

1 ENGROSSED HOUSE
2 BILL NO. 1779

By: Jones and Jackson of the
House

3 and

4 Burrage of the Senate
5
6

7 An Act relating to professions and occupations;
8 amending 59 O.S. 2001, Sections 15.1A, as last
9 amended by Section 2, Chapter 125, O.S.L. 2004, 15.5,
10 as amended by Section 5, Chapter 125, O.S.L. 2004,
11 15.6A, 15.8 and 15.9, as last amended by Sections 6,
12 8 and 9, Chapter 125, O.S.L. 2004, 15.10A and 15.11,
13 as amended by Sections 11 and 12, Chapter 125, O.S.L.
14 2004, 15.12, as last amended by Section 13, Chapter
15 125, O.S.L. 2004, Section 8, Chapter 312, O.S.L.
16 2002, as amended by Section 14, Chapter 125, O.S.L.
17 2004 and 15.13, as last amended by Section 15,
18 Chapter 125, O.S.L. 2004, Section 16, Chapter 125,
19 O.S.L. 2004, 15.14, as last amended by Section 17,
20 Chapter 125, O.S.L. 2004, 15.14A, 15.14B, as amended
21 by Section 18, Chapter 125, O.S.L. 2004, 15.15 and
22 15.15A, as last amended by Sections 19 and 20,
23 Chapter 125, O.S.L. 2004, 15.23, as amended by
24 Section 13, Chapter 312, O.S.L. 2002, 15.24, 15.25
and 15.27, as amended by Sections 22, 23 and 25,
Chapter 125, O.S.L. 2004, 15.35, as last amended by
Section 30, Chapter 125, O.S.L. 2004, 15.36 and
15.37, as amended by Sections 31 and 32, Chapter 125,
O.S.L. 2004 (59 O.S. Supp. 2008, Sections 15.1A,
15.5, 15.6A, 15.8, 15.9, 15.10A, 15.11, 15.12,
15.12A, 15.13, 15.13A, 15.14, 15.14B, 15.15, 15.15A,
15.23, 15.24, 15.25, 15.27, 15.35, 15.36 and 15.37),
which relate to the Oklahoma Accountancy Act;
modifying definitions; providing for definitions;
providing certain authority for the executive
director; allowing the Board to disclose certain
information; modifying certain qualification for
applicants; modifying the issuance of certificates;
modifying examination fees; modifying use of titles;
providing exceptions; modifying out-of-state license

1 and reciprocity; providing alternative to certain
2 requirements; providing for criminal history record
3 check; modifying registration requirements; modifying
4 permit requirements; modifying partnerships of
5 certain accountants; providing exception for certain
6 firms; modifying hearings; modifying penalties;
7 modifying violations; modifying cease and desist
8 order; modifying continuing education requirements;
9 modifying persons entitled to perform required
10 audits; providing for codification; and declaring an
11 emergency.

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2001, Section 15.1A, as
last amended by Section 2, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
2008, Section 15.1A), is amended to read as follows:

Section 15.1A As used in the Oklahoma Accountancy Act:

1. "Accountancy" means the profession or practice of
accounting;

2. "AICPA" means the American Institute of Certified Public
Accountants;

3. "Applicant" means an individual or entity that has made
application to the Board for a certificate, license, or permit ~~or an~~
~~individual who has made application to take the examination and said~~
application has not been approved;

1 4. "Assurance" means independent professional services that
2 improve the quality of information, or its context, for decision
3 makers;

4 5. "Attest" means providing the following financial statement
5 services:

6 a. any audit or other engagement to be performed in
7 accordance with ~~generally accepted auditing standards~~
8 the Statements on Auditing Standards (SAS),

9 b. any review of a financial statement to be performed in
10 accordance with the Statements on Standards for
11 Accounting and Review Services (SSARS), ~~and~~

12 c. any report performed in accordance with the Statements
13 on Standards for Attestation Engagements (SSAE), and

14 d. any engagement to be performed in accordance with the
15 Auditing Standards of the Public Company Accounting
16 Oversight Board (PCAOB).

17 The statements on standards specified in this definition shall
18 be adopted by reference by the Board pursuant to rulemaking and
19 shall be those developed for general application by recognized
20 national accountancy organizations, such as the AICPA, IFAC and the
21 PCAOB;

22 6. "Audit" can only be performed by an individual or entity who
23 is registered with the Board and holding a valid permit issued
24 pursuant to the Oklahoma Accountancy Act, or an individual granted

1 practice privileges under Section 15.12A of this title, and means a
2 systematic investigation or appraisal of information, procedures, or
3 operations performed in accordance with generally accepted auditing
4 standards in the United States, for the purpose of determining
5 conformity with established criteria and communicating the results
6 to interested parties;

7 7. "Board" means the Oklahoma Accountancy Board;

8 8. "Candidate" means an individual who has been qualified and
9 approved by the Board to take an examination for a certificate or
10 license;

11 9. "Certificate" means the Oklahoma document issued by the
12 Board to a candidate upon successful completion of the certified
13 public accountant examination designating the holder as a certified
14 public accountant pursuant to the laws of Oklahoma. "Certificate"
15 shall also mean the Oklahoma document issued by reciprocity to an
16 individual who has previously been certified in another
17 jurisdiction;

18 10. "Certified public accountant" means any person who has
19 received a certificate from the Board or other jurisdictions;

20 11. "Client" means the individual or entity which retains a
21 registrant, an individual granted practice privileges under Section
22 15.12A of this title, or a firm exempt from the permit and
23 registration requirements under Section 17 of this act to perform
24 professional services;

1 12. "Compilation" when used with reference to financial
2 statements, means presenting information in the form of financial
3 statements which is the representation of management or owners
4 without undertaking to express any assurance on the statements;

5 13. "CPA" or "C.P.A." means certified public accountant;

6 14. "Designated manager" means the individual domiciled in
7 Oklahoma and appointed by the firm partners or shareholders to be
8 responsible for the administration of the office;

9 15. "Designee" means the National Association of State Boards
10 of Accountancy (NASBA), ~~American Institute of Certified Public~~
11 ~~Accountants (AICPA) or other professional bodies approved as~~
12 ~~acceptable to the Board to provide a qualification appraisal in~~
13 ~~determining whether any jurisdiction's qualifications for~~
14 ~~certificate or license are substantially equivalent to Oklahoma's~~
15 ~~requirements~~ or other entities so designated by the Board;

16 16. "Entity" means an organization whether for profit or not,
17 recognized by the State of Oklahoma to conduct business;

18 17. "Examination" means the test sections of Auditing and
19 Attestation, Business Environment and Concepts, Financial Accounting
20 and Reporting and Regulation or their successors, administered,
21 supervised, and graded by, or at the direction of, the Board or
22 other jurisdiction that is required for a certificate as a certified
23 public accountant or a license as a public accountant;

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1 18. "Executive director" means the chief administrative officer
2 of the Board;

3 19. "Financial statements" means statements and footnotes
4 related thereto that undertake to present an actual or anticipated
5 financial position as of a point in time, or results of operations,
6 cash flow, or changes in financial position for a period of time, in
7 conformity with generally accepted accounting principles or another
8 comprehensive basis of accounting. The term does not include
9 incidental financial data included in management advisory service
10 reports to support recommendations to a client; nor does it include
11 tax returns and supporting schedules;

12 20. "Firm" means an entity that is either a sole
13 proprietorship, partnership, professional limited liability company,
14 professional limited liability partnership, limited liability
15 partnership or professional corporation, or any other professional
16 form of organization ~~recognized by~~ organized under the laws of the
17 State of Oklahoma or the laws of another jurisdiction and issued a
18 permit in accordance with Section 15.15A of this title or exempt
19 from the permit requirement under Section 17 of this act, including
20 individual partners or shareholders, that is engaged in accountancy;

21 21. "Holding out" means any representation by an individual
22 that he or she holds a certificate or license and a valid permit, or
23 by an entity that it holds a valid permit. Any such representation
24 is presumed to invite the public to rely upon the professional

1 skills implied by the certificate or license and valid permit in
2 connection with the services or products offered;

3 22. "Home office" means the location specified by the client as
4 the address to which a service described in Section 15.12A of this
5 title is directed;

6 23. "IFAC" means the International Federation of Accountants;

7 24. "Individual" means a human being;

