behalf of the CPA firm; and

to the appointment of the Indiana Board or Accountancy or the Indiana Professional Licensing Agency on whom process may be served in any action or proceeding by the Indiana Board against the individual.

This is NOT a license or permit for the firm to practice in Indiana.

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Iowa

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges. Effective July 1, 2009, Iowa allows practice privileges. Practices privileges were created in SF2379 during the 2008 legislative session. The details of SF2379 are provided below.

A CPA whose principal place of business is outside of Iowa may temporarily provide services in Iowa if such person holds a valid, unexpired license in good standing in the state of their principal place of business that is substantially equivalent to a comparable license issued in Iowa.

The other state's licensing standards must be substantially equivalent to those required by Iowa, or the individual must have individual qualifications that are substantially equivalent to Iowa's licensing requirements. The basic qualifications for an Iowa CPA certificate include 150 semester hours of education, a baccalaureate or higher degree, passing the national CPA examination, and one year of qualifying experience or, for an attest practice, two years of qualifying experience. ([Click here for a list of substantially equivalent jurisdictions](#).)

Out-of-state CPAs who were not issued a CPA certificate from a state which is substantially equivalent to Iowa and who do not otherwise satisfy substantially equivalent qualifications, are eligible to exercise a practice privilege in Iowa if they satisfy the "four-in-ten" rule in [Iowa Code 542.19\(1\)\(c\)](#).

You may use the Iowa Board's [Mobility Check List](#) as a guide to determine whether you are eligible to exercise practice privileges in Iowa.

Individuals or firms must be licensed to lawfully perform in its principal place of business all public accounting services offered or rendered under a practice privilege in Iowa.

Practice privileges do not prevent governmental officials or bodies, or other clients from requiring that public accounting services performed in Iowa or for an Iowa client be performed by a person or firm holding an Iowa license.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Iowa, and no notice or other submission shall be provided by the individual.

Individuals Ineligible for Practice Privileges

The practice privileges in Iowa is not applicable if:

The individual has been convicted of a felony under the laws of any jurisdiction.

The individual has been convicted of any crime under the laws of any jurisdiction if an element of the crime involves dishonesty or fraud.

The individual's license to practice public accounting has been suspended, revoked or otherwise disciplined by a licensing authority in this or another state, territory or country, for any cause other than failure to pay appropriate fees.

The individual's right to practice public accounting before any state or federal agency or the PCAOB has been suspended or revoked.

The individual has applied for licensure as a CPA in Iowa or other jurisdiction and has been denied.

Civil penalties have been imposed against the individual pursuant to Iowa Code 542.14.

The individual's authority to exercise a practice privilege has been revoked in Iowa or other jurisdiction.

Consent to Jurisdiction

As a condition to exercising the practice privilege in Iowa, the individual and firm consent to the following:

The personal and subject matter jurisdiction and regulatory authority of the Iowa Board;

The appointment of the regulatory body of the state that issued the license in the principal place of business as the agent upon whom process may be served in any action or proceeding by the Iowa Board against the individual and/or firm;

To supply the Iowa Board, upon request and without subpoena, with information or records licensees are similarly required to provide the Iowa Board; and

To promptly cease offering or providing public accounting services in Iowa or for a client with a home office in Iowa if the license in the individual/firm's principal place of business expires or is otherwise no longer in good standing, or if any of the conditions for exercising the practice privilege are no longer satisfied, or if the Iowa Board revoked the practice privilege.

The practice privilege in Iowa is temporary and will cease if the license in the person's or firm's principal place of business expires, is no longer valid or in good standing, or otherwise no longer lawfully supports the conditions of practice privileges in Iowa.

The Iowa Board may revoke a practice privilege, impose a civil penalty, issue an order to secure compliance, may refer a complaint to the home licensing authority or take additional actions if a person or firm acting under a practice privilege violates Iowa's laws or rules.

Firm Registration Requirements May Apply

A CPA firm that holds a valid, active license in good standing in the state of its principal place of business may provide those public accounting services in Iowa or for clients with a home office in Iowa authorized by the firm's out-of-state license and may practice in Iowa without notice to the Iowa Board if the firm's practice is performed by individuals who hold a license in Iowa or who have practice privileges in Iowa under the following conditions:

The firm shall not perform audit, review or other attest services in Iowa or for a client having a home office in Iowa.

The firm shall not have an office in Iowa which uses the title "CPAs", "CPA firm", "certified public accountants", or "certified public accounting firm."

The firm may perform compilation services only if it complies with the ownership and peer review requirements of Iowa.

The firm shall not make any representation tending to falsely indicate that the firm is licensed in Iowa.

The firm, upon a client's or prospective client's request, shall provide accurate information on the state or states of licensure, principal place of business, contact information and manner in which licensure status can be verified.

The firm shall comply with all professional standards, laws and rules that apply to licensees performing the same professional services.

Iowa firm licensure is required if:

The firm performs or offers to perform audit, review or other attest services in Iowa or for a client with a home office in Iowa; or

The firm has one or more offices in Iowa at which the firm uses the title "CPAs", "CPA firm", "certified public accountants", or "certified public accounting firm."

NOTE: SF2122, which became effective July 1, 2012, clarified SSARS services performed through mobility would no longer require the out-of-state firm to obtain an Iowa firm permit. All other attest services still require an Iowa firm permit.

Individuals providing compilation services in Iowa or for a client with a home office in Iowa must comply with the peer review provisions of the Iowa Code section 542.6(6) or provide such services through a CPA or LPA firm, or a substantially equivalent firm that is validly licensed in the firm's principal place of business, that complies with the peer review and ownership provisions of Iowa Code section 542.7 or 542.8.

Firms Ineligible for Practice Privileges

The practice privilege in Iowa is not applicable if:

The firm or any of the firm's owners has been convicted of a felony under the laws of any jurisdiction.

The firm or any of the firm's owners has been convicted of any crime under the laws of any jurisdiction if an element of the crime involves dishonesty or fraud.

The license to practice public accounting of the firm or any of the firm's owners has been suspended, revoked or otherwise disciplined by a licensing authority in this or another state, territory or country, for any cause other than failure to pay appropriate fees.

The right of the firm or any of the firm's owners to practice public accounting before any state or federal agency, or the PCAOB has been suspended or revoked.

The firm or any of the firm's owners has applied for licensure as a CPA firm or a CPA in Iowa or other jurisdiction and the application has been denied.

Civil penalties have been imposed against the firm or any of the firm's owners.

The authority of the firm or any of the firm's owners to exercise a practice privilege has been revoked in Iowa or another jurisdiction.

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kansas

Practice Privilege / Mobility / Interstate Practice Requirements

Practice by Notification/Practice privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective November 1, 2009, Kansas began allowing practice privileges to individuals without requiring notification or fee. The new practice privileges were created in HB2339 during the 2009 legislative session. The details of HB2339 are provided below.

A CPA whose principal place of business is outside of Kansas may temporarily provide services in Kansas *without providing notice or paying a fee* if the individual:

Holds a valid active license in a jurisdiction determined by the Kansas Board to be substantially equivalent. Currently the Kansas Board considers all jurisdictions to be substantially equivalent for mobility purposes except: California, Colorado, Delaware, New Hampshire, Vermont, Puerto Rico and the Virgin Islands. OR

Has substantially equivalent individual CPA qualifications. Such individual's CPA qualifications must be substantially equivalent to the following:

Have at least 150 semester hours of college education, including a baccalaureate or higher academic degree, with a concentration in accounting as defined by the home licensing jurisdiction, from a college or university;

Obtains credit for passing each of the four test sections of the Uniform CPA Examination; and

Possesses at least one year of experience including service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which were verified by a CPA holding an active license to practice.

Non-resident CPAs currently licensed in a non-substantially equivalent jurisdiction should contact the Kansas Board prior to exercising practice privileges in Kansas.

Please Note: Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 may be exempt from the 150 hours education requirement for practice privilege purposes.

An individual who does not qualify for practice privileges based on substantial equivalency must apply for Reciprocal Certification, Licensure and Firm Permit. For additional information, click the *Reciprocal Licensure* and *Firm Registration* tabs above.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Kansas, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Kansas and the firm which employs the CPA consents, as a condition to the exercising of this privilege, to the following:

The personal and subject matter jurisdiction of this Board.

Compliance with the provisions of the Kansas Accountancy Law and the rules and regulations adopted by the Board.

In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in Kansas individually and on behalf of the CPA firm.

The appointment of the state regulatory body which issued the individual or firm license as the agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Please Note: Any individual or firm prohibited from practicing certified public accountancy in Kansas, as a result of having a permit, certificate or practice privilege revoked or suspended by the Kansas Board, shall not be granted practice privileges without first obtaining the approval of the Board.

Firm Registration Requirements May Apply

An individual exercising practice privileges in the performance of the following services for any entity with its home office in Kansas must perform such services through a firm which has registered with the Kansas Board:

Any audit or other engagement to be performed in accordance with SAS,

Any audit to be performed in accordance with the Kansas municipal audit guide;

Any review of a financial statement to be performed in accordance with SSARS,

Any engagement, except a compilation, to be performed in accordance with SSAE; or

Any engagement to be performed in accordance with the auditing standards of the PCAOB.

The following firms must be registered by the Kansas Board:

Any firm with an office in Kansas which practices certified public accountancy; and

Any firm that does not have an office in Kansas but performs or offers to perform attest services as described in KSA 1-321(d) and listed in the paragraph above, for a client having its home office in Kansas.

An individual who has practice privileges in Kansas who performs or offers to perform services for which a firm registration is required by the Kansas Board shall not be required to obtain an individual certificate or permit.

An out-of-state firm that does not perform any attest services as defined by KSA 1-321(d) may perform or offer non-attest services as defined by KSA 1-

321(s) and may use the "certified public accountant," "CPA" or "CPA firm" without a firm permit issued by the Kansas Board if:
The individuals performing such services on behalf of the firm meet the experience requirements for initial licensure set forth in KSA 1-302b;
It performs the services through an individual with practice privileges in Kansas; and
It may lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.

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kentucky

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirements

Applicant must not have an office located in Kentucky.

Applicant must hold a valid and active license as a CPA from any state that the Kentucky Board has determined to have licensure requirements substantially equivalent to those found in the Kentucky law and accompany administrative regulations thereunder.

[Click here](#) to review a list of states that are substantially equivalent.

Notwithstanding any other provision, a person who satisfies the requirements for practice privileges is not required to provide notice of offering or providing such services to the Kentucky Board and is subject to the requirements listed below.

A person who offers to perform or performs a regulated activity in person or by mail, telephone or other electronic means in Kentucky pursuant to practice privileges agree to:

- Submit to the personal and subject matter jurisdiction and disciplinary authority of the Kentucky Board;

- Comply with the laws and rules of the Kentucky Board;

- Cease exercising the privilege if the license issued by the board or agency located in the state of the person's principal place of business expires or is no longer valid;

- The appointment of the state board of agency where the person's principal place of business is located and which issued the person's license as the agent upon whom process may be served in any action or proceeding by the Kentucky State Board against that person;

- Notify the Kentucky Board prior to opening any office in this state and immediately apply for a license from the Kentucky Board; and

- Notify the Kentucky Board immediately if the person's license in the state where his or her principal place of business is located becomes inactive, lapses, or is subjected to any disciplinary action.

The Kentucky Board may take disciplinary action against a person granted a privilege for an act committed by the person in another state if the act at the time of its commission is a violation of that state's law or regulations and Kentucky's laws or regulations.

A person who qualifies for the practice privilege and offers to perform or performs one or more of the following services for a client with its home office located in Kentucky or for a person who is a resident of Kentucky, shall perform the service(s) through a firm which has obtained a Kentucky license:

- Any financial statement audit or other engagement to be performed in accordance with SAS;

- Any examination of prospective financial statements to be performed in accordance with SSAE; or

- Any engagement to be performed in accordance with the PCAOB.

The following firms shall obtain a license to practice in Kentucky:

- Any firm with an office located in Kentucky performing attest services or compilations;

- Any firm with an office in Kentucky that uses the title "CPA" or other phrase or abbreviation in any manner described in Kentucky's laws or rules to suggest it is a certified public accounting firm; and

- Any firm that does not have an office located in Kentucky but performs any attest service (audit or engagement) performed according to SAS, exam of prospective financial information performed according to SSAE, or engagement performed according to PCAOB standards) for a client with his or her home office in Kentucky or a client who is a resident of Kentucky.

