



DEPARTMENT OF CONSUMER AFFAIRS  
CALIFORNIA BOARD OF ACCOUNTANCY  
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## AVAILABILITY OF MODIFIED TEXT

NOTICE IS HEREBY GIVEN that the California Board of Accountancy has proposed modifications to the text of Sections 11 and 11.1 in Title 16 California Code of Regulations which was the subject of a regulatory hearing on November 18, 2011. A copy of the modified text is enclosed. Any person who wishes to comment on the proposed modifications may do so by submitting written comments on or before December 16, 2011, to the following:

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DATED: December 1, 2011

A handwritten signature in black ink that reads 'Patti Bowers'. The signature is fluid and cursive, written over a horizontal line.

Patti Bowers, Executive Officer  
California Board of Accountancy



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## 15-DAY NOTICE OF MODIFICATIONS TO TEXT OF PROPOSED REGULATIONS

### ACCOUNTING STUDY

Pursuant to the requirements of Government Code Section 11346.8(c), and California Code of Regulations, Title 1, Section 44, the California Board of Accountancy (Board) is providing notice of changes made to the above entitled proposed regulation. The proposed modifications are highlighted in double strikethrough and double underline format. Specifically, the changes are as follows:

- the date of implementation is being changed in Section 11;
- the location of where the 10 semester units of ethics study are described is being added in Section 11;
- the authority and reference citation for Section 11.1 is being changed;
- Section 11.1 is being modified to clarify that the maximum of four semester units in internships or independent study must come from courses which meet the subject matter requirements of Section 11.1(a)(2)(A) or (B).

The CBA is making the changes to Section 11 and the change to the Authority and Reference Note in Section 11.1 to conform with SB 773 (ch.344, Stats. of 2011) which was recently signed into law. The change being made to Section 11.1 regarding internships and independent study is being made to provide increased clarity as to which courses would qualify and to more closely follow the intent of the Legislature in creating the 20 semester unit accounting study requirement.

### PROPOSED REGULATORY LANGUAGE

Adopt Section 2.8 in Article 1 of Division 1 of Title 16 of the California Code of Regulations to read:

#### **2.8 Definition of Satisfactory Evidence.**

For the purposes of this division, satisfactory evidence as to educational qualifications for examination and licensure shall take the form of certified transcripts of the applicant's college record, mailed directly to the Board from the educational institution. In unusual circumstances, the Board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence includes an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

Note: Authority cited: Sections 5010 and 5094, Business and Professions Code.  
Reference: Sections 5092, 5093 and 5094, Business and Professions Code.

Amend Section 9.2 and Adopt Sections 11 and 11.1 in Article 2 of Division 1 of Title 16 of the California Code of Regulations to read:

**9.2. Education Required Under Business and Professions Code Sections 5092 and 5093.**

(a) Each applicant shall present satisfactory evidence that he or she has received a baccalaureate or higher degree, has completed the accounting subjects specified in subsection (b) of this section, and has completed the business-related subjects specified in subsection (c) of this section.

(b) The applicant shall have completed a minimum of 24 semester units, or the equivalent in quarter units, selected from the following accounting subjects: accounting, auditing, financial reporting, external or internal reporting, financial statement analysis or taxation.

(c) In addition to the accounting courses described in subsection (b), an applicant shall have completed a minimum of 24 semester units, or the equivalent in quarter units, selected from the following business-related subjects: accounting subjects in excess of the 24 semester units as described in subsection (b), business administration, economics, finance, business management, marketing, computer science/information systems, statistics, business communications, mathematics, business law, or business related law courses offered by an accredited law school.

(d) Qualifying education shall be completed within the following time frames specified in this subsection:

(1) Except as provided for in subsection (d)(2), applicants shall complete the education required by this section before applying for examination for the first time.

(2) An applicant who applied, qualified, and sat for at least two subjects of the examination for the Certified Public Accountant License before May 15, 2002, may provide evidence of qualifying education at the time of application for licensure.

(e) Satisfactory evidence as to educational qualifications shall take the form of certified transcripts of the applicant's college record, mailed directly to the Board from the educational institution; however, in unusual circumstances the Board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence usually takes the form of an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

(f)(e) For purposes of this section article, one quarter unit is equivalent to two-thirds of one semester unit.

Note: Authority cited: Sections 5010, 5092 and 5093, Business and Professions Code.  
Reference: Sections 5092 and 5093, Business and Professions Code.

## **11. Education Required to Apply for Certified Public Accountant License.**

(a) An applicant for certified public accountant licensure after ~~January 1, 2014~~ December 31, 2013, shall meet all of the following requirements:

(1) completion of 24 semester units of accounting subjects as described in Section 9.2(b),

(2) completion of 24 semester units of business-related subjects as described in Section 9.2(c),

(3) completion of 20 semester units of accounting study as described in Section 11.1; and

(4) completion of 10 semester units of ethics study as described in Business and Professions Code Section 5094.3.

(b) An applicant shall present satisfactory evidence that he or she has completed the units required in subsection (a).

Note: Authority cited: Sections 5010, 5093 and 5094.6, Business and Professions Code. Reference: Sections 5093, 5094, and 5094.6, Business and Professions Code.

### **11.1. Accounting Study.**

(a) For an applicant to satisfy the accounting study requirement described in Section 11(a)(3), he or she shall meet either of the following requirements:

(1) conferral of a Master of Accounting, Master of Taxation, or Master of Laws in Taxation degree, or;

(2) completion of 20 semester units that satisfy the following requirements:

(A) a minimum of six semester units shall be completed in accounting subjects as described in Section 9.2(b),

(B) a maximum of 14 semester units may be completed in business-related subjects as described in Section 9.2(c),

(C) a maximum of nine semester units may be completed in other academic work relevant to accounting and business; and

(D) a maximum of four semester units may come from ~~courses completed in~~ internships or independent studies courses which meet the subject matter requirements of Section 11.1(a)(2)(A) or (B).

(b) For the purposes of this section, "other academic work relevant to accounting and business" means:

(1) a maximum of three semester units in courses that increase an applicant's oral, verbal, written, and presentation skills, as well as increase his or her ability to gather, critically analyze and assess, and reach conclusions. Courses counted towards this requirement shall be completed in any of the following disciplines: English, Communications, Journalism, or the Physical, Life, Natural, and Social Sciences;

(2) a maximum of three semester units in courses in foreign languages, which may include sign language, or in courses containing the word "culture," "cultural," or "ethnic" in the course title; and,

(3) a maximum of three semester units in courses that provide applicants with information on the business, economic, or financial market within which a particular industry operates. Courses shall either include the word "industry" or "administration" in the course title, or be completed in one of the following disciplines: Engineering, Architecture, or Real Estate.

Note: Authority cited: Sections 5010, 5093 and 5094.6, Business and Professions Code. Reference: Sections ~~5094~~ 5093 and 5094.6.