8 ~~23.~~ 25. "Jurisdiction" means any state or territory of the
9 United States and the District of Columbia;

10 ~~24.~~ 26. "License" means the Oklahoma document issued by the
11 Board to a candidate upon successful completion of the public
12 accountant examination designating the holder as a public accountant
13 pursuant to the laws of Oklahoma. "License" shall also mean the
14 Oklahoma document issued by the Board by reciprocity to a public
15 accountant who has previously been licensed by examination in
16 another jurisdiction;

17 ~~25.~~ 27. "Management advisory services", also known as
18 "management consulting services", "management services", "business
19 advisory services" or other similar designation, hereinafter
20 collectively referred to as "MAS", means the function of providing
21 advice and/or technical assistance, performed in accordance with
22 standards for MAS engagements and MAS consultations such as those
23 issued by the American Institute of Certified Public Accountants,
24 where the primary purpose is to help the client improve the use of

1 its capabilities and resources to achieve its objectives including
2 but not limited to:

- 3 a. counseling management in analysis, planning,
4 organizing, operating, risk management and controlling
5 functions,
- 6 b. conducting special studies, preparing recommendations,
7 proposing plans and programs, and providing advice and
8 technical assistance in their implementation,
- 9 c. reviewing and suggesting improvement of policies,
10 procedures, systems, methods, and organization
11 relationships, and
- 12 d. introducing new ideas, concepts, and methods to
13 management.

14 MAS shall not include recommendations and comments prepared as a
15 direct result of observations made while performing an audit,
16 review, or compilation of financial statements or while providing
17 tax services, including tax consultations;

18 ~~26.~~ 28. "NASBA" means the National Association of State Boards
19 of Accountancy;

20 ~~27.~~ 29. "PA" or "P.A." means public accountant;

21 ~~28.~~ 30. "Partnership" means a contractual relationship based
22 upon a written, oral, or implied agreement between two or more
23 individuals who combine their resources and activities in a joint
24 enterprise and share in varying degrees and by specific agreement in

1 the management and in the profits or losses. A partnership may be
2 general or limited as the laws of this state define those terms;

3 ~~29.~~ 31. "PCAOB" means the Public Company Auditing Oversight
4 Board;

5 32. "Peer Review" means a review performed pursuant to a set of
6 peer review rules established by the Board. The term "peer review"
7 also encompasses the term "quality review";

8 ~~30.~~ 33. "Permit" means the written authority granted annually
9 by the Board to individuals or firms to practice public accounting
10 in Oklahoma, which is issued pursuant to the Oklahoma Accountancy
11 Act;

12 ~~31.~~

13 34. a. "Practice of public accounting", also known as
14 "practice public accounting", "practice" and "practice
15 accounting", refers to the activities of a registrant,
16 an individual granted practice privileges under
17 Section 15.12A of this title, or a firm exempt from
18 the permit and registration requirements under Section
19 17 of this act in reference to accountancy. An
20 individual or firm shall be deemed to be engaged in
21 the practice of public accounting if the individual or
22 firm holds itself out to the public in any manner as
23 one skilled in the knowledge, science, and practice of
24 accounting and auditing, taxation and management

1 advisory services and is qualified to render such
2 professional services as a certified public accountant
3 or public accountant, and performs the following:

- 4 (1) maintains an office for the transaction of
5 business as a certified public accountant or
6 public accountant,
- 7 (2) offers to prospective clients to perform or who
8 does perform on behalf of clients professional
9 services that involve or require an audit,
10 verification, investigation, certification,
11 presentation, or review of financial transactions
12 and accounting records or an attestation
13 concerning any other written assertion,
- 14 (3) prepares or certifies for clients reports on
15 audits or investigations of books or records of
16 account, balance sheets, and other financial,
17 accounting and related schedules, exhibits,
18 statements, or reports which are to be used for
19 publication or for the purpose of obtaining
20 credit, or for filing with a court of law or with
21 any governmental agency, or for any other
22 purpose,
- 23 (4) generally or incidentally to the work described
24 herein, renders professional services to clients

- 1 in any or all matters relating to accounting
2 procedure and to the recording, presentation, or
3 certification of financial information or data,
4 (5) keeps books, or prepares trial balances,
5 financial statements, or reports, all as a part
6 of bookkeeping services for clients,
7 (6) prepares or signs as the tax preparer, tax
8 returns for clients, consults with clients on tax
9 matters, conducts studies for clients on tax
10 matters and prepares reports for clients on tax
11 matters, unless the services are uncompensated
12 and are limited solely to the registrant's, or
13 the registrant's spouse's lineal and collateral
14 heirs,
15 (7) prepares personal financial or investment plans
16 or provides to clients products or services of
17 others in implementation of personal financial or
18 investment plans, or
19 (8) provides management advisory services to clients.

- 20 b. ~~An~~ Except for an individual granted practice
21 privileges under Section 15.12A of this title or a
22 firm exempt from the permit and registration
23 requirements under Section 17 of this act, an
24 individual or firm not holding a certificate, license

1 or permit shall not be deemed to be engaged in the
2 practice of public accounting if the individual or
3 firm does not hold itself out, solicit, or advertise
4 for clients using the certified public accountant or
5 public accountant designation and engages only in the
6 following services:

7 (1) keeps books, or prepares trial balances,
8 financial statements, or reports, provided such
9 instruments do not use the terms "audit",
10 "audited", "exam", "examined", "review" or
11 "reviewed" or are not exhibited as having been
12 prepared by a certified public accountant or
13 public accountant. ~~Nonregistrants~~ Except for an
14 individual granted practice privileges under
15 Section 15.12A of this title or a firm exempt
16 from the permit and registration requirements
17 under Section 17 of this act, nonregistrants may
18 use the following disclaimer language in
19 connection with financial statements to not be in
20 violation of the Oklahoma Accountancy Act: "I
21 (we) have not audited, examined or reviewed the
22 accompanying financial statements and accordingly
23 do not express an opinion or any other form of
24 assurance on them.",

- 1 (2) prepares or signs as the tax preparer, tax
2 returns for clients, consults with clients on tax
3 matters, conducts studies for clients on tax
4 matters and prepares reports for clients on tax
5 matters,
6 (3) prepares personal financial or investment plans
7 or provides to clients products or services of
8 others in implementation of personal financial or
9 investment plans, or
10 (4) provides management advisory services to clients.

11 c. Only permit holders, individuals granted practice
12 privileges under Section 15.12A of this title, or
13 firms exempt from the permit and registration
14 requirements under Section 17 of this act may render
15 or offer to render any attest service, as defined
16 herein, or issue a report on financial statements
17 which purport to be in compliance with the Statements
18 on Standards for Accounting and Review Services
19 (SSARS). This restriction shall not prohibit any act
20 of a public official or public employee in the
21 performance of that person's duties. This restriction
22 shall not be construed to prohibit the performance by
23 any unlicensed individual of other services as set out
24 in subparagraph b of this paragraph.

1 d. A person is not deemed to be practicing public
2 accounting within the meaning of this section solely
3 by displaying a an Oklahoma CPA certificate or a PA
4 license in an office, identifying himself or herself
5 as a CPA or PA on letterhead or business cards, or
6 identifying himself or herself as a CPA or PA.
7 However, the designation of CPA or PA on such
8 letterheads, business cards, public signs,
9 advertisements, publications directed to clients or
10 potential clients, or financial or tax documents of a
11 client constitutes the practice of public accounting
12 and requires a permit, practice privileges under
13 Section 15.12A of this title, or an exemption from the
14 permit and registration requirements under Section 17
15 of this act;

16 ~~32.~~ 35. "Principal place of business" means ~~that physical~~
17 ~~location identified by an individual to another jurisdiction's~~
18 ~~accountancy regulatory agency where substantial administrative or~~
19 ~~management activities are conducted. For purposes of substantial~~
20 ~~equivalency, the physical location cannot be in this state. the~~
21 office location designated by the licensee for the purposes of
22 substantial equivalency and reciprocity;

23 ~~33.~~ 36. "Professional corporation" means a corporation
24 organized pursuant to the laws of this state;

1 ~~34.~~ 37. "Professional" means arising out of or related to the
2 specialized knowledge or skills associated with CPAs or PAs;

3 ~~35.~~ 38. "Public accountant" means any individual who has
4 received a license from the Board;

5 ~~36.~~ 39. "Public interest" means the collective well-being of
6 the community of people and institutions the profession serves;