The following firms shall not be required to obtain a license from the Kentucky Board and may use the title "CPA in the name of the firm:

A firm which does not have an office in Kentucky that performs services (any review of a financial statement performed according to SSARS or compilations as defined by KRS325.220(5)) for a client having its home office in Kentucky or a client who is a resident of Kentucky if:

- The firm complies with firm ownership and peer review requirements of Kentucky; and

- All services provided by the firm are performed by an individual with practice privileges granted by the Kentucky Board.

A firm which does not have an office in Kentucky and does not provide the review and compilation services described above to a client having his or her home office located in Kentucky or a client who is a resident of Kentucky may provide other services that are regulated activities, as defined by the Kentucky Board, if:

- The services are provided through an individual granted practice privileges by the Kentucky Board; and

- The firm can legally provide the services in the state where the individual with a practice privilege has his or her principal place of business.

In addition to the above exemption to licensure, KRS 325.301(7) authorizes a firm to perform the following services without a Kentucky license:

- Conduct a peer review of a firm; or

- Perform attestation work, incidental to an engagement which was initiated with a client located outside of Kentucky and has extended into Kentucky due to common ownership or existence of a subsidiary, assets, or other operations located within Kentucky.

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Louisiana

Practice Privilege / Mobility / Interstate Practice Requirements

Provisional License/ Practice Privileges by SE

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Provisional License:

General Requirement

The Louisiana engagement must be a one-time event, *lasting 90 days or less*, for a Provisional License to be granted. This license is not renewable. Any CPA firm located outside of Louisiana that does not have a Louisiana CPA firm permit and plans to practice in Louisiana for a period of 90 days or less must file for a Provisional License. This license covers the individual CPAs and the firm. If the engagement will last over 90 days, then the Applicant should apply for a Reciprocal License and a regular firm permit. Applicant must hold an original and active license from a jurisdiction other than Louisiana. Applicant must not live or have an office in Louisiana.

Practice Privileges:

Practice Privileges by State Substantial Equivalency

General Requirement

CPAs who reside outside of Louisiana and who do not have a principal place of business in Louisiana may qualify for practice privileges in Louisiana (no fee, no notice or application required to be submitted to the Louisiana Board).

Applicant must have an original license from a substantially equivalent state.

Applicant must maintain his/her original valid active CPA license that was issued by the substantially equivalent state; OR

Applicant previously held an original valid active CPA license that was issued by a substantially equivalent state, but because of a re-location of residence and principal place of business to another state, maintains a valid active license from the other state that was issued under reciprocity, OR

Applicant previously held an original valid active Louisiana CPA license, but because of a re-location of residence and principal place of business to another state, maintains an active valid license from the other state that was issued under reciprocity.

[Click here to visit the Louisiana Board's web site and view the list of substantially equivalent jurisdictions.](#)

Practice Privileges by Individual Substantial Equivalency

General Requirements

An out-of-state CPA not licensed in a substantially equivalent jurisdiction may qualify for practice privileges if Applicant's individual qualifications are as follows:

CPA holds a valid active CPA license issued by a state board of accountancy and has passed the Uniform CPA Examination (or IQEX examination, if applicable), AND

Applicant has 150 semester hours of college education and has at least one year of CPA supervised accounting related experience in the last four years; OR

Applicant has four years of experience outside of Louisiana as a practicing CPA (or Chartered Accountant if applicable) within the last ten years.

Consent to Jurisdiction

By law, a CPA of another state exercising practice privileges in Louisiana and the CPA firm which employs the CPA consents, as a condition to the grant of this privilege, to the following:

the personal and subject matter jurisdiction and disciplinary authority of this Board.

compliance with the provisions of the Louisiana Accountancy Law and the rules and regulations adopted by the Board.

in the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in this state individually and on behalf of the CPA firm.

the appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this board against the licensee.

Firm Registration Requirements May Apply

CPA firms that do not have an office or a place of business in Louisiana, that satisfy Louisiana firm ownership and peer review requirements, and that provide services in Louisiana or to Louisiana clients are required to have a Louisiana firm permit only if they perform any of the following services for a client whose home office is located in Louisiana:

audit or other engagement under SAS or Government Auditing Standards, or

examination of prospective financial information under SSAE, or

engagement in accordance with PCAOB auditing standards.



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maine

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

A CPA whose principal place of business is outside Maine shall have all the privileges of a permit holder in Maine and may provide professional services in Maine *without the requirement to obtain a permit or otherwise notify or register with the Maine Board or pay any fee* if the individual:

Holds a valid license as a CPA from a [substantially equivalent](#) jurisdiction; OR

Holds a valid license as a CPA from a non-substantially equivalent jurisdiction but has individual qualifications which are substantially equivalent. Individual substantial equivalency can be evaluated through NASBA's [CredentialNet](#) service.

An individual who qualified for the practice privilege under substantial equivalency may render professional services in Maine, whether in person or by mail, telephone or electronic means, and no notice or other submission may be required for any such individual. Individual substantial equivalency can be evaluated through NASBA's [CredentialNet](#) service.

An individual exercising practice privileges and the firm employing that individual consent, as a condition of the grant of this privilege:

To the personal and subject matter jurisdiction and disciplinary authority of the Maine Board;

To comply with the provisions of the Maine Board's laws and rules;

To the stipulation that, in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in Maine individually and on behalf of a firm; and

To the appointment of the state board that issued the individual's license as the individual's agent upon whom process may be served in any action or proceeding by the Maine Board against the individual.

An individual may exercise practice privileges to provide the following services for an entity with its home office in Maine, provided that the individual operated through a firm that has obtained a permit:

A financial statement audit or other engagement performed in accordance with SAS;

An examination of prospective financial information to be performed in accordance with SSAE; or

An engagement to be performed in accordance with auditing standards of the PCAOB.

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maryland

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privilege.

Effective October 1, 2008, an out-of-state CPA who does not have a principal place of business in Maryland may exercise all the privileges of a Maryland CPA without the need to obtain a license or pay a fee if the individual:

- Holds an active license in good standing in a substantially equivalent jurisdiction; OR
- Has individual qualifications that are substantially equivalent to the Uniform Accountancy Act.

A CPA who holds a license in a jurisdiction not on the substantially equivalent list linked above must obtain an individual substantial equivalency evaluation from NASBA's [CredentialNet](#) Service.

Please Note: An individual who has passed the Uniform CPA Exam and holds a valid license issued by another state prior to January 1, 2012, may be exempt from the education requirement in the Uniform Accountancy Act for purposes of practice privileges.

Practice privileges extend to the practice of certified public accountancy in Maryland by any means including mail, telephone, or electronic communication. There are no notice, fee or other submissions required for such practice privileges.

Consent to Jurisdiction

As a condition of the practice privilege, an individual who qualifies for the privilege and the firm that employs the individual shall both consent to the following:

- To the personal and subject matter jurisdiction and disciplinary authority of the Maryland Board;
- To comply with public accountancy laws and regulations adopted by the Maryland Board;
- To the appointment of the state board of public accountancy which issued the individual's license to practice certified public accountancy as the agent upon whom process may be served in any action or proceeding by the Maryland Board against the individual; and
- Ceasing to offer or provide services in Maryland if the license issued by the state in which the individual's principal place of business is located is no longer valid.

Firm Registration Requirements May Apply

A sole practitioner who is practicing in Maryland through practice privileges may only perform attest services (audit or engagement in accordance with SAS, examination of prospective financial information in accordance with SSAE, and any engagement in accordance with auditing standards of PCAOB) through a firm that holds a Maryland permit.

A firm permit is required to operate a business through which certified public accountancy is practiced if the firm:

- Has an office in Maryland that performs attest services (audit or engagement in accordance with SAS, review in accordance with SSAR; examination of prospective financial information in accordance with SSAE, and any engagement in accordance with auditing standards of PCAOB);
- Has an office in Maryland that uses the title "CPA" or "CPA firm"; OR
- Performs attest services (audit or engagement in accordance with SAS, examination of prospective financial information in accordance with SSAE, and any engagement in accordance with auditing standards of PCAOB) for a client with a home office in Maryland.

A firm that does not have an office in Maryland may perform reviews or compilations in accordance with SSAR for a client with a home office in Maryland without a permit if the firm:

- Meets the application and peer review requirements for Maryland partnerships, LLC's, corporations; and
- Performs services through an individual with a practice privilege in Maryland.

A firm may perform other professional services while using the title "CPA" or "CPA firm" in Maryland without a permit if the firm:

- Performs those services through an individual with practice privileges in Maryland; and
- Performs those services in the state where the individual with a practice privilege retains a principal place of business.

Click here to view the [Mobility page](#) of the Maryland Board's web site.



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massachusetts

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privilege.

On February 4, 2010, HB4159 was signed into law by the Governor, creating practice privileges for out-of-state CPAs in Massachusetts. The requirements for practice privileges as set forth in the law are described below *for informational purposes only*.

Additional rule-making may be required for full implementation of mobility. Individuals and firms seeking to exercise practice privileges in Massachusetts should contact [Leo Bonarrigo through the Massachusetts Board office](#).

The information below is a summary of the mobility legislation and may be modified by rule-making. Also, please view the [Advisory Opinion](#) published by the Massachusetts' Board at its June 24, 2010 meeting.

Effective July 1, 2010, an individual whose principal place of business is not in Massachusetts shall be qualified to engage in the practice of certified public accountancy in Massachusetts, if the individual:

Holds a valid license as a CPA issued by another state that the NQAS of NASBA has verified to be in substantial equivalence with the CPA licensure requirements of the Uniform Accountancy Act, if such state has adopted and implemented a 150 hour educational requirement as a qualification for initial licensure as a CPA; OR

Holds a valid license as a CPA issued by another state and obtains from the NQAS (CredentialNet) of NASBA verification that the individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act.

Please Note: An individual who has passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the education requirements of subsection (e) of section 87A 1/2.

Practice privileges in Massachusetts are only offered on a Quid Pro Quo basis. Practice privileges are only available to CPAs currently holding a license from a state that permits a CPA licensed by Massachusetts to qualify for substantial equivalency and to engage in the practice of certified public accountancy in that state and have all the privileges of a CPA in that state without the need to obtain a certificate or license from that state.

Practice Privileges extend to professional services offered or rendered in Massachusetts, whether in person or by mail, telephone, or electronic means, and no notice or other submission must be provided by any such individual.

Consent to Jurisdiction

An individual licensee of another state who is exercising this privilege and the CPA firm that employs such individual, if any, as a condition of the grant of this privilege, hereby simultaneously consents:

To the personal and subject matter jurisdiction of any duly authorized court of Massachusetts, and the disciplinary authority of the Massachusetts Board;

To comply with the laws and regulations adopted by the Massachusetts Board;

To agree to cease offering or rendering professional services in Massachusetts personally and as an agent of a firm, if the certificate from the state of the person's principal place of business is no longer valid, or if the certificate or license from the state of the firm's principal place of business is no longer valid; and

To the appointment of the state board that issued the individual's or the CPA firm's license as the agent upon which process may be served in any action or proceeding by the Board.

Firm Registration May Apply

CPAs entering Massachusetts through mobility will be subject to the same firm registration requirements as a Massachusetts' CPA entering the home state. If firm registration is required in Massachusetts, at least one CPA must hold a Massachusetts individual CPA license. Contact the Massachusetts Board directly for additional instructions.



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michigan

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Effective June 11, 2008: An individual whose principal place of business is not in Michigan shall be considered to have qualifications substantially equivalent to Michigan's requirements and shall have all the privileges of Michigan licensees and may practice public accountancy without the need to obtain a certificate, license or temporary practice permit if:

The individual holds a valid license as a CPA from another licensing jurisdiction that requires, as a condition of licensure, that the individual meets all of the following:

Has at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university;

Achieves a passing grade on the uniform certified public accountant examination; and

Possesses at least 1 year of experience including providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which may be obtained through government, industry, academic, or public practice as verified by a licensee. OR

The individual holds a valid license as a CPA from another licensing jurisdiction that does not meet the above requirements, but such *individual's CPA qualifications* are substantially equivalent to those requirements. Any individual who passed the Uniform CPA Exam and holds a valid license issued by another licensing jurisdiction prior to January 1, 2012 is exempt from the education requirement of 150 semester hours of college education including a baccalaureate or higher degree.

[Click here to view a list of substantially equivalent jurisdictions.](#)

An individual exercising the practice privilege and the firm employing that individual simultaneously consent to all of the following as a condition of the exercise of that privilege:

To the personal and subject matter jurisdiction and disciplinary authority of the Michigan Board and the department;

To comply with the Michigan Act and applicable rules;

In the event the license from the licensing jurisdiction of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in Michigan individually and on behalf of a firm; and

To the appointment of the state board or other licensing authority issuing his or her license as the agent upon whom process may be served in any action or proceeding by the Michigan Board against the individual or the firm employing that individual.

