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Proposed Regulatory Language

Amend Section 7.1 of Article 2, Division 1, Title 16 California Code of Regulations – Credit Status for the Computerized Uniform CPA Examination.

§ 7.1. Credit Status for the Computerized Uniform CPA Examination.

(a) Upon the commencement of computer-based testing in California, an applicant may sit for the four sections of the computer-based Uniform Certified Public Accountant Examination individually and in any order. An applicant who fails to pass any section of the examination may retake that section. When the applicant has credit for all four sections of the examination within an 18-month period as defined in subsection (b), the applicant shall be considered to have passed the examination.

(b) Except as provided in subsections (c) and (d), an applicant shall retain credit for any section the applicant has passed for an 18-month period beginning with the date that the section of the exam was passed. At the end of the 18-month period, credit for that section expires, and that section must be re-taken and passed to re-establish credit.

~~(c) A first-time applicant who passes any section of the computer-based Uniform Certified Public Accountant Examination during the six months immediately following commencement of computer-based testing in California shall retain credit for that section for a 24-month period beginning with the date the section of the exam was passed. At the end of the 24-month period, credit for that section expires. The section may be re-taken pursuant to subsection (b) of this section.~~

~~(d)~~ (d_c) A candidate may sit for any unpassed section of the examination only one time during each testing window. A testing window is a three-month period as determined by the American Institute of Certified Public Accountants during which applicants may take the exam. There are four three-month testing windows in a year. To allow for routine maintenance, the exam may be unavailable for up to one month during each testing window.

(e_d) Credit for passed examination sections may be extended by the Board because the applicant was prevented from sitting for an unpassed section or sections before credit for passed sections expired pursuant to subsections (b) or (c) because of one of the following events:

(1) Death of an immediate family member. Documentation, such as a copy of the death certificate, must be submitted.

(2) Catastrophic illness, contagious disease, or major traumatic injury to the candidate or immediate family member (spouse, child or parent). Submit an original letter on letterhead from the physician, which includes the date(s), nature of the illness, and the physician's signature.

(3) Natural disaster (earthquake, flood, fire, etc.).

(4) Non-issuance of visa for travel to the U.S. Documentation, such as an official letter from the U.S. Embassy or a copy of the passport indicating a visa was requested, must be submitted.

(5) Other good cause.

Note: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1, 5082.2, 5092 and 5093, Business and Professions Code.

Repeal Section 8 of Article 2, Division 1, Title 16 California Code of Regulations – Examination Final Filing Dates.

~~§ 8 – Examination Final Filing Dates.~~

~~(a) During the time the Uniform CPA Examination is a paper and pencil examination, applications for the Uniform CPA Examination must be received by the Board at its office or postmarked on or before the below final filing dates in order to be accepted for that exam. Applications postmarked after the final filing dates listed in this section shall be rejected and returned to the applicant. Meter marks are not acceptable proof of mailing.~~

~~(b) First-time Applicant Final Filing Date.~~

~~(1) The final filing date for applicants who have never sat for the Uniform CPA Exam in California shall be February 1 for the May examination, or August 1 for the November examination. If the examination final filing date falls on a Sunday or a National holiday on which the United States Postal Service is not open, the final filing date will be the next business day.~~

~~(2) The application must be complete, including official transcripts and/or foreign evaluations pursuant to Section 9 or Section 9.2, and the appropriate fees, or it shall be rejected by the Board and the applicant will not be scheduled to sit for the examination.~~

~~(c) Repeat Applicant Final Filing Date.~~

~~(1) The final filing date for applicants who have previously taken the Uniform CPA Exam in California shall be March 1 for the May examination, or September 1 for the November examination. If the examination final filing date falls on a Sunday or a National holiday on which the United States Postal Service is not open, the final filing date will be the next business day.~~

~~(2) The application must be complete including the appropriate fees or it shall be rejected by the Board and the applicant will not be scheduled to sit for the examination.~~

~~Note: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1, 5082.2, 5092 and 5093, Business and Professions Code.~~

Amend Section 70 of Article 10, Division 1, Title 16 California Code of Regulations – Fees.

§ 70. Fees.

~~(a)(1) From July 1, 2014 to June 30, 2016, the application fee for the computer-based Uniform Certified Public Accountant Examination shall be \$50 for issuance of the Authorization to Test to first-time applicants and \$25 for issuance of the Authorization to Test to repeat applicants.~~

~~(2) Commencing July 1, 2016, the application fee for the computer-based Uniform Certified Public Accountant Examination shall be \$100 for issuance of the Authorization to Test to first-time applicants and \$50 for issuance of the Authorization to Test to repeat applicants.~~

~~(b)(1) From July 1, 2014 to June 30, 2016, the application fee for issuance of a certified public accountant certificate shall be \$50.~~

~~(2) Commencing July 1, 2016, the application fee for issuance of a certified public accountant certificate shall be \$250.~~

~~(c)(1) From July 1, 2014 to June 30, 2016, the application fee for registration as a partnership or as a corporation, including registration under a new name as a partnership or as a corporation, shall be \$30.~~

~~(2) Commencing July 1, 2016, the application for registration as a partnership or as a corporation, including registration under a new name as a partnership or as a corporation, shall be \$150.~~

~~(d)(1) From July 1, 2014 to June 30, 2016, the fee for the initial permit to practice as a partnership, a corporation, or a certified public accountant shall be \$50.~~

~~(2) Commencing July 1, 2016, the fee for the initial permit to practice as a partnership, a corporation, or a certified public accountant shall be \$120, unless subsection (j) applies.~~

~~(e)(1) [Reserved]~~

~~(2) For licenses expiring between July 1, 2014 and June 30, 2016, the fee to be charged each applicant for renewal of a permit to practice as a partnership, a corporation, a public accountant, or a certified public accountant shall be \$50.~~

~~(3) For licenses expiring after June 30, 2016, the fee for renewal of a permit to practice as a partnership, a corporation, a public accountant, or a certified public accountant shall be \$120, unless subsection (j) applies.~~

(f) The fee for the processing and issuance of a duplicate copy of a certificate of licensure or registration shall be \$10.