7 ~~37.~~ 40. "Qualification applicant" means an individual who has
8 made application to the Board to qualify to become a candidate for
9 examination;

10 41. "Registrant" means a CPA, PA, or firm composed of certified
11 public accountants or public accountants or combination of both
12 currently registered with the Board pursuant to the authority of the
13 Oklahoma Accountancy Act;

14 ~~38.~~ 42. "Report", when used with reference to financial
15 statements, or specified elements, accounts or items of a financial
16 statement, means an opinion, report or other form of language that
17 states or implies assurance as to the reliability of any financial
18 statements, or specified elements, accounts or items of a financial
19 statement, and that also includes or is accompanied by any statement
20 or implication that the person or firm issuing it has special
21 knowledge or competence in accounting or auditing. Such a statement
22 or implication of special knowledge or competence may arise from use
23 by the issuer of the report of names or titles indicating that the
24 person or firm is an accountant or auditor, or from the language of

1 the report itself. The term "report" includes any form of language
2 which disclaims an opinion when such form of language is
3 conventionally understood to imply any positive assurance as to the
4 reliability of the financial statements referred to and/or special
5 competence on the part of the person or firm issuing such language;
6 and it includes any other form of language that is conventionally
7 understood to imply such assurance and/or such special knowledge or
8 competence. This definition is not intended to include a report on
9 financial statements prepared by a person not holding a certificate
10 or license or not granted practice privileges under Section 15.12A
11 of this title. However, such report shall not refer to "audit",
12 "audited", "exam", "examined", "review" or "reviewed", nor use the
13 language "in accordance with standards established by the American
14 Institute of Certified Public Accountants" or successor of said
15 entity, or governmental agency approved by the Board, except for the
16 Internal Revenue Service. ~~Nonregistrants~~ Except for an individual
17 granted practice privileges under Section 15.12A of this title or a
18 firm exempt from the permit and registration requirements under
19 Section 17 of this act, nonregistrants may use the following
20 disclaimer language in connection with financial statements to not
21 be in violation of the Oklahoma Accountancy Act: "I (we) have not
22 audited, examined, or reviewed the accompanying financial statements
23 and accordingly do not express an opinion or any other form of
24 assurance on them.";

1 ~~39.~~ 43. "Representation" means any oral or written
2 communication including but not limited to the use of title or
3 legends on letterheads, business cards, office doors,
4 advertisements, and listings conveying the fact that an individual
5 or entity holds a certificate, license or permit;

6 ~~40.~~ 44. "Review", when used with reference to financial
7 statements, means a registrant or an individual granted practice
8 privileges under Section 15.12A of this title, or a firm exempt from
9 the permit and registration requirements under Section 17 of this
10 act performing inquiry and analytical procedures that provide the
11 registrant with a reasonable basis for expressing limited assurance
12 that there are no material modifications that should be made to the
13 statements in order for them to be in conformity with generally
14 accepted accounting principles or if applicable, with another
15 comprehensive basis of accounting; and

16 ~~41.~~ 45. "Substantial equivalency" is a determination by the
17 Oklahoma Accountancy Board or its designee that:

18 a. the education, examination and experience requirements
19 contained in the statutes and administrative rules of
20 another jurisdiction are comparable to, or exceed, the
21 education, examination and experience requirements
22 contained in the ~~Oklahoma~~ AICPA/NASBA Uniform
23 Accountancy Act ~~and rules of the Board~~, or

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1 b. that an individual certified public accountant's or
2 public accountant's education, examination and
3 experience qualifications are comparable to or exceed
4 the education, examination and experience requirements
5 contained in the Oklahoma Accountancy Act and rules of
6 the Board.

7 In ascertaining substantial equivalency as used in the Oklahoma
8 Accountancy Act, the Board or its designee shall take into account
9 the qualifications without regard to the sequence in which
10 experience, education, or examination requirements were attained.

11 SECTION 2. AMENDATORY 59 O.S. 2001, Section 15.5, as
12 amended by Section 5, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
13 Section 15.5), is amended to read as follows:

14 Section 15.5 A. The Oklahoma Accountancy Board shall be
15 responsible for the administration and enforcement of the Oklahoma
16 Accountancy Act. A majority of the Board shall constitute a quorum
17 for the transaction of business.

18 B. In addition to the other duties imposed on the Board by law,
19 the Board shall:

20 1. Have a seal that shall be judicially noticed and shall be
21 affixed to all certificates and licenses, and such other documents
22 as the Board deems appropriate;

23 2. Keep correct records of all official proceedings including
24 minutes of meetings, applications and related documents of

1 applicants, registry of the names and addresses of registrants,
2 official documents filed in any hearings conducted by the Board and
3 in any proceeding in any court arising out of any provision of the
4 Oklahoma Accountancy Act or the rules and regulations adopted by the
5 Board. Copies of said records certified by the secretary under the
6 seal of the Board shall, if material, be admissible in evidence;

7 3. Employ such executive staff as may be necessary to implement
8 and administer the Oklahoma Accountancy Act, to fix and pay their
9 salaries or fees. Such executive staff shall include an Executive
10 Director, Deputy Director and legal counsel. The Board shall have
11 the authority to employ other staff and contract with or hire
12 special prosecutors, investigators, expert witnesses, hearing
13 examiners and clerical personnel in furtherance of its duties under
14 the Oklahoma Accountancy Act;

15 4. Lease office space and pay the rent thereon, purchase office
16 equipment and supplies, and make such other expenditures as are
17 necessary for the administration and enforcement of the provisions
18 of the Oklahoma Accountancy Act;

19 5. Pay the costs of such research programs in accounting and
20 other subjects as in the determination of the Board would be
21 beneficial to registrants; and

22 6. Adopt rules and regulations for the implementation of the
23 provisions of the Oklahoma Accountancy Act in accordance with the
24 procedures prescribed in the Administrative Procedures Act.

1 C. The Board may delegate to the executive director the
2 authority to employ other staff and clerical personnel.

3 SECTION 3. AMENDATORY 59 O.S. 2001, Section 15.6A, as
4 last amended by Section 6, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
5 2008, Section 15.6A), is amended to read as follows:

6 Section 15.6A A. The Oklahoma Accountancy Board, its
7 employees, independent contractors, appointed committee members or
8 other agents shall keep confidential all information obtained during
9 an investigation into allegations of violations of the Oklahoma
10 Accountancy Act, including any review or investigation made to
11 determine whether to allow an applicant to take an examination, or
12 whether the Board shall grant a certificate, license, or permit.
13 All information obtained in the course of conducting a peer review,
14 including peer review reports provided to the Board by a registrant,
15 examinations and test scores shall also be held confidential by the
16 Board, its employees and independent contractors.

17 B. To ensure the confidentiality of such information for the
18 protection of the affected individual or entity, the information
19 obtained shall not be deemed to be a "record" as that term is
20 defined in the Oklahoma Open Records Act.

21 C. Rules adopted to implement the provisions of this subsection
22 shall assure the privacy of the information obtained. Such rules
23 shall include but not be limited to:

1 1. Assuring availability of the information for inspection by
2 the individual or entity affected or their designated
3 representatives during the normal business hours of the Board;

4 2. A method for obtaining a written release for the affected
5 individual or entity to allow inspection of their confidential
6 records to the public at large; and

7 3. A method for making available to the public all final
8 written orders of the Board concerning an individual or entity.

9 D. Information obtained by the Board or any of its agents as
10 set out in subsection A of this section shall be considered
11 competent evidence in a court of competent jurisdiction only in
12 matters directly related to actions of the Board and the affected
13 individual or entity as a result of the Board obtaining the
14 information. Such information shall not be admissible as evidence
15 in any other type of civil or criminal action.

16 E. The Board may disclose information concerning investigations
17 into allegations of violations of the Oklahoma Accountancy Act under
18 this section to another governmental, regulatory, or law enforcement
19 agency engaged in an enforcement action. The provisions of this
20 subsection shall not apply to information concerning whether to
21 allow an applicant to take an examination, peer review or test
22 scores.