An individual qualified to exercise practice privileges may perform the following types of engagements for an entity with its home office in Michigan only through a firm that has obtained a valid Michigan firm license:

Any audit or other engagement to be performed in accordance with SAS;

Any examination of prospective financial information to be performed in accordance with SSAE; or

Any engagement to be performed in accordance with PCAOB auditing standards.

A licensee of Michigan offering or rendering services or using the CPA title in another licensing jurisdiction or before a state or federal agency is subject to the disciplinary action in Michigan for an act committed in another licensing jurisdiction or before a state or federal agency for which the licensee would be subject to discipline for an act committed in another licensing jurisdiction or before a state or federal agency. The department is required to examine any complaint made by the state board or other licensing jurisdictional authority and may accept, as prima facie evidence of a violation of this Michigan Act, the final order of violation issued by another state board or other licensing jurisdictional authority.

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minnesota

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant must be of good moral character.

Applicant's principal place of business must not be in Minnesota.

Applicant must have a valid certificate or license as a certified public accountant from any state which is substantially equivalent with the certified public accountant licensure requirements of Minnesota OR Applicant's *individual qualifications are substantially equivalent* with the certified public accountant licensure requirements of Minnesota.

An individual licensee from another state exercising practice privileges and the firm which employs that licensee are deemed to have consented, as a condition of the grant of this privilege:

To the personal and subject matter jurisdiction and disciplinary authority of the Minnesota Board;

To comply with the laws and the Board rules;

To the appointment of the state board that issued the license as the licensee's agent upon whom process may be served in any action or proceeding by the Minnesota Board against the licensee; and

To cease offering or rendering professional services in this state individually and on behalf of a firm in the event the license issued by the state of the individual's principal place of business is no longer valid or in good standing.

An individual who has been granted practice privileges in Minnesota, who performs attest services for any entity with its headquarters in Minnesota, must do so through a firm which has obtained a Minnesota permit. The firm must file a firm permit application. An individual's practice privilege in Minnesota is not effective if that individual's firm is required to have a valid Minnesota permit but does not have one.

The following must hold a firm permit issued by the Minnesota Board:

Any firm with an office in Minnesota performing attest services;

To the extent required by section [326A.10](#), paragraph (k), any firm with an office in Minnesota performing compilation services as defined in section [326A.01](#), subdivision 6;

Any firm with an office in Minnesota that uses the title "CPA" or "CPA firm"; or

Any firm that does not have an office in Minnesota but performs attest services in accordance with SAS, SSAE or PCAOB standards.

A firm holding a valid permit from another state which does not have an office in Minnesota may perform a compilation or review of a financial statement in accordance with SSARS for a client having its headquarters in Minnesota and may use the title "CPA" or "CPA firm" without a permit issued by the Minnesota Board only if:

It meets Minnesota's requirements for firm ownership;

Peer review is required for renewal in its state of licensure; and

It performs services through an individual who qualifies for practice privileges in Minnesota.

Any firm possessing a valid permit from another state that does not have an office in Minnesota and is not required to obtain Minnesota firm permit based on the above requirements may perform other professional services while using the title "CPA" or "CPA firm" in Minnesota without a Minnesota firm permit only if the firm:

Meets Minnesota's requirements for firm ownership;

Performs services through an individual who qualifies for practice privileges in Minnesota; and

Can lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



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mississippi

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

NOTE: Effective July 1, 2009, practice privileges became available in Mississippi. Practice privileges were created in the 2008 legislative session in SB2628 and further clarified during the 2010 legislative session in SB2128. The specific requirements of SB2628 are detailed below.

Beginning July 1, 2009, a CPA whose principal place of business is outside of Mississippi may exercise all the privileges of Mississippi CPAs *without the need to obtain a license or pay a fee*, if the individual:

Holds a valid license from a state that requires, as a condition of licensure, that an individual:

Has at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university;

Achieves a passing grade on the Uniform CPA Examination; and

Possesses at least one year of experience verified by a licensee, including providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, which may be obtained through government, industry, academic or public practice.

Click here to view a listing of [substantially equivalent](#) jurisdictions; OR

Has individual CPA qualifications determined by [CredentialNet](#) to be substantially equivalent to the UAA.

Please Note: Any individual who passed the Uniform CPA Exam and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the 150 hour education requirement for purposes of practice privileges.

Practice Privileges extend to professional services offered or rendered, whether in person or by mail, telephone or electronic means, and no notice, fee or other submission shall be provided by any such individual.

Consent to Jurisdiction

By law, a CPA of another state exercising practice privileges in Mississippi and the CPA firm which employs the CPA consents, as a condition to the grant of this privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of this Board.

Compliance with the provisions of the Mississippi Accountancy Law and the rules and regulations adopted by the Board.

In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in this state individually and on behalf of the CPA firm.

The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this board against the licensee.

Firm Registration Requirements May Apply

An individual exercising practice privileges in Mississippi for any entity with its home office in Mississippi must obtain a firm permit issued by the Mississippi Board in order to perform the following services:

An financial statement audit or other engagement to be performed in accordance with SAS,

An examination of prospective financial information to be performed in accordance with SSAE, or

An engagement to be performed in accordance with the auditing standards of the PCAOB.

An out-of-state firm may provide a review of a financial statement performed in accordance with SSARS or a compilation as defined in Section 73-33-2(d), for a client having its home office in Mississippi and may use the title "CPA" or "CPA firm" without a firm permit issued by the Mississippi Board only if the firm:

Meets Mississippi's firm ownership requirements;

Complies with Mississippi's peer review requirements; and

Performs services through an individual with practice privileges.

An out-of-state firm that does not perform attest or compilation services as described above for a client having its home office in Mississippi may perform other professional services while using the title "CPA" or "CPA firm" without a firm permit issued by the Mississippi Board if the firm:

Performs the services through an individual with practice privileges and

Such firm can lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



missouri

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privilege: Effective November 30, 2006, a non-resident CPA who does not have a principal place of business in Missouri and does not have a Missouri CPA certificate may exercise practice privileges in Missouri without giving notification or paying a fee if the individual:

- Holds a valid unrestricted license from a substantially equivalent state; OR
- Holds a valid unrestricted licensed from a non-substantially equivalent state but whose individual qualifications are substantially equivalent to Missouri; OR
- Holds a valid unrestricted license and has practiced as a CPA for a minimum of four (4) of the last ten (10) years and has a bachelor's degree and passed the CPA exam.

Out-of-state CPA holding a restricted license: A non-resident CPA who qualifies for practice privileges under one of the three options listed above but holds a restricted license shall apply to the Missouri Board in writing, on a provisional licensure form obtain from the Missouri Board. Should the Missouri Board chose to approve the provisional license, there will be no fee.

Practice Privileges extend to offering to perform or performing a regulated activity in person or by mail, telephone, or other electronic means in Missouri.

Consent to Jurisdiction

An individual licensee of another state exercising practice privileges and the firm which employs such licensee simultaneously consent, as a condition of the grant of this privilege, to:

- Submit to the personal and subject matter jurisdiction and disciplinary authority of the Missouri Board;
- Comply with the laws and rules of the Missouri Board;
- Cease offering or rendering professional services in Missouri individually and on behalf of a firm if the license from any state is no longer valid or unrestricted;
- The appointment of the state board that issued the individual's license as the agent upon whom process may be served in any action or proceeding by the Missouri Board against that individual.

Firm Registration Requirements May Apply

A CPA who qualifies for practice privileges and intends to perform attest services for an entity with a home office in Missouri shall only do so through a firm which has obtained a Missouri firm permit.

A CPA who qualifies for practice privileges may provide compilation or review services provided the licensee is associated with a firm holding a current permit to practice in this or any other state.

The following shall hold a firm permit:

- Any firm with an office in Missouri performing compilation, review or attest services;
- Any firm with an office in Missouri that uses the title "CPA" or "CPA firm"; and
- Any firm that does not have an office in Missouri performing attest services for a client having a home office in Missouri. (One page of the firm application includes a provisional license application for one individual of the firm.)

A firm that does not have an office in Missouri may perform compilation and review services for a client having a home office in Missouri and may use the title "CPA" or "CPA Firm" without a permit issued by the Missouri Board only if:

- The firm meets the qualifications regarding firm ownership and peer review for Missouri firms; and
- Performs such services through an individual with practice privileges in Missouri.

A firm which is not located in Missouri or providing attest, compilation or review services for a client located in Missouri may perform other professional services while using the title "CPA" or "CPA firm" in Missouri without a permit issued by the Missouri board only if it:

- Meets the Missouri firm ownership requirements;
- Performs such services through an individual with practice privileges in Missouri; and
- Can lawfully do so in the state where said individual with practice privileges has his/her principal place of business.

Incidental Practice Exception

An out-of-state CPA may temporarily practice in Missouri for professional business incidental to a CPA's regular practice outside Missouri. "Temporary practice" means that practice related to the direct purpose of an engagement for a client located outside of Missouri, which engagement began outside of Missouri and extends into Missouri through common ownership, existence of a subsidiary, assets or other operations located within Missouri.

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montana

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

- Applicant must not be a resident of Montana.
- Applicant must not maintain an office in Montana.

A CPA whose principal place of business is outside of Montana may provide services in Montana *without providing notice or paying a fee* if the individual:

- Holds a valid active license in a substantially equivalent jurisdictions; OR
- Has substantially equivalent individual CPA qualifications. Individual substantial equivalency can be evaluated through NASBA's [CredentialNet](#) service.

Please Note: Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the 150 hour education requirement for practice privilege purposes.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Montana, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Montana and the firm which employs the CPA consents, as a condition to the exercising of this privilege, to the following:

- The personal and subject matter jurisdiction and disciplinary authority of this Board.
- Compliance with the provisions of the Montana Accountancy Law and rules and regulations adopted by the Board.
- In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in Montana individually and on behalf of the CPA firm.
- The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

A person who has been granted practice privileges in Montana and who, for any client with its home office in Montana, performs any attest services or compilations may do so **only** through a firm registered in Montana.

The following firms must register annually in Montana:

- Those with an office in Montana performing attest services and compilations;
- Those with an office in Montana that uses the title *CPA* or *CPA Firm* ;
- Firms that do not have an office in Montana but perform attest services and compilations for a client having its home office in Montana.

A firm that is not subject to the above requirements for licensure may perform other professional services while using the title *CPA* or *CPA Firm* without a firm registration in Montana if the firm:

- Performs the services through an individual with practice privileges in Montana; and
- May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



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nebraska

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Beginning September 1, 2010, a CPA whose principal place of business is outside of Nebraska may exercise all the privileges of Nebraska CPAs *without the need to obtain a license or pay a fee*, if the individual holds an active permit, certificate or license which allows the person to engage in the practice of public accountancy as a CPA in another state.

Please Note: A person is not eligible to exercise the practice privilege if the person has a permit, certificate or license under current suspension or revocation for reasons other than nonpayment of fees or failure to comply with continuing professional educational requirements in another state.

Practice Privileges extend to professional services offered or rendered, whether in person or by mail, telephone or electronic means, and no notice, fee or other submission shall be provided by any such individual.

Consent to Jurisdiction

By law, a CPA of another state exercising practice privileges in Nebraska and the entity which employs the CPA consents, as a condition to the exercise of this privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of this Board.

Compliance with the provisions of the Nebraska Accountancy Law and the rules and regulations adopted by the Board.

In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in this state individually and on behalf of the CPA firm.

The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by the Nebraska Board against the licensee.

The practice privilege shall not be interpreted to prevent any governmental body from requiring that public accounting services performed for a governmental body or for an entity regulated by a governmental body be performed by a person or firm holding a permit issued by the Nebraska Board.

Foreign Countries: The Nebraska Board may grant to a person who holds a certificate, degree or license in a foreign country constituting a recognized qualification for the practice of public accountancy in such country and who does not hold a certificate or permit issued by Nebraska or any other state and whose principal place of business is outside Nebraska, the privilege to temporarily practice in Nebraska on professional business incident to his or her regular practice outside Nebraska. Such privilege must be conducted in conformity with the rules and regulations of the Board. Foreign individuals temporarily practicing in Nebraska consent to the same criteria as listed above for practice privileges. Performing attestation services for any entity with its home office in Nebraska will require the firm to hold a permit issued by the Nebraska Board. The individual must use only the title or designation under which he or she is generally known in their own country, followed by the name of the foreign country. The Nebraska Board may require the filing of notice and/or payment of a fee for this temporary privilege. Contact the Nebraska Board directly for additional information.