(g) The fee for processing and issuance of a duplicate copy of a registration, or permit or other form evidencing licensure or renewal of licensure shall be \$2.

(h)(1) The fee for submission of a Practice Privilege Notification Form pursuant to Business and Professions Code Section 5096 with an authorization to sign attest reports shall be \$100.

(2) The fee for submission of a Practice Privilege Notification Form pursuant to Business and Professions Code Section 5096 without an authorization to sign attest reports shall be \$50.

(3) This subsection shall be inoperative until January 1, 2019.

(i)(1) The fee to be charged a licensee for submission of an application for a license in a retired status pursuant to Section 15.1 shall be \$75.

(2) The fee to restore a license from a retired status to an active status shall be \$50.

(j) By May 31, 2015, the Board shall conduct a review of its actual and estimated costs. Based on this review, the Board shall determine the appropriate level of fees for the initial permit to practice pursuant to subsection (d) and renewal of the permit to practice pursuant to subsection (e) in order to maintain the Board's contingent fund reserve balance at an amount equal to approximately three months of estimated annual authorized expenditures. If the Board determines that fees of less than \$120 are indicated, the Board shall fix the fees by regulation at the indicated amounts by July 1, 2016.

Note: Authority cited: Sections 5010 and 5134, Business and Professions Code. Reference: Sections 122, 163, 5070.1, 5096 and 5134 Business and Professions Code.

Amend Section 75.5 of Article 11, Division 1, Title 16 California Code of Regulations – Application; Review of Refusal to Approve.

§ 75.5. Application; Review of Refusal to Approve.

(a) An applicant corporation shall file with the board an application for Certificate of Registration on a form furnished by the board, which shall be signed and verified by an officer of the corporation who is a licensed person and be accompanied by a fee established pursuant to Rule 70.

(b) A Certificate of Registration shall be issued if the board finds that the applicant corporation has complied with Sections 13401 to 13409, inclusive, of the Corporations Code, Sections 5151 to 5155, inclusive, of the Business and Professions Code, and Sections ~~75.7 to 75.10~~75.8 and 75.9, inclusive, of these Rules.

(c) The board may delegate to its executive officer, or other official or employee of the board, its authority under Section 5151 of the Business and Professions Code, to review and approve applications for registration and to issue Certificates of Registration.

Note: Authority cited: Sections 5010 and 5157, Business and Professions Code.

Reference: Sections 5151, 5152, 5154 and 5155, Business and Professions Code.

Repeal Section 87.6 of Article 12, Division 1, Title 16 California Code of Regulations – Records Review Continuing Education Requirements.

~~§ 87.6. Records Review Continuing Education Requirements.~~

~~(a) The Report Quality Monitoring Committee is a committee appointed by the Board. This committee's functions include the review of financial reports selected under Section~~

~~89.1 to monitor and promote compliance with applicable accounting principles and reporting standards. The Report Quality Monitoring Committee may order a licensee to:~~

~~(1) Complete one or more of the 80 hours of qualifying continuing education required by Section 87(a) in a designated course of study which will contribute to the licensee's professional competence.~~

~~(2) Complete one or more of the 80 hours of qualifying continuing education required by Section 87(a) or 87.6(a)(1) by a specified date. Such date may be extended by the committee.~~

~~(b) Failure of a licensee to comply with an order by the committee made pursuant to this section constitutes cause for disciplinary action under Section 5100 of the Business and Professions Code.~~

~~Note: Authority cited: Section 5027, Business and Professions Code. Reference: Sections 5024, 5026, 5027 and 5028, Business and Professions Code.~~

Repeal Section 89.1 of Article 12, Division 1, Title 16 California Code of Regulations – Reports.

~~§ Section 89.1. Reports.~~

~~(a) For purposes of monitoring and promoting compliance with applicable accounting principles and reporting standards, the Report Quality Monitoring Committee may require licensees, selected on the basis of a statistical sampling or upon referral from another committee of the Board, to supply copies of selected financial reports they have issued during the previous two years. This requirement applies to any licensee who had primary responsibility for, and authority to sign, at least one financial report that was issued during the previous two years. The financial report or reports to be submitted shall be selected by the responding licensee and shall reflect the highest level of service rendered by such licensee during the period.~~

For purposes of this regulation, financial report shall mean

~~(1) the licensee's report issued as the result of an engagement covered by generally accepted auditing standards or government auditing standards (audit), or standards for accounting and review services (compilation or review), or attestation standards (attest engagements);~~

~~(2) accompanying financial statements or other client assertion, (3) accompanying footnotes, and~~

~~(4) supplementary financial data, if any.~~

~~(b) Willful failure or refusal of a licensee to comply with the Board's written request for a copy of financial report(s), within 30 calendar days of the licensee's receipt of that request, constitutes a violation of Section 5100(g) of the Accountancy Act.~~

~~Note: Authority cited: Sections 5010 and 5018, Business and Professions Code.~~

~~Reference: Sections 5010 and 5018, Business and Professions Code.~~