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1 SECTION 4. AMENDATORY 59 O.S. 2001, Section 15.8, as
2 last amended by Section 8, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
3 2008, Section 15.8), is amended to read as follows:

4 Section 15.8 A. ~~An~~ A qualification applicant to qualify as a
5 candidate for ~~the~~ examination shall file an application for
6 qualification on a form to be approved by the Oklahoma Accountancy
7 Board. The fee for the qualification application shall be
8 determined by the Board and shall not exceed Three Hundred Dollars
9 (\$300.00). Every qualification applicant ~~for the examination to~~
10 qualify as a candidate for the certificate of certified public
11 accountant or license of public accountant must be of good moral
12 character, shall submit to a national criminal history record check,
13 must be a resident of this state immediately prior to making
14 application and, except as otherwise provided in this section, shall
15 meet the education and experience requirements provided in this
16 section.

17 B. On or after July 1, 1999, every qualification applicant to
18 qualify as a candidate for examination for the license of public
19 accountant shall have graduated from an accredited four-year college
20 or university with a major in accounting or with a nonaccounting
21 major supplemented by what the Oklahoma Accountancy Board determines
22 to be the equivalent of an accounting major of any four-year college
23 or university in this state or any other four-year college or
24 university recognized by the Board. Such major in accounting or

1 nonaccounting major shall include satisfactory completion of forty-
2 eight (48) semester hours, or the equivalent thereof, in accounting
3 and related subjects. At least thirty (30) semester hours, or the
4 equivalent thereof, of said forty-eight (48) semester hours, shall
5 be in accounting courses, at least one of which shall be in
6 auditing. The remainder of said forty-eight (48) semester hours, or
7 the equivalent thereof, shall be in said related subjects, which
8 shall be in any or all of the subjects of economics, statistics,
9 business law, finance, business management, marketing, business
10 communication, financial information systems or computer science or
11 the equivalent of such subjects as determined by the Board.

12 C. On or after July 1, 2003, every qualification applicant to
13 qualify as a candidate for examination for the certificate of
14 certified public accountant shall have at least one hundred fifty
15 (150) semester hours, or the equivalent thereof, of college
16 education including a baccalaureate or higher degree conferred by a
17 college or university acceptable to the Board from an accredited
18 four-year college or university in this state or any other
19 accredited four-year college or university recognized by the Board.
20 A minimum of seventy-six (76) semester hours must be earned at the
21 upper-division level of college or above or the equivalent thereof
22 as determined by the Board; this education requirement shall have
23 been completed prior to submitting an application to the Board; the
24 total educational program of the applicant for examination shall

1 include an accounting concentration or its equivalent as determined
2 acceptable by the Board which shall include not less than thirty
3 (30) semester hours, or the equivalent thereof, in accounting
4 courses above principles of accounting or introductory accounting,
5 with at least one course in auditing or assurance; the remaining
6 accounting courses shall be selected from financial accounting,
7 accounting theory, cost/managerial accounting, federal income tax,
8 governmental, not for profit accounting, accounting information
9 systems, accounting history and other accounting electives; at least
10 nine (9) semester hours shall be from any or all of the subjects of
11 economics, statistics, business law, finance, business management,
12 marketing, business communication, risk management, insurance,
13 management information systems or computer science at the upper-
14 division level of college or above or the equivalent of such
15 subjects as determined by the Board; all the remaining semester
16 hours, if any, shall be elective but shall be at the upper-division
17 level of college or above.

18 D. The costs associated with the national criminal history
19 record check shall be paid by the applicant.

20 SECTION 5. AMENDATORY 59 O.S. 2001, Section 15.9, as
21 last amended by Section 9, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
22 2008, Section 15.9), is amended to read as follows:

23 Section 15.9 A. Upon payment of appropriate fees, the Oklahoma
24 Accountancy Board shall grant a certificate or license to any

1 individual of good character who meets the applicable education,
2 experience and testing requirements provided for in this section and
3 in Sections 15.8 and 15.10 of this title. For purposes of this
4 subsection, good character means an individual who does not have a
5 history of dishonest acts as demonstrated by documented evidence and
6 has not been convicted, pled guilty, or pled nolo contendere to a
7 felony charge. The Board may refuse to grant a certificate or
8 license to an applicant for failure to satisfy the requirement of
9 good character. The Board shall provide to the denied applicant
10 written notification specifying grounds for denial of a certificate
11 or license including failure to meet the good character criterion.
12 Appeal of the action of the Board may be made in accordance with the
13 provisions of the Administrative Procedures Act.

14 B. The Board shall issue certificates as certified public
15 accountants to those applicants who have met the qualifications
16 required by the provisions of the Oklahoma Accountancy Act and the
17 applicable rules of the Board, and have passed an examination in
18 accounting, auditing and related subjects as the Board determines
19 appropriate with such grades that satisfy the Board that each
20 applicant is competent to practice as a certified public accountant.

21 C. The Board shall, upon request, issue licenses as public
22 accountants only to those applicants who shall have qualified and
23 complied with the provisions of this act and the rules of the Board,
24 and shall have passed an examination in accounting, auditing, and

1 other related subjects not to exceed seventy-five percent (75%) of
2 the CPA Examination subjects with such grades that satisfy the Board
3 that each applicant is competent to practice as a public accountant.
4 The subjects examined shall be covered by the same examination, and
5 grading thereon for passing, as those used by the Board to test
6 candidates for the certified public accountant's certificate.

7 D. The Board may make use of all or any part of the Uniform
8 Certified Public Accountant's Examination and any organization that
9 assists in providing the examination.

10 E. An applicant for initial issuance of a certificate or
11 license under this section shall show that the applicant has had one
12 (1) year of experience. Experience shall be defined by the Board by
13 rule and shall include providing a type of service or advice
14 involving the use of accounting, attest, compilation, management
15 advisory, financial advisory, tax or consulting skills, and be
16 satisfied through work experience in government, industry, academia
17 or public practice, all of which shall be verified by a certificate
18 or license holder or an individual approved by the Board. Upon
19 completion of the requirements of Section 15.8 of this title, a
20 qualified applicant for the examination may take the certified
21 public accountant or public accountant examination prior to earning
22 the experience required in this subsection, but shall not be issued
23 a certificate until the experience requirement has been met.

24

1 ~~E.~~ F. On or after July 1, 2005, every applicant for the
2 certificate of certified public accountant or license of public
3 accountant shall provide evidence of successful completion of an
4 ethics examination prescribed by the Board.

5 ~~F. The Board may make use of all or any part of the Uniform
6 Certified Public Accountant's Examination and any organization that
7 assists in providing this examination.~~

8 G. Every applicant for the certificate of certified public
9 accountancy or license of public accountant shall submit to a
10 national criminal history record check. The costs associated with
11 the national criminal history record check shall be paid by the
12 applicant.

13 SECTION 6. AMENDATORY 59 O.S. 2001, Section 15.10A, as
14 amended by Section 11, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
15 Section 15.10A), is amended to read as follows:

16 Section 15.10A Each candidate shall pay fees, to be determined
17 by the Oklahoma Accountancy Board, not to exceed One Thousand
18 Dollars (\$1,000.00) for each examination.

19 An application fee, payable to the Board, shall be paid by the
20 candidate at the time the application for the examination is filed.
21 The application fee shall not be refunded unless the Board
22 determines that the candidate is unqualified to sit for the
23 examination or for such other good causes as determined by the Board
24 on a case-by-case basis. Also, each candidate shall pay test fees

1 to the organizations designated by the Board to provide a computer-
2 based examination. In no event shall the total fees paid by a
3 candidate for each examination exceed One Thousand Dollars
4 (\$1,000.00).

5 SECTION 7. AMENDATORY 59 O.S. 2001, Section 15.11, as
6 amended by Section 12, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
7 Section 15.11), is amended to read as follows:

8 Section 15.11 A. No individual, other than as described in
9 subparagraph d of paragraph ~~31~~ 34 of Section 15.1A of this title,
10 shall assume or use the title or designation "Certified Public
11 Accountant" or the abbreviation "C.P.A." or any other title,
12 designation, words, letters, abbreviation, sign, card, or device
13 tending to indicate or represent that such individual is a certified
14 public accountant, unless such individual has received a certificate
15 as a certified public accountant and holds a valid permit issued
16 pursuant to the provisions of the Oklahoma Accountancy Act or is
17 granted practice privileges under Section 17 of this act. All
18 offices in this state for the practice of public accounting by such
19 individual shall be maintained and registered as required by the
20 Oklahoma Accountancy Act.