Firm Registration Requirements May Apply

An individual exercising practice privileges in Nebraska and who provides attestation services (including review engagements) for any entity with its home office in Nebraska may only do so through a firm or an affiliated entity which holds a firm permit issued by the Nebraska Board.

If firm registration is required for mobility purposes, then a firm partner will also require Nebraska licensure.

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nevada

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges. Effective July 1, 2009, Nevada will allow practice privileges. Practices privileges were created in SB335 during the 2009 legislative session. The details of SB335 are provided below.

A CPA whose principal place of business is outside of Nevada may temporarily provide certain non-attest services in Nevada *without providing notice or paying a fee* if the individual holds a valid license as a CPA from any state other than Nevada. Click here to view the [Nevada Practice Privilege \(Mobility\) Information and on-line form](#) created by the Nevada Board of Accountancy. However, a CPA performing attest services for a client having its home office in Nevada must obtain out of state registration of the firm or sole proprietorship.

Attest is defined by the Nevada Board as follows: "Attest, attesting and attestation mean the issuance of opinions, reports or other documents which state or imply assurance of the reliability of information when the opinions, reports or other documents are accompanied by or contain any name, title or wording which indicates that the person or other entity which has issued them is an accountant or auditor, or has expert knowledge in accounting or auditing. The terms include any disclaimer of an opinion when the disclaimer is in a form which is understood to imply any positive assurance of the reliability of the information and expertise on the part of the person making the disclaimer."

Attest engagements would also include the following:

Any audit or other engagement to be performed in accordance with SAS;

Any review of a financial statement to be performed in accordance with SSARS;

Any examination of prospective financial information to be performed in accordance with SSAE which include forecasts, projections, budgets whether compiled or audited, agreed upon procedures, examination of written assertions, review of written assertions, and bank directors examinations; and

Any engagement to be performed in accordance with PCAOB standards.

"Home office" is defined as the location specified by a client of an accountant as the address of an entity for which the accountant practices public accounting, performs an attestation or compilation, or performs other professional services within the practice of public accounting.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Nevada and the partnership, corporation, LLC or sole proprietorship that employs the CPA consents, as a condition to the exercising of this privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of the Nevada Board.

Compliance with the provisions of the Nevada laws and the rules and regulations adopted by the Nevada Board.

In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in Nevada individually and on behalf of the partnership, corporation, LLC or sole proprietorship.

The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any investigation, action or proceeding by the Nevada Board against the licensee.

Firm Registration Requirements May Apply

A natural person granted practice privileges in Nevada may perform attest services for a client having his home office in Nevada only if the partnership, corporation, LLC or sole proprietorship that employs the person is properly registered in Nevada.

An out of state firm or sole practitioner that does not have an office in Nevada may utilize the CPA designation and perform the following services WITHOUT registering with the Nevada Board:

Practice of Public Accounting (No Attest) - Defined as the offering to perform or the performance by a holder of a live permit, for a client or potential client, of one or more services involving the use of skills in accounting or auditing, one or more services relating to advising or consulting with clients on matters relating to management or the preparation of tax returns and the furnishing of advice on matters relating to taxes.

Compilation Services - Defined as the presentation, in the form of financial statements prepared in accordance with the Statements on Standards for Accounting & Review Services (SSARS) published by the AICPA, of information that is a representation by the owner or management of an entity without undertaking to state or imply assurance of the reliability of the information.

In addition, individual CPA registration is NOT required if the CPA is employed by a firm or sole proprietorship that requires registration. Only the firm would obtain the out of state registration.

A person who, on his own behalf or on behalf of a partnership, corporation, LLC or sole proprietorship, signs or authorizes another to sign an accountant's report on financial statements shall meet the requirements for competency as set forth in the professional standards of accounting.

A partnership, corporation, LLC or sole proprietorship *that does not have an office in Nevada:*

Must register with the Nevada Board if the partnership, corporation, LLC or sole proprietorship performs attest services for a client having his home office in Nevada, and

May practice public accounting, may perform compilation services or other professional services within the practice of public accounting other than attest services for a client having his home office in Nevada, may be styled and known as a certified public accountant and may use the title or designation "certified public accountant and the abbreviation "CPA" without registering with the Nevada Board if:

Persons who are CPAs in any state constitute a simple majority, in terms of financial interests and voting right of all partners, shareholders, officers, members and principals thereof, of the ownership of the partnership, corporation, LLC or sole proprietorship;
The partnership, corporation, LLC or sole proprietorship complies with the ownership, organization and liability requirements of Nevada firms;
A natural person granted practice privileges in Nevada practices such public accounting or performs such compilation services or such other professional services within the practice of public accounting (other than attest services) for the client having his home office in Nevada; and
The partnership, corporation, LLC or sole proprietorship can lawfully perform such services in the state where the natural person exercising practice privileges in Nevada has his principal place of business.

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new hampshire

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privilege. Effective July 1, 2009, New Hampshire will allow practice privileges. Practices privileges were created in HB256 during the 2009 legislative session. The details of HB256 are provided below.

A CPA whose principal place of business is outside of New Hampshire may temporarily provide services in New Hampshire *without providing notice or paying a fee* if the individual:

- Holds a valid active license in a substantially equivalent jurisdiction; OR
- Has substantially equivalent individual CPA qualifications. Individual substantial equivalency can be evaluated through NASBA's [CredentialNet](#) service.

Please Note: Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to July 1, 2014 shall be exempt from the 150 hours education requirement for practice privilege purposes.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in New Hampshire, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in New Hampshire and the firm which employs the CPA consents, as a condition to the exercising of this privilege, to the following:

- The personal and subject matter jurisdiction and disciplinary authority of this Board.
- Compliance with the provisions of the New Hampshire Accountancy Law and the rules and regulations adopted by the Board.
- In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in New Hampshire individually and on behalf of the CPA firm.
- The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

An individual exercising practice privileges in the performance of the following services for any entity with its home office in New Hampshire must perform such services through a firm which has registered with the New Hampshire Board:

- A financial statement audit or other engagement to be performed in accordance with SAS,
- An examination of prospective financial information to be performed in accordance with SSAE, or
- An engagement to be performed in accordance with the auditing standards of the PCAOB.

The Board has confirmed that services performed in accordance with SSARS also requires firm registration in New Hampshire.

An out-of-state firm (those firms with no office in this state) may provide compilation services or review financial statements in accordance with SSARS for a client having its home office in New Hampshire and may use the title "CPA" or "CPA firm" without obtaining a New Hampshire firm permit if the firm:

- Meets firm requirements for licensure in New Hampshire; and
- Performs services through an individual with practice privileges.

An out-of-state firm that does not perform any of the services described above may perform other professional services while using the title "CPA" or "CPA firm" without a firm permit if the firm:

- Performs the services through an individual with practice privileges in New Hampshire; and
- May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



- Initial Licensure
- Reciprocal Licensure
- Practice Privilege
- Firm Registration
- Renewals/CPE
- Relinquish A License
- My Account

new jersey

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective July 15, 2009, New Jersey will allow practice privileges. Practices privileges were created in A2466 during the 2008 legislative session. The details of A2466 are provided below. Click here to access the [New Jersey Legislature's bill search site](#).

A CPA whose principal place of business is outside of New Jersey may temporarily provide services in New Jersey *without providing notice or paying a fee* if the individual:

- Holds a valid active license in a substantially equivalent jurisdiction; OR
 - Has substantially equivalent individual CPA qualifications. Individual substantial equivalency can be evaluated through NASBA's [CredentialNet](#) service.
- Individuals who do not qualify for practice privileges must apply for a Reciprocal License. Click [Reciprocal Licensure](#) above for additional information.

Please Note: Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the 150 hours education requirement for practice privilege purposes.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in New Jersey, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in New Jersey and the firm which employs the CPA consents, as a condition to the exercising of this privilege, to the following:

- The personal and subject matter jurisdiction and disciplinary authority of this Board.
- Compliance with the provisions of the New Jersey Accountancy Law and the rules and regulations adopted by the Board.
- In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in New Jersey individually and on behalf of the CPA firm.
- The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

An individual exercising practice privileges in the performance of the following services for any entity with its home office in New Jersey must perform such services through a firm which has registered with the New Jersey Board:

- A financial statement audit or other engagement to be performed in accordance with SAS,
- An examination of prospective financial information to be performed in accordance with SSAE, or
- An engagement to be performed in accordance with the auditing standards of the PCAOB.

An out-of-state firm (those firms with no office in this state) may provide compilation services or review financial statements in accordance with SSARS for a client having its home office in New Jersey and may use the title "CPA" or "CPA firm" without obtaining a New Jersey firm permit if the firm:

- Meets firm requirements for licensure in New Jersey; and
- Performs services through an individual with practice privileges.

An out-of-state firm that does not perform any of the services described above may perform other professional services while using the title "CPA" or "CPA firm" without a firm permit if the firm:

- Performs the services through an individual with practice privileges in New Jersey; and
- May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.

new mexico

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant must be of good moral character and lack a history of dishonest or felonious acts.
Applicant's principal place of business must not be in New Mexico.

A person whose principal place of business is *not* in New Mexico shall be presumed to have qualifications substantially equivalent to New Mexico's requirements and may exercise all the practice privileges of certificate holders of New Mexico without the need to obtain a certificate in New Mexico if the person:

holds a valid license as a CPA from *any state* that requires, as a condition of licensure, that a person:

have at least 150 semester hours of college education, including a baccalaureate or higher degree conferred by a college or university acceptable to the Board;

achieve a passing grade on the Uniform CPA Exam; and

possess at least one year of experience, including any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, which may be obtained through government, industry, academic or public practice, all of which can be verified by a licensee; OR

holds a valid license as a CPA from any state that does not meet the above requirement but the person's *individual qualifications* are substantially equivalent to those requirements. A person who passed the uniform CPA examination and holds a valid license issued by any other state prior to January 1, 2012 may be exempt from the education requirement.

A person exercising the practice privilege and the firm that employs the licensee simultaneously shall consent, as a condition of exercising the practice privilege, to have:

Submitted to the personal and subject matter jurisdiction and disciplinary authority of the New Mexico Board;

To cease offering or rendering professional attest services in New Mexico in the event the license from the state of the person's principal place of business is no longer valid;

Agreed to full compliance with the New Mexico Act and related Board rules; and

Consented to appointment of the state board that issued the license as agent upon whom process may be served in an action or proceeding by the New Mexico public accountancy board against the licensee.

A person exercising the practice privilege shall cease offering or rendering professional attest services in New Mexico in the event the license from the state of the person's principal place of business is no longer valid.

An individual who qualified for practice privileges may offer or render professional services whether in person or by mail, telephone, or electronic means without the need to notify the New Mexico Board or remit a fee.

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new york

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges/Limited Permit

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges.

Effective November 15, 2011: A CPA whose principal place of business is not in New York and who is licensed by another state which the Board of Regents has determined to have substantially equivalent certified public accountant licensing requirements (all U.S. jurisdictions except the Virgin Islands), or whose individual licensure qualifications are verified by the department to be substantially equivalent to New York's requirements, and is in good standing, may practice public accountancy in New York if the CPA:

- holds a valid license to practice public accountancy in the other state; and
- practices public accountancy in another state that is his/her principal place of business.

Currently it is unclear whether an individual holding a New York CPA license in "inactive" status can avail themselves of practice privileges in New York. An individual holding an inactive New York CPA license should contact the New York Board directly before exercising practice privileges for further clarification.

Firm Registration Requirements May Apply

An individual who has been granted practice privileges who offers to perform or performs attest and/or compilation services or offers to perform or performs professional services for clients, in any or all matters relating to accounting concepts and to the recording, presentation, or certification of financial information or data must do so through a firm which has obtained a New York firm registration. CPAs exercising practice privileges in New York may offer to perform or perform, for other persons, the following services through a CPA firm that does not have a registration in New York but holds a valid license, registration or permit in another state: One or more types of the following services including but not limited to accounting, management advisory, financial advisory, and tax exclusive of services described earlier in this paragraph, involving the use of professional skills or competencies of the licensed accountant as described in the rules of the board of regents, including professional services rendered to one's employer not required to register, in any and all matters related to accounting concepts and to the recording of financial data or information or the preparation or presentation of financial statements.

Any CPA who qualifies for practice privileges and offers or renders professional services in person or by mail, telephone or electronic means may practice public accountancy in New York without notice to the Department.