21 B. No entity shall assume or use the title or designation
22 "Certified Public Accountant" or the abbreviation "C.P.A." or any
23 other title, designation, words, letters, abbreviation, sign, card
24 or device tending to indicate or represent that such entity is

1 composed of certified public accountants unless such entity is
2 registered as a firm of certified public accountants and holds a
3 valid permit issued pursuant to the provisions of the Oklahoma
4 Accountancy Act or is exempt from the registration and permit
5 requirements under Section 17 of this act. All offices in this
6 state for the practice of public accounting by such entity shall be
7 maintained and registered as required by the Oklahoma Accountancy
8 Act.

9 C. No individual, other than as described in subparagraph d of
10 paragraph ~~31~~ 34 of Section 15.1A of this title, shall assume or use
11 the title or designation "Public Accountant" or the abbreviation
12 "P.A." or any other title, designation, words, letters,
13 abbreviation, sign, card, or device tending to indicate or represent
14 that such individual is a public accountant, unless such individual
15 is licensed as a public accountant, or is a certified public
16 accountant and holds a valid permit issued pursuant to the
17 provisions of the Oklahoma Accountancy Act. All offices in this
18 state for the practice of public accounting by such individual shall
19 be maintained and registered as required by the Oklahoma Accountancy
20 Act.

21 D. No entity shall assume or use the title or designation
22 "Public Accountant" or any other title, designation, words, letters,
23 abbreviation, sign, card, or device tending to indicate or represent
24 that such entity is composed of public accountants, unless such

1 entity is registered as a firm of public accountants and holds a
2 valid permit issued pursuant to the provisions of the Oklahoma
3 Accountancy Act. All offices in this state for the practice of
4 public accounting by such entity shall be maintained and registered
5 as required by the Oklahoma Accountancy Act.

6 E. No individual or entity shall assume or use the title or
7 designation "Certified Accountant", "Chartered Accountant",
8 "Enrolled Accountant", "Licensed Accountant", "Registered
9 Accountant" or any other title or designation which could be
10 confused with "Certified Public Accountant" or "Public Accountant",
11 or any of the abbreviations "CA", "EA", except as it relates to the
12 term "enrolled agent" as defined by the Internal Revenue Service,
13 "RA", or "LA", or similar abbreviations which could be confused with
14 "CPA" or "PA"; provided, however, that anyone who holds a valid
15 permit and whose offices in this state for the practice of public
16 accounting are maintained and registered as required by the Oklahoma
17 Accountancy Act or is granted privileges under Section 15.12A of
18 this title may hold oneself out to the public as an "Accountant" or
19 "Auditor".

20 F. No individual or entity not holding a valid permit, not
21 granted practice privileges under Section 15.12A of this title, or
22 not exempt from the permit requirement under Section 17 of this act
23 shall hold oneself or itself out to the public as an "Accountant" or
24 "Auditor" by use of either or both of such words on any sign, card,

1 letterhead, or in any advertisement or directory, without
2 specifically indicating that such individual or entity does not hold
3 such a permit. The provisions of this subsection shall not be
4 construed to prohibit any officer, employee, partner or principal of
5 any entity from describing oneself by the position, title or office
6 one holds in such organization; nor shall this subsection prohibit
7 any act of public official or public employee in the performance of
8 the duties as such.

9 G. Any individual or entity who is registered with the Board
10 but does not hold a valid permit issued pursuant to the Oklahoma
11 Accountancy Act may not issue a report on financial statements of
12 any other person, firm, organization recognized by the State of
13 Oklahoma, or governmental unit. This prohibition does not apply to
14 an officer, partner, or employee of any firm or organization
15 affixing a signature to any statement or report in reference to the
16 financial affairs of such firm or organization with any wording
17 designating the position, title, or office that is held therein; nor
18 prohibit any act of a public official or employee in the performance
19 of the duties as such.

20 SECTION 8. AMENDATORY 59 O.S. 2001, Section 15.12, as
21 last amended by Section 13, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
22 2008, Section 15.12), is amended to read as follows:

23 Section 15.12 An individual who is not a certified public
24 accountant or public accountant in any jurisdiction may serve as an

1 employee of a firm composed of certified public accountants or
2 public accountants holding a valid permit ~~provided that such~~. Such
3 employee or assistant shall not issue any accounting or financial
4 statements over the employee's or assistant's name.

5 SECTION 9. AMENDATORY Section 8, Chapter 312, O.S.L.
6 2002, as amended by Section 14, Chapter 125, O.S.L. 2004 (59 O.S.
7 Supp. 2008, Section 15.12A), is amended to read as follows:

8 Section 15.12A A. 1. An individual whose principal place of
9 business is not in this state, ~~having~~ and who holds a valid
10 certificate or license as a Certified Public Account or Public
11 Accountant from any jurisdiction which the Oklahoma Accountancy
12 ~~Board or its Board's~~ designee has verified to be ~~substantially~~
13 ~~equivalent~~ in substantial equivalence to the Certified Public
14 Accountant and Public Accountant licensure requirements of ~~this~~
15 ~~title,~~ the AICPA/NASBA Uniform Accountancy Act shall be presumed to
16 have qualifications substantially equivalent to this state's
17 requirements and shall have all the privileges, ~~including~~
18 ~~responsibilities and obligations,~~ of certificate and license holders
19 of this state without the need to obtain a certificate, license or
20 permit required under Sections 15.9 ~~and,~~ 15.13, 15.14A, 15.15 and
21 15.15A of this title. ~~However, an~~ An individual ~~shall notify the~~
22 ~~Board of the individual's intent to practice in the state under this~~
23 ~~provision.~~ ~~Notification shall be waived to a certificate or license~~
24 ~~holder of another jurisdiction exercising the privilege afforded~~

1 ~~under this section by that jurisdiction to an Oklahoma certificate~~
2 ~~or license holder for the equivalent privilege to practice in that~~
3 ~~jurisdiction~~ who offers or renders professional services, whether in
4 person or by mail, telephone or electronic means, under this section
5 shall be granted practice privileges in this state and no notice,
6 fee or submission shall be provided by any such individual. Such an
7 individual shall be subject to the requirements in paragraph 3 of
8 this subsection.

9 2. An individual whose principal place of business is not in
10 this state, ~~having~~ who holds a valid certificate or license as a
11 Certified Public Accountant or Public Accountant from any
12 jurisdiction which the ~~Board or its~~ Oklahoma Accountancy Board's
13 designee has not verified to be ~~substantially equivalent in~~
14 substantial equivalence to the ~~CPA and PA~~ Certified Public
15 Accountant licensure requirements of ~~this title,~~ the AICPA/NASBA
16 Uniform Accountancy Act shall be presumed to have qualifications
17 substantially equivalent to this state's requirements and shall have
18 all the privileges, ~~including responsibilities and obligations,~~ of
19 certificate and license holders of this state without the need to
20 obtain a certificate, license or permit required under Sections 15.9
21 ~~and,~~ 15.13, 15.14A, 15.15 and 15.15A of this title, ~~if such~~
22 ~~individual obtains from the Board or its designee verification that~~
23 ~~such individual's CPA or PA qualifications are substantially~~
24 ~~equivalent to the CPA or PA licensure requirements of this title.~~

1 ~~However, such individuals shall notify the Board of their intent to~~
2 ~~practice in the state under this provision. Notification shall be~~
3 ~~waived to a certificate or license holder of another jurisdiction~~
4 ~~exercising the privilege afforded under this section by that~~
5 ~~jurisdiction to an Oklahoma certificate or license holder for the~~
6 ~~equivalent privilege to practice in that jurisdiction. Any~~
7 individual who passed the Uniform CPA Examination and holds a valid
8 certificate or license issued by any other state prior to January 1,
9 2012, may be exempt from the education requirement of the Uniform
10 Accountancy Act for purposes of this paragraph. An individual who
11 offers or renders professional services, whether in person, or by
12 mail, telephone or electronic means, under this section, shall be
13 granted practice privileges in this state and no notice, fee or
14 submission shall be provided by any such individual. Such an
15 individual shall be subject to the requirements in paragraph 3 of
16 this subsection.

17 3. ~~Any~~ An individual certificate holder or license holder of
18 another jurisdiction exercising the privilege afforded under this
19 section, and any firm which employs that certificate holder or
20 license holder hereby ~~consents~~ simultaneously consent, as a
21 condition of the granting of this privilege:

22 a. to the personal and subject matter jurisdiction and
23 disciplinary authority of the Board,
24

1 b. to comply with the Oklahoma Accountancy Act and the
2 Board's rules, and

3 c. that in the event the certificate holder or license
4 holder from the jurisdiction of the individual's
5 principal place of business is no longer valid, the
6 individual will cease offering or rendering
7 professional services in this state individually or on
8 behalf of a firm, and

9 d. to the appointment of the state board which issued the
10 ~~individual's~~ certificate or license as the
11 ~~individual's~~ agent upon whom process may be served in
12 any action or proceeding by the Board against the
13 certificate or license holder.

14 4. ~~The Oklahoma Accountancy Board shall charge a fee to a~~
15 ~~certificate or license holder of another jurisdiction exercising the~~
16 ~~privilege afforded under this section in an amount equal to the~~
17 ~~fees charged by that jurisdiction to an Oklahoma certificate or~~
18 ~~license holder for the equivalent privilege to practice in that~~
19 ~~jurisdiction~~ A certified public accounting or public accounting firm
20 that is licensed and has its primary place of business in another
21 state, does not have an office in this state and does not provide
22 the professional services described in subparagraphs a, b, and c of
23 paragraph 5 of this subsection for a client whose home office is in
24 this state, may practice in this state without a firm license,

1 permit, or notice to the Board if the firm's practice in this state
2 is performed by an individual who is licensed in Oklahoma or who has
3 been granted practice privileges under paragraph 1 or 2 of this
4 subsection.

5 5. An individual who has been granted practice privileges under
6 this section who, for any entity with its home office in this state,
7 performs any of the following services:

8 a. any financial statement audit or other engagement to
9 be performed in accordance with Statements on Auditing
10 Standards,

11 b. any examination of prospective financial information
12 to be performed in accordance with Statements on
13 Standards for Attestation Engagements, or

14 c. any engagement to be performed in accordance with
15 Public Company Accounting Oversight Board (PSAOB)
16 auditing standards,

17 may only do so through a firm which has obtained a permit issued
18 under Section 15.15A of this title.

19 B. A registrant of this state offering or rendering services or
20 using the registrant's CPA or PA title in another jurisdiction shall
21 be subject to disciplinary action in this state for an act committed
22 in another jurisdiction which would subject the certificate or
23 license holder to discipline in that jurisdiction. The Board shall

24

1 be required to investigate any complaint made by the board of
2 accountancy of another jurisdiction.

3 SECTION 10. AMENDATORY 59 O.S. 2001, Section 15.13, as
4 last amended by Section 15, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
5 2008, Section 15.13), is amended to read as follows:

6 Section 15.13 A. The Oklahoma Accountancy Board may issue a
7 certificate or license to an applicant who has been authorized to
8 practice public accounting as a certified public accountant or
9 public accountant pursuant to the laws of any jurisdiction if the
10 applicant passed a test administered for the purpose of authorizing
11 an individual to practice as a certified public accountant or public
12 accountant with grades which were equivalent to passing a test for
13 the same purpose in this state as of the date the applicant
14 originally passed the examination, and said applicant:

15 1. Meets the requirements for issuance of a certificate or
16 license in this state on the date of making application;

17 2. Met, on the date the certificate or license was issued by
18 the other jurisdiction, the requirements in effect on that date for
19 issuance of a certificate or license in this state; or

20 3. Met on the date of becoming a candidate in another
21 jurisdiction, the requirements of becoming a candidate in the State
22 of Oklahoma, except for residency.

23 B. In the event an applicant does not meet the requirements of
24 subsection A of this section, but has passed a test administered for

1 the purpose of authorizing an individual to practice as a certified
2 public accountant or public accountant with grades which were
3 equivalent to passing a test for the same purpose in this state on
4 the date the applicant passed the examination, the Board may issue a
5 certificate or license to an applicant if such applicant has four
6 (4) years of experience practicing public accounting as a certified
7 public accountant or public accountant pursuant to the laws of any
8 jurisdiction. Such experience must have occurred within the ten
9 (10) years immediately preceding the application. Experience
10 acceptable to satisfy the requirements of this subsection shall be
11 determined by standards established by the Board.

12 C. An applicant who is seeking a permit to practice under this
13 section must also provide satisfactory documentation to the Board
14 that such applicant has met the continuing professional education
15 requirements, as provided in Section 15.35 of this title, in effect
16 on the date of the application.

17 D. The Board may issue a certificate or license by reciprocity
18 to the extent required by treaties entered into by the government of
19 the United States.

20 E. A fee in the amount equal to the registration fee and permit
21 fee, if applicable, plus an administrative fee, the total of which
22 shall not exceed Three Hundred Dollars (\$300.00), shall be paid by
23 an applicant seeking a certificate or license pursuant to the
24

1 provisions of this section. The total amount shall be established
2 by Board rule.

3 F. On or after July 1, 2005, an applicant for the certificate
4 of certified public accountant or license of public accountant under
5 this section shall provide evidence of successful completion of an
6 ethics examination prescribed by the Board.

7 G. As an alternative to the requirements of subsection A, B or
8 C of this section, a certificate holder licensed by another
9 jurisdiction who establishes the certificate holder's principal
10 place of business in this state shall request the issuance of a
11 certificate from the Board prior to establishing such principal
12 place of business. The Board shall issue a certificate to such
13 person who obtains from the NASBA National Qualification Appraisal
14 Service verification that such individual's CPA qualifications are
15 substantially equivalent to the CPA licensure requirements of the
16 AICPA/NASBA Uniform Accountancy Act.

17 H. An applicant for the certificate of certified public
18 accountant under this section shall submit to a national criminal
19 history record check. The costs associated with the national
20 criminal history record check shall be paid by the applicant.

21 SECTION 11. AMENDATORY Section 16, Chapter 125, O.S.L.
22 2004 (59 O.S. Supp. 2008, Section 15.13A), is amended to read as
23 follows:
24

1 Section 15.13A A. The Board shall issue a certificate to a
2 holder of a substantially equivalent designation issued by a foreign
3 country, provided that:

4 1. The foreign authority which granted the designation makes
5 similar provision to allow a registrant who holds a valid
6 certificate issued by this state to obtain such foreign authority's
7 comparable designation;

8 2. The designation:

9 a. was duly issued by an authority of a foreign country
10 which regulates the practice of public accounting and
11 has not expired or been revoked or suspended,

12 b. entitles the holder to issue reports upon financial
13 statements, and

14 c. was issued upon the basis of substantially equivalent
15 educational, examination and experience requirements
16 established by the foreign authority or by law; and

17 3. The applicant:

18 a. received the designation based on educational and
19 examination standards substantially equivalent to
20 those in effect in this state at the time the foreign
21 designation was granted,

22 b. completed an experience requirement substantially
23 equivalent to the requirement set out under this act
24 in the foreign country which granted the foreign

1 designation or has completed four (4) years of
2 professional experience in this state, or meets
3 equivalent requirements prescribed by the Board by
4 rule within the ten (10) years immediately preceding
5 the application,

6 c. passed a uniform qualifying examination in national
7 standards acceptable to the Board, and

8 d. is of good character.

9 An applicant for the certificate of certified public accountant
10 under this section shall submit to a national criminal history
11 record check. The costs associated with the national criminal
12 history record check shall be paid by the applicant.

13 B. An applicant under subsection A of this section shall in the
14 application list all jurisdictions, foreign and domestic, in which
15 the applicant has applied for or holds a designation to practice
16 public accounting, and each holder of a certificate issued under
17 this subsection shall notify the Board in writing, within thirty
18 (30) days after its occurrence, of any issuance, denial, revocation
19 or suspension of a designation or commencement of disciplinary or
20 enforcement action by any jurisdiction.

21 SECTION 12. AMENDATORY 59 O.S. 2001, Section 15.14, as
22 last amended by Section 17, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
23 2008, Section 15.14), is amended to read as follows:

1 Section 15.14 A. In addition to obtaining a certificate or
2 license, certified public accountants and public accountants, unless
3 granted practice privileges under Section 15.12A of this title,
4 shall register with the Oklahoma Accountancy Board and pay a
5 registration fee.

6 B. ~~All~~ Until January 1, 2010, all valid certificates and
7 licenses ending in an odd number shall expire on July 31 of each
8 odd-numbered year. All valid certificates and licenses ending in an
9 even number shall expire on July 31 of each even-numbered year. All
10 such registrations shall expire on the last day of July and may be
11 renewed for a period of two (2) years. The Board shall implement
12 rules for the scheduling of expiration and renewal of certificates
13 and licenses, including the prorating of fees.