Consent to Jurisdiction

Any CPA exercising practice privileges in New York and the firm that employs such CPA, consents to all of the following as a condition to the exercise of such practice privileges:

- To the personal and subject matter jurisdiction and disciplinary authority of the Board of Regents as if the practice privilege is a license, and an individual with a practice privilege is a licensee;
- To comply with the laws, rules of the Board of Regents and the regulations of the commissioner;
- To the appointment of the secretary of state or other public official acceptable to the department, in the CPA's state of licensure or the state in which the firm has its principal place of business, as the CPA or firm's agent upon whom process may be served in any action or proceeding by the department against such CPA or firm.

In the event the license from the CPA's principal place of business is no longer valid or in good standing, or that the CPA has had any final disciplinary action taken by the licensing or disciplinary authority of any other state concerning the practice of public accountancy that has resulted in (1) the suspension or revocation of his/her license, or (2) other disciplinary action against his/her license that arises from (a) gross negligence, recklessness or intentional wrongdoing relating to the practice of public accountancy, (b) fraud or misappropriation of funds relating to the practice of public accountancy, or (c) preparation, publication, or dissemination of false, fraudulent, or materially incomplete or misleading financial statements, reports or information relating to the practice of public accountancy, the CPA shall cease offering to perform or performing such services in New York individually and on behalf of his/her firm, until and unless such CPA receives written permission from the department to resume the practice of public accountancy in New York.

Competency Requirements

Any licensee who supervises attest services or signs or authorizes someone to sign an accountant's report on the financial statements of a client for such services shall: (i) have at least 1,000 hours of experience within the previous five years in providing attest services or reporting on financial statements gained through employment in government, private industry, public practice or an educational institution satisfactory to the State Board for Public Accountancy; or (ii) be employed by a firm registered with the Department pursuant to section 70.8 of the Regulations of the Commissioner of Education that has undergone a peer review satisfactory to the Department which indicates that the firm has received a rating of pass or pass with deficiencies. The individual must also have completed at least 40 hours of continuing education in the area of accounting, auditing or attest during the prior three calendar years or in the calendar year in which the service is performed; and have maintained the level of education, experience and professional conduct required by generally accepted professional standards as described in paragraph (7) of this subdivision, relating to the attest services performed.

Any licensee who supervises a compilation engagement or signs or authorizes someone to sign an accountant's report on financial statements of a client for such compilation services shall have completed at least 40 hours of continuing education in the area of accounting, auditing or attest during the prior three calendar years or in the calendar year in which the service is performed; and

Restrictions May Apply

Any CPA who, within the last seven years immediately preceding the date on which he/she wishes to practice in New York, meets any of the following

conditions, must notify the department and cannot not practice public accountancy in New York through practice privileges until he/she has received from the department written permission to do so. Failure to provide this notice subjects the CPA to the disciplinary authority of the Board.

Has been the subject of any final disciplinary action taken against him/her by the licensing or disciplinary authority of any other jurisdiction with respect to any professional license or has any charges of professional misconduct pending against him/her in any other jurisdiction or

Has had his/her license in another jurisdiction reinstated after a suspension or revocation of said license, or

Has been denied issuance or renewal of a professional license or certificate in any other jurisdiction for any reason other than an inadvertent administrative error, or

Has been convicted of a crime or is subject to pending criminal charges in any jurisdiction.

A person wishing to practice public accounting in New York who does not meet the requirements for practice privileges must obtain a full license and registration from the New York Board. Click *Reciprocal Licensure* above for additional information.

General Requirement for Limited Permit for Foreign Accountants

Applicant must be of good moral character.

Applicant must be the holder of a certificate, license or degree from Applicant's home country.

Applicant must have professional qualifications that are determined to be significantly comparable to the licensure requirements for certified public accountancy in New York.

Applicant's home country must grant equal recognition to New York public accountants and certified public accountants.

Applicant must reside in New York or have a place of business located in New York.

The Limited Permit is valid for two years.

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north carolina

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Individual Practice Privilege

An individual whose principal place of business is outside North Carolina is granted the privilege to perform or offer to perform services, whether in person or by mail, telephone or electronic means, in North Carolina as a CPA without notice to the North Carolina Board, the submission of any other documentation or the payment of any fee if the individual meets all of the following conditions:

Holds a valid unrevoked certificate as a CPA or its equivalent issued by another state, a territory of the U.S., or the District of Columbia.

Holds a valid and unrevoked license or permit to practice as a CPA issued by another state, a territory of the U.S., or the District of Columbia.

Has passed the Uniform CPA Examination; and

Has not been convicted of a felony under the laws of the US, any state, a territory of the US, of the District of Columbia and has never been convicted of a crime, an essential element of which is dishonesty, deceit, or fraud unless the jurisdiction in which the individual is licensed has determined the felony or other crime has no effect on the individual's license.

Any person who holds a CPA certificate from another jurisdiction and who temporarily enters North Carolina for the sole purpose of rendering advisory or consulting services to person employed by the same employer as the CPA (including parent, sister, or subsidiary entities) is not required to obtain licensure in North Carolina. Out-of-state CPAs neither residing nor employed in North Carolina who enter the state for the sole purpose of performing a peer review or quality review for a North Carolina licensee are not required to obtain licensure to perform the review.

Individual Consent to Jurisdiction

An individual who qualifies for practice privileges and exercise the privilege by performing or offering to perform services as a CPA in North Carolina simultaneously consents as a condition to the grant of this privilege to:

Comply with the laws of North Carolina, the provisions of the chapter and rules adopted by the North Carolina Board;

Have an administrative notice of hearing served on the licensing board in the individual's principal state of business, notwithstanding the individual notice requirements of G.S. 150B-38; and

Be subject to personal jurisdiction, subject matter jurisdiction and disciplinary authority of the North Carolina Board.

Firm Practice Privilege, Consent to Jurisdiction and Firm Notification Requirements

A firm whose principal place of business is outside North Carolina and has no office in North Carolina is granted the privilege to perform or offer services, whether in person or by mail, telephone or electronic means, in North Carolina as a firm without notice to the North Carolina Board, submission of any other documentation or payment of any fee, except as otherwise provided below. A firm that exercises the privilege afford simultaneously consents as a condition to the grant of the privilege to:

Comply with the laws of North Carolina, the provisions of the chapter and rules adopted by the North Carolina Board;

Be subject to personal jurisdiction, subject matter jurisdiction and disciplinary authority of the North Carolina Board; and

Provide notice without a fee to the Board if any individual with the firm who has been granted privileges in North Carolina to practice as a CPA performs any of the following services for a client in North Carolina:

A financial statement audit or other engagement performed in accordance with SAS;

An examination of prospective financial information performed in accordance with SSAE; or

An engagement performed in accordance with the PCAOB auditing standards.

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north dakota

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirements

Effective August 1, 2009, a CPA whose principal place of business is outside of North Dakota may temporarily provide services in North Dakota *without providing notice or paying a fee* if the individual:

• Holds a valid active license in a substantially equivalent jurisdiction; OR

• Has substantially equivalent individual CPA qualifications. Individual substantial equivalency can be evaluated through NASBA's CredentialNet service.

Please Note: Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the education requirement in the Uniform Accountancy Act for practice privilege purposes.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in North Dakota, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in North Dakota and the firm which employs the CPA consents, as a condition to the grant of this privilege, to the following:

• The personal and subject matter jurisdiction and disciplinary authority of the North Dakota Board.

• Compliance with the provisions of the North Dakota Accountancy Law and the rules and regulations adopted by the Board.

• In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in North Dakota individually and on behalf of the CPA firm.

• The appointment of the board of accountancy which issued the individual license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

Any firm with an office in North Dakota practicing public accountancy or using the title "CPA", "LPA", "CPA firm" or "LPA firm" or similar titles must hold a permit issued by the North Dakota Board.

An out-of-state firm may perform professional services while using the title "CPA" or "CPA firm" without a firm permit issued by the North Dakota Board only if the firm:

• Performs the services through an individual who holds a valid CPA license or with practice privileges in North Dakota; and

• May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



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ohio

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

An individual whose *principal place of business is not in Ohio* and who holds a valid foreign certificate as a certified public accountant shall be presumed to have qualifications substantially equivalent to Ohio's CPA requirements and shall have all of the privileges of a holder of a CPA certificate and an Ohio permit without the need to obtain a CPA certificate and an Ohio permit if the Ohio State Board has found that the CPA requirements of the state that issued the individual's foreign certificate are substantially equivalent to Ohio's CPA requirements. [Click here to see a list of states deemed to be substantially equivalent by the Ohio State Board.](#)

Please Note: All of the states that do not have a 150-hour basic requirement will be considered substantially equivalent until January 1, 2012. For states designated as "two-tier," only those CPAs holding an active license or permit are considered substantially equivalent.

oklahoma

Practice Privilege / Mobility / Interstate Practice Requirements

Practice privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirements

An individual whose principal place of business is outside Oklahoma and who holds a valid certificate or license as a CPA or PA from any state or territory of the United States or from the District of Columbia shall be presumed to have qualifications substantially equivalent to Oklahoma's requirements and shall have all the privileges of certificate and license holders of Oklahoma without the need to obtain an Oklahoma certificate, license or permit.

Oklahoma previously offered practice privileges on a "quid pro quo" status with the CPA's home jurisdiction. However, the Oklahoma legislature passed HB1779 providing practice privileges to qualified CPAs with no notice or fee requirements. HB1779 was signed by the Governor on April 14, 2009 and went into effect immediately.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Oklahoma, and no notice or other submission shall be provided by the individual.

Firm Registration Requirements (May Apply to Individuals)

An individual exercising practice privileges in the performance of the following services for any entity with its home office in Oklahoma must perform such services through a firm which has registered with the Oklahoma Board:

A financial statement audit or other engagement to be performed in accordance with SAS,

Any report to be performed in accordance with SSAE, or

An engagement to be performed in accordance with the auditing standards of the PCAOB.

The Board has confirmed that services performed in accordance with SSARS also require firm registration in Oklahoma.

An out-of-state firm that does not perform any of the services described above for a client whose home office is in Oklahoma may perform other professional services in Oklahoma without a firm license, permit or notice to the Oklahoma Board if the firm's practice in Oklahoma is performed by an individual who is licensed in Oklahoma or who has been granted practice privileges in Oklahoma.

An individual offering or rendering professional accounting services to Oklahoma clients from a web site or any electronic means shall disclose, via any such web site or electronic means, the individual's principal jurisdiction of licensure, license number and an address as a means for regulators and the public to contact the individual regarding complaints, questions or regulatory compliance. A firm offering or rendering such services must provide on the web site's home page or by electronic medium, a name, an address and the principal jurisdiction of licensure.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Oklahoma and the firm which employs the CPA simultaneously consent, as a condition to the exercising of this privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of this Board.

Compliance with the provisions of the Oklahoma Accountancy Act and the rules and regulations adopted by the Board.

In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in Oklahoma individually and on behalf of the CPA firm.

The appointment of the board of accountancy which issued the individual or firm license as the agent upon whom process may be served in any action or proceeding by this Board against the licensee.

oregon

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

The Oregon legislature passed SB867 on June 3, 2009. The legislation became effective on June 26, 2009, after it was signed by the Governor.

A CPA whose principal place of business is outside of Oregon may temporarily provide services in Oregon *without providing notice or paying a fee* if the individual:

- Holds a valid active license in a substantially equivalent jurisdiction; OR
- Has substantially equivalent individual CPA qualifications.

- Individuals must make his/her own determination whether their qualifications meet the requirements for Oregon.

- No submissions to the Oregon Board are required.

CPAs who are not currently licensed in a substantially equivalent jurisdiction and do not have substantially equivalent individual qualifications will most likely be required to apply for a reciprocal license. CPAs seeking to exercise practice privileges in Oregon after July 1, 2009 who are not currently licensed in an SE jurisdiction should contact the Oregon Board directly for additional information.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Oregon and the business organization that employs the CPA consent, as a condition to the exercising of this privilege, to the following:

- The personal and subject matter jurisdiction and disciplinary authority of this Board.

- Compliance with the provisions of the Oregon Accountancy Law and the rules and regulations adopted by the Board.

- In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual and any other person who is employed by the business organization and who is offering or rendering professional services in Oregon shall cease offering or rendering professional services in Oregon individually and on behalf of the business firm.

- The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

- For purposes of practice privileges, a sole proprietor is a business organization.

Firm Registration Requirements May Apply

An individual exercising practice privileges in the performance of the following services for any entity with its home office in Oregon must perform such services through a firm which has registered with the Oregon Board:

- A financial statement audit or other engagement to be performed in accordance with SAS;

- An examination of prospective financial information to be performed in accordance with SSAE, or

- An engagement to be performed in accordance with the auditing standards of the PCAOB.

An out-of-state firm (those firms with no office in this state) may provide compilation services or review financial statements in accordance with SSARS for a client having its home office in Oregon and may use the title "CPA" or "CPA firm" without obtaining a Oregon firm permit if the firm:

- Meets firm requirements for licensure in Oregon; and

- Performs services through an individual with practice privileges.

An out-of-state firm that does not perform any of the services described above may perform other professional services while using the title "CPA" or "CPA firm" without an Oregon firm permit if the firm:

- Performs the services through an individual with practice privileges in Oregon; and

- May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



pennsylvania

Practice Privilege / Mobility / Interstate Practice Requirements

Temporary Practice Permit

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective September 8, 2008, an individual whose principal place of business is outside of Pennsylvania may exercise all the privileges of Pennsylvania CPAs *without the need to obtain a license or pay a fee* if the individual:

Holds an active license in good standing in a substantially equivalent jurisdiction; OR

Has individual qualifications that are substantially equivalent to Pennsylvania's requirements. A CPA who holds a license in a jurisdiction not on the substantially equivalent list linked above may obtain an individual substantial equivalency evaluation from NASBA's [CredentialNet Service](#).

An individual who passed the Uniform CPA Exam and holds a valid license to practice public accounting issued by any other state on or before December 31, 2011, may be exempt from the education requirement of 150 semester credit hours for purposes of practice privileges.

Practice privileges extend to the provision of professional services in Pennsylvania including, without limitation, in person or by mail, telephone or electronic means.

General Requirement for Temporary Practice Permit

A non-resident applicant may temporarily practice public accountancy in Pennsylvania if applicant:

Holds a valid license or registration to practice public accountancy in another state or jurisdiction;

Concurrently practices public accountancy in the other state or jurisdiction; and

Obtains a temporary practice permit from the Pennsylvania State Board prior to performing the temporary work.

Temporary practice permit:

Allows a certified public accountant, or partnership or corporation, who meets the requirements above to work for not more than 500 hours in Pennsylvania during a 12-month period, except that this 500 hour limitation does not apply if the holder of the temporary practice permit is working only on a single, nonrecurring engagement;

Is valid for not more than 12 months beginning on the date of issuance; and

Is renewable if the permit was not granted for a single, nonrecurring engagement in excess of 500 hours.



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puerto rico

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Puerto Rico does not offer practice privileges. A non-resident CPA wishing to practice public accounting in Puerto Rico must apply for a Reciprocal License. CPA licensing services for Puerto Rico are provided by NASBA. Please visit the [CPA Licensing section](#) of NASBA's website for full details about applying for a reciprocal CPA license in Puerto Rico.

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rhode island

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant's principal place of business or principal residence is not in the state of Rhode Island.

Applicant must be of good moral character.

Applicant must pass the AICPA Ethic's Exam.

Applicant must have a valid certificate or license as a certified public accountant from any state whose licensure requirements are determined to be substantially equivalent. The substantial equivalency standard indicates that an individual whose principal place of business or principal residence is not in this state, having a valid certificate or license as a certified public accountant from any state whose licensure requirements are determined to be substantially equivalent with the conditions of this section, shall have all the privileges of certificate holders and licensees of Rhode Island without the need to obtain a certificate or permit from Rhode Island.

INDIVIDUAL OUT-OF-STATE PERMIT

General Requirement

Applicant's principal residence or primary place of employment must not be in Rhode Island. This requirement may be waived by the Rhode Island State Board at its discretion.

Applicant must be of good moral character.

Applicant must meet all current requirements in Rhode Island at the time application is made.

At the time of issuance of the Applicant's certificate in the other state, the applicant met all requirements then applicable in Rhode Island unless reciprocity is allowed under Rhode Island's substantial equivalency standard. Substantial equivalency standard indicates that an individual whose principal place of business or principal residence is not in this state, having a valid certificate or license as a certified public accountant from any state whose licensure requirements are determined to be substantially equivalent with the conditions of Rhode Island, shall have all the privileges of certificate holders and licensees of this state without the need to obtain a certificate or permit from this state as long as the conditions of this section are met.

If the holder of a certificate issued by another state meets all current requirements in Rhode Island except the educational or experience requirements, or passed the examination under different credit provisions then applicable in Rhode Island, then the board shall issue a certificate to the applicant upon application for the certificate and upon payment of the required fee, provided that:

The applicant has four (4) years of experience in the practice of public accountancy within the ten (10) years immediately prior to the application; or

The applicant has five (5) years of experience in the practice of public accountancy over a longer or earlier period and has completed fifteen (15) current semester hours of accounting, auditing, and any other related subject that the board specifies by rule, at an accredited institution, and has one year of current experience in the practice of public accountancy.

Education Requirement

Applicant must have completed 150 semester hours.

Applicants will be deemed to have met the education requirement if, as part of the 150 semester hours of education, he or she has met any one of the following conditions:

Earned a graduate degree with a concentration in accounting from a program that is accredited in accounting by an accrediting agency recognized by the Rhode Island State Board.

Earned a graduate degree from a program accredited in business by an accrediting agency recognized by the Rhode Island State Board and completed not less than twenty-four (24) semester hours in accounting at the undergraduate level or fifteen (15) semester hours at the graduate level, or an equivalent combination thereof.

Earned a baccalaureate or higher degree at an institution accredited by an accrediting agency recognized by the Rhode Island State Board and completed not less than twenty four (24) semester hours in accounting at the undergraduate or graduate level, and completed not less than 24 semester hours in business courses (other than accounting courses) at the undergraduate or graduate level.

Examination Requirement

Applicant shall have passed the Uniform Certified Public Accountant Examination.

Applicant must pass the AICPA Ethic's Exam.

Experience Requirement

Applicant must have a minimum of one year work experience.

Applicant's experience must be under the direct supervision of a CPA.

This experience shall include providing any type of service or advice involving the use of accounting, attest, management advisory, financial advisory, tax or consulting skills all of which was verified and supervised by a licensee, meeting requirements prescribed by the Rhode Island State Board by rule.

Experience may be in public practice, government, industry, education, or any combination thereof.



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south carolina

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

An out-of-state applicant whose principal place of business is outside of South Carolina is presumed to have qualifications substantially equivalent to South Carolina's requirements and may exercise all the privileges of licensees of South Carolina without the need to obtain a license if the individual:

Holds a valid license as a CPA from any state which requires, as a condition of licensure, that an individual:

Have at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university;

Achieve a passing grade on the Uniform CPA Exam; and

Possess at least one year of accounting experience.

[Click here to view a listing of jurisdictions determined by the South Carolina Board to be substantially equivalent Mobility purposes.](#) OR

Holds a valid license as a CPA from any state that does not meet the above requirements but such individual's CPA qualifications are substantially equivalent to those requirements.

An individual who passed the Uniform CPA Exam and holds a valid license issued by any other state before January 1, 2012, may be exempt from the education requirement for these purposes.

Notwithstanding any other provision of law, an individual who offers or renders professional services, whether in person or by mail, telephone, or electronic means pursuant to practice privileges is granted such privileges in South Carolina and no notice, fee or other submission may be required of the individual.

An individual licensee or holder of a permit to practice of another state exercising practice privileges and the firm that employs that licensee simultaneously consents, as a condition of exercising this privilege:

To the personal and subject matter jurisdiction and disciplinary authority of the South Carolina Board;

To comply with the provisions of the law and the regulations promulgated pursuant to this privilege;

That in the event the license or permit to practice from the state of the individual's principal place of business is no longer valid, to cease offering or rendering professional services in South Carolina individually and on behalf of a firm; and

To have an administrative notice of hearing served on the board in the individual's principal state of business in any action or proceeding by the South Carolina Board against the licensee.

An individual who qualifies for practice privileges who performs any of the following services for an entity with its home office in South Carolina may only perform these services through a firm that has obtained a registration issued by the South Carolina Board:

A financial statement audit or other engagement to be performed in accordance with Statements on Auditing Standards;

An examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; or

An engagement to be performed in accordance with Public Company Accounting Oversight Board Auditing Standards.

Out-of-State Firms

Firms that do not have an office in South Carolina and that do not perform audits under SAS, examinations under SSAE, or services under PCAOB auditing standards for a client having its home office in South Carolina, may engage in the practice of accounting, without obtaining a registration.

Such firms may perform services including reviews according to SSARS and compilations for a client having its home office in South Carolina, may engage in the practice of accounting and may use the title "CPA" or "CPA firm" only if the firm:

Meets Board qualifications for firm license; and

Performs these services through an individual with practice privileges.

Can lawfully do so in the state where these individuals with practice privileges have their principal place of business.

Out of State Firms that perform audits under SAS, examinations under SSAE, or services under PCAOB auditing standards for a client having its home office in South Carolina must register for an Out-of-State Firm Practice Privilege with the South Carolina Board of Accountancy.

Click on Firm Registration above for the appropriate application and procedures.

south dakota

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective July 1, 2009, practice privileges are available in South Dakota. Practice privileges were created in HB1058 during the 2009 legislative session. The details of HB1058 are provided below.

A CPA whose principal place of business is outside of South Dakota may temporarily provide services in South Dakota *without providing notice or paying a fee* if the individual:

- Holds a valid active license in a substantially equivalent jurisdiction; OR
 - Has individual CPA qualifications determined to be substantially equivalent to the CPA licensure requirements of South Dakota.
- Individuals may send their credentials to the South Dakota Board for verification of substantial equivalency but are not required to do so.

Individuals who do not qualify for practice privileges must apply for a reciprocal license.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in South Dakota, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in South Dakota and the firm which employs the CPA consents, as a condition to the grant of this privilege, to the following:

- The personal and subject matter jurisdiction and disciplinary authority of the South Dakota Board.
- Compliance with the provisions of the South Dakota Accountancy Law and the rules and regulations adopted by the Board.
- In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in South Dakota individually and on behalf of the CPA firm.
- The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

An individual exercising practice privileges may perform the following services for a client who resides in South Dakota or has its home office in South Dakota only if the firm has obtain a South Dakota firm permit:

- Any audit or other engagements to be performed in accordance with SAS;
- Any examination of prospective financial information to be performed in accordance with SSAE; or
- Any engagement to be performed in accordance with PCAOB auditing standards.

A firm which does not have an office in South Dakota may perform compilations in accordance with SSARS that is the representation of management (owners) without undertaking to express any assurance on the statements and any review of a financial statements to be performed in accordance with SSARS for a client residing in or having a home office in South Dakota and may use the title CPAs, CPA firm, PAs, or PA firm without a South Dakota firm permit if:

- The firm meets the requirements for firm licensure in South Dakota; and
- The firm performs the services through an individual with practice privileges.

An out-of-state firm may perform other professional services while using the title CPA, PAs, CPA firm or PA firm without a firm permit issued by the South Dakota Board only if the firm:

- Performs the services through an individual with practice privileges in South Dakota; and
- May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.



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tennessee

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant is the holder of a valid Certified Public Accountant license from a substantially equivalent jurisdiction or their individual qualifications are substantially equivalent. Individual substantial equivalency can be evaluated through NASBA's [CredentialNet](#) Service.

Applicant must NOT have a principal place of business in Tennessee.

Applicant must agree to comply with Tennessee accountancy rules.

Applicant is automatically subjected to the authority and jurisdiction of the Tennessee Board.

Firm Registration Requirements May Apply

Performance of services through mobility in Tennessee does not require the out-of-state firm to obtain a Tennessee firm permit, so long as the firm is properly licensed and in good standing in its principal jurisdiction.



texas

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Practice Privileges

General Requirement

Applicant must be a non-resident of Texas.

Applicant must hold a valid original certificate and license/permit in good standing as a Certified Public Accountant from a state that has been deemed substantially equivalent by the National Association of State Boards of Accountancy or individual must have substantially equivalent qualifications. Individual substantial equivalency evaluations are offered through NASBA's [CredentialNet](#) service.

If the firm establishes or maintains an office in Texas, or provides financial audit services to an entity that has its principal office in Texas, then the individual must practice through a CPA firm holding an active Texas firm license.

Audit services include: (a) a financial statement audit or other engagement that is to be performed in accordance with SAS, (b) an examination of prospective financial information that is to be performed in accordance with SSAE, and (c) an engagement that is to be performed in accordance with auditing standards of the PCAOB or its successor.

An individual or firm practicing in Texas without notice to the Texas Board is subject to the personal and subject matter jurisdiction of the Board; must comply with the Act and the Texas Board's rules; and is considered to have appointed the regulatory agency of the state that issued the individual's certificate or license as the agent on whom process may be served in any action by the Board against the individual.