14 C. After the initial registration, renewal of registrations
15 shall be accomplished by registrants in good standing upon filing of
16 the registration and upon payment of the registration fee ~~not later~~
17 ~~than July 31.~~ Interim registration shall be at full rates.

18 D. Effective January 1, 2010, all valid certificates or
19 licenses shall be renewed based on staggered expiration dates on the
20 last day of the individuals' birth months. Renewal will be
21 effective for a twelve-month period. The Board shall implement
22 rules for the scheduling of expiration and renewal of certificates
23 and licenses, including the prorating of fees.
24

1 E. Not less than thirty (30) calendar days before the
2 expiration of a valid certificate or license, written notice of the
3 expiration date shall be mailed to the individual holding the valid
4 certificate or license at the last-known address of such individual
5 according to the official records of the Board.

6 ~~E.~~ F. A certificate or license shall be renewed by payment of a
7 registration renewal fee set by the Board which shall not exceed Two
8 Hundred Dollars (\$200.00) for each two-year period.

9 1. Upon failure of an individual to pay registration fees on or
10 before ~~July 31~~ the expiration date, the Board shall notify the
11 individual in writing by certified mail to the last known address of
12 the individual, as reflected in the records of the Board, of the
13 individual's failure to comply with the Oklahoma Accountancy Act.

14 2. A certificate or license granted under authority of the
15 Oklahoma Accountancy Act shall automatically be revoked if the
16 individual fails to pay registration fees ~~on or before August 31~~
17 within thirty (30) days after the expiration date.

18 3. Any individual whose certificate or license is automatically
19 revoked by this provision may be reinstated by the Board upon
20 payment of:

21 a. a fee set by the Board which shall not exceed Three
22 Hundred Dollars (\$300.00) for a renewal within one (1)
23 year of the due date, or

24

1 b. a fee set by the Board which shall not exceed Six
2 Hundred Dollars (\$600.00) for a renewal after the
3 expiration of a year.

4 However, an individual whose certificate or license has been
5 expired ~~under this section~~, surrendered, canceled or revoked for

6 five (5) years or more may not renew the certificate or license.

7 The individual may obtain a new certificate or license by complying
8 with the requirements and procedures, including the examination
9 requirements, for obtaining an original certificate or license.

10 This provision shall not apply to an individual who is licensed to
11 practice in another jurisdiction five (5) years prior to
12 reapplication.

13 ~~F.~~ G. The Board shall establish rules whereby the registration
14 fee for certified public accountants and public accountants may,
15 upon written application to the Board, be reduced or waived by the
16 Board for registrants who have retired upon reaching retirement age,
17 or who have attained the age of sixty-five (65) years, or who have
18 become disabled to a degree precluding the continuance of their
19 practice for six (6) months or more prior to the due date of any
20 renewal fee. The Board shall use its discretion in determining
21 conditions required for retirement or disability.

22 ~~G.~~ H. All notifications of criminal arrests or charges,
23 disciplinary actions by any other jurisdiction or foreign country,
24 revocation or suspension by enforcement action of any professional

1 credential and all changes of professional status, employment or
2 mailing address shall be reported to the Board within thirty (30)
3 calendar days of such changes becoming effective.

4 ~~H. I.~~ At the direction of the Board, a register of registrants
5 may be ~~printed and/or~~ published in any media format the Board
6 considers appropriate for public distribution. ~~Any such publication~~
7 ~~shall contain the names arranged alphabetically of all individuals~~
8 ~~and firms holding valid certificates, licenses, permits, the names~~
9 ~~of the members of the Board, and such other information as may be~~
10 ~~deemed appropriate by the Board.~~

11 SECTION 13. AMENDATORY 59 O.S. 2001, Section 15.14A, is
12 amended to read as follows:

13 Section 15.14A A. Before any individual may practice public
14 accounting or hold himself or herself out as being engaged in the
15 practice of public accounting as a certified public accountant or
16 public accountant in this state such person shall obtain a permit
17 from the Oklahoma Accountancy Board unless such person is granted
18 practice privileges under Section 15.12A of this title. Any
19 individual, corporation or partnership or any other entity who
20 provides any of the services defined hereinabove as the "practice of
21 public accounting" without ~~being~~ holding a license and permit
22 ~~holder,~~ or without holding a certificate and permit holder, shall be
23 assessed a fine not to exceed Ten Thousand Dollars (\$10,000.00) for
24 each separate offense, unless such person is granted practice

1 privileges under Section 15.12A of this title, or such entity is
2 exempt from the permit and registration requirements of Section 17
3 of this act.

4 B. The Board shall promulgate rules establishing the
5 qualifications for obtaining a permit to practice public accounting
6 in this state. Such rules shall include but not be limited to
7 provisions that:

8 1. Any individual seeking a permit must have a valid
9 certificate or license ~~on the date the permit is applied for;~~

10 2. Any individual or entity seeking a permit must be registered
11 pursuant to the provisions of the Oklahoma Accountancy Act;

12 3. Any individual seeking a permit must meet continuing
13 professional education requirements as set forth by ~~this act~~ the
14 Oklahoma Accountancy Act and rules promulgated by the Board; and

15 4. There shall be no examination for obtaining a permit.

16 C. All such individuals shall, upon application and compliance
17 with the rules establishing qualifications for obtaining a permit
18 and payment of the fees, be granted an annual permit to practice
19 public accounting in this state. ~~All~~ Until January 1, 2010, all
20 permits issued shall expire on June 30 of each year and may be
21 renewed from year to year. Effective January 1, 2010, all permits
22 issued shall be renewed based on staggered expiration dates on the
23 last day of the individuals' birth months in conjunction with the
24 registrants' certificate or license renewal. The Board may issue

1 interim permits upon payment of the same fees required for annual
2 permits.

3 D. Failure to apply for and obtain a permit shall disqualify an
4 individual from practicing public accounting in this state until
5 such time as a valid permit has been obtained.

6 E. The Board shall charge a fee for each individual permit not
7 to exceed One Hundred Dollars (\$100.00).

8 SECTION 14. AMENDATORY 59 O.S. 2001, Section 15.14B, as
9 amended by Section 18, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
10 Section 15.14B), is amended to read as follows:

11 Section 15.14B After notice and hearing, the Oklahoma
12 Accountancy Board may impose any one or more of the penalties
13 authorized in Section 15.24 of this title on a certified public
14 accountant or a public accountant for any one or more of the
15 following causes:

16 1. Fraud or deceit in obtaining a certificate, license
17 privilege or permit;

18 2. Dishonesty, fraud, or gross negligence in accountancy or
19 financially related activities;

20 3. Conviction, plea of guilty, or plea of nolo contendere of a
21 felony in a court of competent jurisdiction of any state or federal
22 court of the United States if the acts involved would have
23 constituted a felony under the laws of this state;

24

1 4. Conviction, plea of guilty, or plea of nolo contendere of
2 any misdemeanor, an element of which is dishonesty or fraud,
3 pursuant to the laws of the United States or any jurisdiction if the
4 acts involved would have constituted a misdemeanor under the laws of
5 this state;

6 5. Failure to comply with professional standards ~~as~~ in the
7 Board's professional code of conduct to the attest and/or
8 compilation competency requirement for those who supervise attest
9 and/or compilation engagements and sign the report on financial
10 statements or other compilation communications with respect to
11 financial statements; and

12 6. Violation of any of the provisions of the Oklahoma
13 Accountancy Act and rules promulgated for its implementation by the
14 Board.

15 SECTION 15. AMENDATORY 59 O.S. 2001, Section 15.15, as
16 last amended by Section 19, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
17 2008, Section 15.15), is amended to read as follows:

18 Section 15.15 A. The Oklahoma Accountancy Board, upon
19 application, shall grant or register any firm, including sole
20 proprietorships, seeking to provide public accounting services to
21 the public in this state if such firm demonstrates its
22 qualifications therefore in accordance with this section. All
23 firms, except sole proprietorships, shall pay an annual registration
24

1 fee not to exceed One Hundred Dollars (\$100.00). The following must
2 register with the Board under this section:

3 1. Any firm with an office in this state engaged in the
4 practice of public accounting or the practice of attest services as
5 defined in paragraph 5 of Section 15.1A of this title;

6 2. Any firm with an office in this state that uses the title
7 "CPA", "PA", "CPA firm" or "PA firm"; or

8 3. Any firm that does not have an office in this state but
9 performs services described in subparagraph a, c, or d of paragraph
10 5 of Section 15.1A of this title for a client having its home office
11 in this state.