Individuals wishing to temporarily practice in Texas, but not currently licensed in a substantially equivalent state or holding substantially equivalent individual qualifications must obtain a reciprocal license and firm permit.



utah

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant must be a non-resident of Utah.

Applicant's principal place of business is not in this state; and

Applicant must hold a valid original certificate and license/permit in good standing as a Certified Public Accountant from a state, district, or territory of the US that has been deemed substantially equivalent to the UAA by the National Association of State Boards of Accountancy; OR

Applicant must have substantially equivalent individual qualifications. Individual substantial equivalency evaluations are offered through NASBA's CredentialNet service.

The person consents as a condition of the grant of this privilege:

To personal and subject matter jurisdiction and disciplinary authority of the Utah Board;

To comply with the Act and Rules of the Utah Board;

That in the event the license from the state of the person's principal place of business becomes invalid, the person shall cease offering or rendering professional services in Utah both individually and on behalf of the firm; and

To the appointment of the state board which issued the person's license as the person's agent upon whom process may be served in an action or proceeding brought by the Division against the licensee.

If Applicant does not qualify for the the Practice Privilege listed above, then Applicant must apply for a License by Endorsement. Refer to *Reciprocal Licensure* in the menu bar at the top of this page for additional information.

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vermont

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective July 1, 2009, Vermont now allows practice privileges. Practices privileges were created in H.86 during the 2009 legislative session. The details of H.86 are provided below.

Click here to view "[Mobility and How It Works for You!](#)" on the Vermont Board's web site.

A CPA whose principal place of business is outside of Vermont may temporarily provide services in Vermont *without providing notice or paying a fee* if the individual:

Holds a valid active license in a [substantially equivalent](#) jurisdiction; OR

Has substantially equivalent individual CPA qualifications. Individual substantial equivalency can be evaluated through NASBA's [CredentialNet](#) service.

Please Note: Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the 150 hours education requirement for practice privilege purposes.

CPAs who do not qualify for practices privileges must apply for a reciprocal license and firm license to practice in Vermont. Click [Reciprocal Licensure](#) above for additional information.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Vermont, and no notice or other submission shall be provided by the individual.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Vermont and the firm which employs the CPA consents, as a condition to the exercising of this privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of this Board.

Compliance with the provisions of the Vermont Accountancy Law and the rules and regulations adopted by the Board or governing the practice of the profession in Vermont.

In the event the license from the state of the individual's principal place of business is no longer valid or is otherwise conditioned or restricted, the individual shall cease offering or rendering professional services in Vermont individually and on behalf of the CPA firm.

The appointment of the board of accountancy or licensing authority which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Performance of only those services within the scope of practice authorized by the state of the licensee's principal place of business.

Firm Registration Requirements May Apply

An individual exercising practice privileges in Vermont or in the performance of the following services for any entity with its home office in Vermont must perform such services through a firm which has registered with the Vermont Board:

A financial statement audit or other engagement to be performed in accordance with SAS,

An examination of prospective financial information to be performed in accordance with SSAE, or

An engagement to be performed in accordance with the auditing standards of the PCAOB.

An individual who qualifies for practice privileges and who performs services for which a firm registration is required shall not be required to obtain a Vermont license.

An out-of-state firm (those firms with no office in this state) may provide compilation services or review financial statements in accordance with SSARS for a client having its home office in Vermont and may use the title "CPA" or "CPA firm" without obtaining a Vermont firm registration if the firm:

Meets firm ownership requirements for licensure in Vermont;

Performs services through an individual with practice privileges in Vermont, and

Complies with Vermont's peer review requirements.



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virgin islands

Practice Privilege / Mobility / Interstate Practice Requirements

Temporary Practice Permit

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Currently, practice privileges are not offered by the Virgin Islands Board of Accountancy. However, an out-of-state accountant may temporarily practice in the US Virgin Islands on professional business incidental to his/her regular practice. If work exceeds the incidental practice exception, then click *Reciprocal Licensure* above for requirements to obtain a reciprocal license in the Virgin Islands.

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virginia

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege/Licensing by Substantial Equivalency

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant must hold a license in good standing in a state other than Virginia.

Practice Privilege via State Substantial Equivalency

A *non-resident of Virginia* shall be granted the privilege of practicing public accounting in Virginia if he holds a valid and unrestricted CPA certificate or license to practice public accounting in another state or foreign jurisdiction that is determined by the Virginia Board to have education, CPA exam and experience requirements to those provided in Virginia.

If the Applicant's CPA certificate is issued by a state that the Virginia State Board has determined to be substantially equivalent, then the CPA certificate issued by that state shall constitute evidence of the privilege to practice.

NOTE: The Virginia Board utilizes [NASBA's SE Chart](#) with the following caveats:

Individuals from a state with no asterisk are eligible for practice privileges;

Individuals from a state with one asterisk are eligible for practice privileges if the individual holds an active CPA license; and

Individuals from a state with two asterisks are not eligible for practice privileges based on the SE status of his state but must demonstrate to the Board that his individual qualifications are substantially equivalent.

Practice Privilege via Individual Substantial Equivalency

A *non-resident of Virginia* shall be granted the privilege of practicing public accounting in Virginia if he holds a valid and unrestricted CPA certificate or license to practice public accounting in another state or foreign jurisdiction and has individual education, CPA exam and experience requirements that are substantially equivalent to the current requirements for initial licensure in Virginia.

If the Applicant's CPA certificate is issued by a state that has not been deemed substantially equivalent by the Virginia State Board, then the CPA is not required to notify the Virginia Board of his intent to exercise practice privileges in Virginia but must be prepared to provide proof if requested by the Virginia State Board that he has personally satisfied the requirements listed above for substantial equivalency.

A CPA Certificate by Endorsement shall be obtained if the CPA exercising the privilege to practice under substantial equivalency moves his principal place of business to Virginia or ceases to have an office in any other state.

Firm Registration Requirements May Apply

A firm that is not required to obtain a Virginia license may provide attest services or compilation services to persons or entities located in Virginia if:

The firm's personnel working on the engagement either (i) hold a Virginia license or (ii) hold the license of another state and comply with the substantial equivalency requirements of Virginia; OR

The firm's personnel working on the engagement are under the supervision of a person who either (i) holds a Virginia license or (ii) holds the license of another state and complies with the substantial equivalency provisions of Virginia.

Click [Firm Registration](#) above for additional information and forms.



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washington

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Effective June 12, 2008, a CPA whose principal place of business is outside Washington shall have all the privileges of Washington CPAs without the need to obtain a license if the individual:

- Holds a valid CPA license from a substantially equivalent jurisdiction OR
- Has individual qualifications which are substantially equivalent to the following requirements:
 - Holds a valid CPA license from any US jurisdiction;
 - Has at least 150 semester hours of college or university education, including a baccalaureate or higher degree conferred by a college or university;
 - Achieves a passing grade on the Uniform CPA Exam; and
 - Possesses at least one year of experience including service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which was verified by a licensee.

Please Note: Any individual who passed the Uniform CPA Exam and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the 150 semester hour education requirement.

Click here to view the [Mobility page](#) of the Washington Board's web site.

A CPA who holds a license in a state that is not on the substantially equivalent jurisdiction list above may submit documentation of their individual substantially equivalent qualifications to the Washington Board of Accountancy or they may obtain an individual substantial equivalency evaluation from NASBA's [CredentialNet Service](#).

If a CPA wishes to use the Washington Board of Accountancy to verify his/her individual substantial equivalency qualifications, then he/she may submit documentation of valid license including expiration date, education (transcripts), CPA examination grades, and experience to the following address: Washington State Board of Accountancy, P.O. Box 9131, Olympia, WA 98507-9131.

Practice Privileges extend to professional services offered or rendered in Washington, whether in person or by mail, telephone, or electronic means, and no notice, fee, or other submission shall be provided by any such individual.

Consent to Jurisdiction

Any out of state CPA exercising these practice privileges and the firm that employs the CPA simultaneously consent, as a condition of exercising this privilege:

- To the personal and subject matter jurisdiction and disciplinary authority of the Washington Board;
- To comply with the law and Board rules;
- That in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in Washington individually and on behalf of the firm; and
- To the appointment of the state board which issued the certificate or license as their agent upon whom process may be served in any action or proceeding by the Washington Board against the certificate holder of licensee.

Firm Registration May Apply

An individual who qualifies for practice privileges may perform the following services for any entity with its home office in Washington *only* through a firm that has obtained a Washington license:

- Any financial statement audit or other engagement to be performed in accordance with SAS;
- Any examination of prospective financial information to be performed in accordance with SSAE; or
- Any engagement to be performed in accordance with PCAOB auditing standards.

An out-of-state firm that is not performing services subject to SAS, SSAE or PCAOB standards may perform other professional services while using the title "CPA" or "CPA firm" in Washington without a firm license only if:

- The firm performs such services through an individual granted practice privileges;
- The firm can lawfully do so in the state where said individuals with practice privileges have their principal place of business; and
- A firm performing compilation services or reviews of financial statements in accordance with SSARS meets the Washington Board's quality assurance program requirements.



west virginia

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privileges

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

General Requirement

Applicant must be a non-resident of West Virginia.

Applicant's principal place of business is not in this state; and

Applicant must hold a valid original certificate and license/permit in good standing as a Certified Public Accountant from a state, district, or territory of the US that has been deemed substantially equivalent to the UAA by the National Association of State Boards of Accountancy; OR

Applicant must have substantially equivalent individual qualifications. Individual substantial equivalency evaluations are offered through NASBA's [CredentialNet](#) service.

[View the West Virginia practice privilege/mobility web page.](#)

Any individual who qualifies for practice privileges before the first day of January 2012, and who passed the uniform CPA examination and holds a valid license issued by another state is exempt from the education requirement in the UAA.

By law, a CPA of another state exercising practice privileges in West Virginia and the CPA firm which employs the CPA consents, as a condition to the grant of this privilege, to the following:

the personal and subject matter jurisdiction and disciplinary authority of this Board.

compliance with the provisions of the West Virginia Accountancy Law and the rules and regulations adopted by the Board.

in the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in this state individually and on behalf of the CPA firm.

the appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this board against the licensee.

Firm Registration Requirements May Apply

Individual practitioners (CPAs who are not part of a firm) from other jurisdictions offering to perform any of the services below must first file for an Authorization to Perform Attest Services as an individual practitioner and provide documentation that he/she is enrolled in a Peer Review Program that conforms with applicable Rules:

An audit or other engagement to be performed in accordance with SAS;

An examination of prospective financial information to be performed in accordance with SSAE; or

An engagement to be performed in accordance with the auditing standards of the PCAOB.

An out-of-state firm (those firms with no office in this state) may provide a review of a financial statement performed in accordance with SSARS for a client having its home office in West Virginia and may use the title "CPA" or "CPA firm" without a firm permit if the firm:

Meets firm ownership requirements;

Is enrolled in a peer review program that conforms with applicable rules; and

Performs services through an individual with substantial equivalency practice privileges.

An out-of-state firm that does not perform attest services for a client having its home office in West Virginia may perform other professional services while using the title "CPA" or "CPA firm" without a firm permit if the firm:

Performs the services through an individual with substantial equivalency practice privileges and

May lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.

In addition, out-of-state CPA firms are required to have both a Firm Permit and Authorization to Perform Attest Services *only* if they perform for a client whose home office is located in West Virginia:

An audit or other engagement performed in accordance with SAS;

An examination of prospective financial information to be performed in accordance with SSAE; or

An engagement to be performed in accordance with the auditing standards of the PCAOB.

NOTE: Individual practitioners, West Virginia accounting firms and out-of-state accounting firms that wish to perform attest or compilation services must complete the Authorization to Perform Attest or Compilation Services form and pay the additional fee.

Firm requirements may differ depending on the type of services performed. Additional information for individual and firm practice privilege requirements can be viewed at [the West Virginia practice privilege/mobility web page](#).



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wisconsin

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective April 11, 2006, a CPA that has a valid license to practice from a substantially equivalent state has practice privileges in Wisconsin. CPAs who meet this requirement do NOT need to register, complete any forms or pay a fee in order to have practice privileges in Wisconsin. By entering the state and practicing without a Wisconsin credential under the practice privileges statute, the CPA agrees to follow the Wisconsin statutes and rules and is subject to investigation and disciplinary action for a violation of Wisconsin statutes or rules in the same manner as a Wisconsin licensee.

This privilege is only available to CPAs who are not residents of Wisconsin or whose primary office is not in Wisconsin. Residents of Wisconsin or individuals whose primary office is in Wisconsin must obtain a Wisconsin CPA credential in order to practice in Wisconsin. CPAs holding a valid license from a state which is not included in the list of substantially equivalent states must apply for a Certificate by Endorsement.

Firm Registration Requirements May Apply

Wisconsin does not require the out-of-state firm to obtain a Wisconsin firm permit, so long as the individual is qualified to provide such services through mobility in Wisconsin and the out-of-state firm is validly licensed and in good standing in its home jurisdiction.

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wyoming

Practice Privilege / Mobility / Interstate Practice Requirements

Practice Privilege

To view a complete list of procedures and forms for applying for the Practice Privilege / Mobility / Interstate Practice [click here](#).

Effective July 1, 2009, Wyoming will allow practice privileges. Practices privileges were created in HB0008 during the 2009 legislative session. The details of HB0008 are provided below.

Effective July 1, 2009, a CPA whose principal place of business is outside Wyoming shall have all the privileges of a Wyoming CPA without having to obtain a license, give notice or pay a fee if the individual:

Holds a valid active CPA license in the state which has been deemed substantially equivalent by NASBA; or

Has individual qualifications that have been deemed substantially equivalent by CredentialNet; or

Has the following individual qualifications:

Passed the Uniform CPA Exam prior to January 1, 2012;

Holds an active certificate in the state of the individual's principal place of business; and

Completed at least one year (2000 hours) of broad based experience (within five years of certificate date) involving accounting, attest, compilation, management advisory services, financial advisory services, tax or consulting services.

Wyoming does not require any submission to verify an out-of-state CPA's credentials for purposes of practice privileges. The CPA is responsible for reading the Wyoming laws and rules, as well as the Wyoming Board of Accountancy's web site information. A reciprocal certificate would only be required if an out-of-state CPA relocated to Wyoming.

Practice privileges extend to any individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, in Wyoming, and no notice or other submission shall be provided by the individual. An individual or firm using practice privileges and advertising professional services via a web site shall disclose the state of his principal place of business, his license or certificate number, an address, and a phone number where he may be contacted by the general public or regulators.

NOTE: A non-resident CPA who currently holds a Wyoming certificate and qualifies for practice privileges may (1) return the certificate to the Board and be noted as "mobility" status or (2) continue to maintain the certificate on active status.

Consent to Jurisdiction

A CPA of another state exercising practice privileges in Wyoming and the firm which employs the CPA consents, as a condition to the exercising of this privilege, to the following:

The personal and subject matter jurisdiction and disciplinary authority of this Board.

Compliance with the provisions of the Wyoming Accountancy Law and the rules and regulations adopted by the Board.

In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering professional services in Wyoming individually and on behalf of the CPA firm.

The appointment of the board of accountancy which issued the individual or firm license as his agent upon whom process may be served in any action or proceeding by this Board against the licensee.

Firm Registration Requirements May Apply

The following services require the out-of-state firm to obtain a Wyoming firm permit.

Any audit or other engagement performed in accordance with the statements on auditing standards;

Any examination of prospective financial information to be performed in accordance with the statement on standards for attestation engagements; or

Any engagement to be performed in accordance with the auditing standards of the public company accountancy oversight board.

Also, firms performing compilations or reviews must be owned by at least 50% certificate holders in Wyoming or another jurisdiction, and must participate in a practice monitoring (peer review) program. If these requirements are not met, then the out-of-state firm must obtain a firm permit from Wyoming.

**DEPARTMENT OF CONSUMER AFFAIRS**

CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>

**MSG Item VII.**

July 23, 2014

CBA Item XI.C.7.

July 24, 2014

**Overview and Discussion Regarding Survey of Other States’
Practice Privilege/Mobility Provisions to Obtain Information
Necessary for Reporting Under BPC Section 5096.21(d)**

Presented by: Matthew Stanley, Legislative and Regulatory Coordinator

Date: June 27, 2014

Purpose of the Item

The purpose of this agenda item is to present the Mobility Stakeholder Group (MSG) with the method, which was approved by the California Board of Accountancy (CBA) at its May 2014 meeting, by which staff will be collecting practice privilege information from other states in order to prepare the report required by Business and Professions Code (BPC) section 5096.21(d).

Action(s) Needed

No specific action is required on this agenda item.

Background

BPC section 5096.21 requires the CBA to make a determination, on and after January 1, 2016, whether allowing individuals from a particular state to practice in California under the current practice privilege program, or mobility, violates its duty to protect the public. The CBA’s decisions in this matter will be primarily based on preliminary determinations made in a report to the Legislature on July 1, 2015. This report needs to answer the following questions:

1. Does allowing this state’s licensees to use practice privileges in California violate the CBA’s duty to protect the public?
2. Does this state timely and adequately address enforcement referrals?
3. Is this state’s disciplinary history available on the Internet?
4. Is this state’s discipline appropriate in light of the misconduct?
5. Has this state adopted the National Association of State Boards of Accountancy (NASBA) Enforcement Standards?

The law requires that, if the CBA determines allowing individuals from a particular state to practice in California under mobility violates its duty to protect the public, that state’s licensees would be required to go back to the old practice privilege system which required out-of-state licensees to file a notice with the CBA and pay a fee.

Comments

At its May 2014 meeting, the CBA approved a methodology for answering the above questions. The CBA will be able to answer questions 2, 3, and 5 using existing sources.

Overview and Discussion Regarding Survey of Other States' Practice Privilege/Mobility Provisions to Obtain Information Necessary for Reporting Under BPC Section 5096.21(d)

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A survey of other state boards of accountancy will assist the CBA in determining the answers to questions 1 and 4.

Staff will be sending out an email communication (**Attachment**) to all of the other state boards of accountancy that will contain a link to an electronic survey. The other states' answers to the survey questions, which are also listed in the email, will assist the CBA as it determines if a given state's discipline is appropriate and if a given state's licensees should be allowed to continue practicing in California under mobility.

Staff provided the draft email to National Association of State Boards of Accountancy (NASBA) President and Chief Executive Officer, Ken Bishop for any suggestions he may have and to request NASBA's assistance in encouraging other boards to respond to the survey. It is critical that every state respond to the survey as the CBA's decision regarding that state's licensees' participation in mobility may depend on the answers received. NASBA has communicated that it will work collaboratively with the CBA and assist in obtaining 100 percent compliance to the survey from the various boards of accountancy (**CBA and MSG Joint Meeting Agenda Item I**).

Prior to the MSG meeting, staff will be sending out the survey to only a few select state boards in order to test the responses provided to ensure that the information returned is adequate to the reporting requirements. The survey will then be distributed in August to the remaining state boards of accountancy.

Questions 5 through 7 in the survey described on the attachment are not related directly to the report to the Legislature; however, the answers provided to these questions will assist staff in providing the MSG with information it has requested. It is expected that the MSG will be able to review the responses to these questions at its November 2014 meeting.

Fiscal/Economic Impact Considerations

None.

Recommendation

None.

Attachment

Approved Communication to Other State Boards of Accountancy

**DEPARTMENT OF CONSUMER AFFAIRS**

CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>

**Attachment****Approved Communication to Other State Boards of Accountancy**

Good Morning –

The California Board of Accountancy (CBA) implemented no notice, no fee mobility on July 1, 2013. California's mobility law is, at this point, set to expire on January 1, 2019. Prior to that time, the CBA will be preparing a preliminary report on mobility for the California Legislature which is due on July 1, 2015. This report will provide several details about each state and how they fit into California's mobility program. In order to provide the CBA and the Legislature with the information needed, the CBA has prepared a survey asking specific questions regarding states' enforcement processes.

The CBA has been charged by the Legislature to utilize its findings in the report to determine if, for each jurisdiction, allowing that state's licensees to continue practicing in California under no notice, no fee mobility is consistent with the CBA's duty to protect consumers. If the CBA determines that it is not consistent, that state's licensees will fall under California's prior practice privilege law which requires both a notice and fee.

The information you provide in this survey will assist the CBA in preparing the report to the Legislature and in determining which states' licensees will remain a part of the current California mobility program.

The link to the survey is provided below. However, below is the list of questions in the survey to facilitate gathering the requested information prior to completing the online survey.

1. Has your board adopted a set of disciplinary guidelines that are utilized when determining appropriate discipline? (If no, skip to question 5)
2. Is there latitude given to allow your board to deviate from those guidelines? (If no, skip to question 5)
3. Under what circumstances would your board deviate from the guidelines?
4. Approximately how often in the past five years has your board deviated from the guidelines?
5. In the past 5 years, how many enforcement referrals did your board receive annually from other state boards of accountancy?
6. How many of those referrals resulted in enforcement actions?
7. In the past 5 years, how many matters has your board referred for enforcement to other state boards of accountancy?

The survey may be completed at <link>. Thank you for your participation.

If you have any questions, please contact our Legislative and Regulatory Coordinator, Matthew Stanley, by email at matthew.stanley@cba.ca.gov or by telephone at (916) 561-1792.

Sincerely,

Patti Bowers, Executive Officer

**DEPARTMENT OF CONSUMER AFFAIRS**

CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>

**MSG Item VIII.**

July 23, 2014

CBA Item XI.C.8.

July 24, 2014

**Discussion Regarding Stakeholder Objectives Pursuant to
BPC Section 5096.21(e)**

Presented by: Matthew Stanley, Legislation and Regulation Coordinator

Date: June 24, 2014

Purpose of the Item

The purpose of this agenda item is to establish the stakeholder objectives pursuant to BPC section 5096.21(e) in order to provide a framework for future discussions for the Mobility Stakeholder Group (MSG).

Action(s) Needed

The MSG will be asked to identify and adopt stakeholder objectives.

Background

The MSG is charged with considering whether the provisions of California's practice privilege law (mobility law) "satisfy the objectives of stakeholders of the accounting profession in this state, including consumers." In order to undertake those considerations, the MSG must first establish what those objectives are.

Comments

The assumption is being made that many of the objectives of stakeholders were written into the law itself, such as having a practice privilege with no notice, and no fee. The MSG may wish to stipulate that such objectives, by being integral with the law itself, are being met in order to move to discussing other objectives. Likewise, the objective of "consumer protection" is going to be addressed separately as outlined in **MSG agenda item IV**.

Some objectives that may be stakeholder driven and that are already addressed within the law are identified below as examples.

- Ensure that it is possible for a practice privilege to be revoked.
- Ensure only licensed individuals may practice under a practice privilege.
- Ensure the information available to consumers on the California Board of Accountancy (CBA) website is at least equivalent to what it was under the prior practice privilege program.
- Ensure that out-of-state accounting firms are allowed to practice in California through a practice privilege holder.
- Ensure that when certain attest work is performed on California headquartered entities that they are done through an accounting firm registered with the CBA.

Discussion Regarding Stakeholder Objectives Pursuant to BPC Section 5096.21(e)

Page 2 of 2

This discussion is to afford MSG members the opportunity to create a list of stakeholder objectives separate from those that are in law and being met. Staff suggests that input be sought from each of the stakeholder groups represented on the MSG – consumers, the profession, and the CBA.

Fiscal/Economic Impact Considerations

There is no fiscal or economic impact as this item merely establishes a list of objectives to be pursued as agenda items for future meetings.

Recommendation

Staff recommend that the MSG provide an opportunity for each of the stakeholder groups to express their objectives and make a determination as to which will become a part of the MSG's list of stakeholder objectives.

Attachment

None.

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CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>

**MSG Item IX.**

July 23, 2014

CBA Item XI.C.9.

July 24, 2014

Discussion Regarding Proposed Agenda Items for the Next Meeting**Presented by:** Matthew Stanley, Legislation and Regulation Coordinator**Date:** July 2, 2014**Purpose of the Item**

The purpose of this item is to establish the items that will be included on the next agenda for the Mobilty Stakeholder Group (MSG).

Action(s) Needed

The MSG will be asked to identify topics it wishes to discuss at its November 2014 meeting.

Background

As the MSG is intended to be representative of "stakeholders of the accounting profession in this state, including consumers," it may wish to set its future agenda during its meetings in order that all public input may be considered when deciding how best to proceed.

Comments

The following topics are being proposed for consideration when determining the agenda for the next MSG meeting:

- A review of the answers to the survey of other state boards of accountancy
- An in-depth review of a consumer protection provision(s) in the mobility law
- Discussion on a specific Stakeholder Objective(s)
- A review of Licensing and Enforcement Division statistics for mobility

The MSG may wish to accept, alter, or add to these suggestions based on the direction in which it wishes to proceed.

Fiscal/Economic Impact Considerations

There is no fiscal or economic impact as this item merely establishes the agenda items for the next meeting.

Recommendation

None.

Attachment

None.