12 B. All such registrations shall expire on ~~May 31~~ June 30 of
13 each year and may be renewed annually for a period of one (1) year
14 by registrants in good standing upon filing the registration and
15 upon payment of the annual fee not later than ~~May 31~~ June 30 of each
16 year.

17 C. Interim registrations shall be at full rates.

18 D. Upon failure of a firm to pay registration fees on or before
19 the last day of ~~May~~ June, the Board shall notify the firm in writing
20 by certified mail to the last known address of the firm, as
21 reflected in the records of the Board, of the firm's failure to
22 comply with the Oklahoma Accountancy Act.

1 E. A registration granted under authority of this section shall
2 automatically be revoked if the firm fails to renew its registration
3 on or before June 30.

4 F. A firm whose registration is automatically revoked pursuant
5 to this section may be reinstated by the Board upon payment of a fee
6 to be set by the Board which shall not exceed Two Hundred Dollars
7 (\$200.00).

8 G. An individual who has practice privileges under Section
9 15.12A of this title who performs services for which firm
10 registration is required under this section shall not be required to
11 meet the certificate, license, registration or permit requirements
12 of Section 15.9, 15.13, 15.13A, 15.14 or 15.14A of this title.

13 SECTION 16. AMENDATORY 59 O.S. 2001, Section 15.15A, as
14 last amended by Section 20, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
15 2008, Section 15.15A), is amended to read as follows:

16 Section 15.15A A. The Oklahoma Accountancy Board, upon
17 application, shall issue a permit to practice public accounting to
18 each firm seeking to provide professional services to the public in
19 this state except that a firm not required to register with the
20 Board under paragraph 4 of subsection A of Section 15.12A of this
21 title shall also not be required to obtain a permit under this
22 section. Renewals of firm permits shall be applied for during the
23 month of May of each year.

24

1 B. Applicants for initial firm permits shall provide the Board
2 with the following information:

3 1. A list of all states in which the firm has applied for or
4 been issued a permit or its equivalent within the five (5) years
5 immediately preceding the date of application;

6 2. Relevant details as to a denial, revocation, or suspension
7 of a permit or its equivalent of the firm, or any partner or
8 shareholder of the firm other than in this state;

9 3. Documentary proof that the firm has complied with the
10 requirements of the Oklahoma Office of the Secretary of State
11 applicable to such entities; and

12 4. Such other information as the Board deems appropriate for
13 demonstrating that the qualifications of the firm are sufficient for
14 the practice of public accounting in this state.

15 C. The following changes in a firm affecting the offices in
16 this state shall be reported to the Board within thirty (30)
17 calendar days from the date of occurrence:

18 1. Changes in the partners or shareholders of the firm;

19 2. Changes in the structure of the firm;

20 3. Change of the designated manager of the firm;

21 4. Changes in the number or location of offices of the firm;

22 and

23

24

1 5. Denial, revocation, or suspension of certificates, licenses,
2 permits, or their equivalent to the firm or its partners,
3 shareholders, or employees other than in this state.

4 D. The Board shall be notified in the event the firm is
5 dissolved. Such notification shall be made within thirty (30)
6 calendar days of the dissolution. The Board shall adopt rules for
7 notice and rules appointing the responsible party to receive such
8 notice for the various types of firms authorized to receive permits.
9 Such notice of dissolution shall contain but not be limited to the
10 following information:

11 1. A list of all partners and shareholders at the time of
12 dissolution;

13 2. The location of each office of the firm at the time of
14 dissolution; and

15 3. The date the dissolution became effective.

16 E. The Board shall set a fee of not more than Two Hundred
17 Dollars (\$200.00) for each initial or renewal firm permit except for
18 sole proprietorships.

19 F. Each firm seeking a permit to practice accounting as a CPA
20 firm shall be issued a permit by the Board upon application and
21 payment of appropriate fees. A firm applying for a permit shall
22 provide documentary proof to the Board that:

1 1. Each partner or shareholder is engaged in the practice of
2 public accounting in the United States and is holding a certificate
3 as a certified public accountant in one or more jurisdictions; and

4 2. Each designated manager of an office in this state is a
5 holder of a valid Oklahoma certificate and permit to practice as a
6 certified public accountant.

7 G. Each firm seeking a permit to practice accounting as a PA
8 firm shall be issued a permit by the Board upon application and
9 payment of appropriate fees. A firm applying for a permit shall
10 provide documentary proof to the Board that:

11 1. Each partner or shareholder is engaged in the practice of
12 public accounting in the State of Oklahoma as public accountants;
13 and

14 2. Each designated manager of an office in this state has
15 received an Oklahoma license and permit to practice as a public
16 accountant or certificate and permit to practice as a certified
17 public accountant.

18 SECTION 17. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 15.15C of Title 59, unless there
20 is created a duplication in numbering, reads as follows:

21 It shall not be a violation of the Oklahoma Accountancy Act for
22 a firm which is not registered under Section 15.15 of Title 59 of
23 the Oklahoma Statutes and does not hold a valid permit under Section
24 15.15A of Title 59 of the Oklahoma Statutes and which does not have

1 an office in this state to provide its professional services in this
2 state so long as it complies with the requirements of paragraph 4 of
3 subsection A of Section 15.12A of Title 59 of the Oklahoma Statutes.

4 SECTION 18. AMENDATORY 59 O.S. 2001, Section 15.23, as
5 amended by Section 13, Chapter 312, O.S.L. 2002 (59 O.S. Supp. 2008,
6 Section 15.23), is amended to read as follows:

7 Section 15.23 A. The Oklahoma Accountancy Board shall conduct
8 investigations and hearings when it believes a registrant,
9 individual practicing under ~~Section 8~~ the provisions of this act the
10 Oklahoma Accountancy Act, other individual or entity has violated
11 any of the provisions of the Oklahoma Accountancy Act or rules
12 promulgated thereunder wherever or whenever appropriate for the
13 exercise of authority granted to the Board either on its own motion
14 or on the complaint of any person or entity. Such proceedings shall
15 be conducted in accordance with the provisions of the Administrative
16 Procedures Act. The Board shall have all powers granted to
17 administrative agencies for the conduct of individual proceedings;
18 and judicial review thereof shall be in accordance with the
19 provisions of such general laws relating to administrative
20 procedure.

21 B. At all hearings, the Attorney General of this state, or an
22 Assistant Attorney General, shall represent the Board. If the
23 Attorney General is unable or declines to provide the Board with
24 counsel, the Board is authorized to employ other legal counsel to

1 represent it at a hearing. The counsel who presents the evidence
2 supporting the complaint shall not be the counsel who advises the
3 Board.

4 SECTION 19. AMENDATORY 59 O.S. 2001, Section 15.24, as
5 amended by Section 22, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
6 Section 15.24), is amended to read as follows:

7 Section 15.24 A. In the event an individual, certified public
8 accountant, public accountant, firm or entity, after proper notice
9 and hearing, is found to have violated one or more provisions of the
10 Oklahoma Accountancy Act, the Board may impose one or more of the
11 following penalties on the offending individual, firm or entity:

12 1. Revoke any certificate, license, practice privilege or
13 permit issued pursuant to the provisions of the Oklahoma Accountancy
14 Act;

15 2. Suspend any certificate, license, practice privilege or
16 permit for not more than five (5) years, subject to such terms,
17 conditions, or limitations as deemed appropriate by the Board;

18 3. Reprimand a registrant, an individual granted practice
19 privileges under Section 15.12A of this title, or a firm exempt from
20 the permit and registration requirements under Section 17 of this
21 act;

22 4. Place a registrant, an individual granted practice
23 privileges under Section 15.12A of this title, or a firm exempt from
24 the permit and registration requirements under Section 17 of this

1 act on probation for a specified period of time, which may be
2 shortened or lengthened, as the Board deems appropriate;

3 5. Limit the scope of practice of a registrant, an individual
4 granted practice privileges under Section 15.12A of this title, or a
5 firm exempt from the permit and registration requirements under
6 Section 17 of this act;

7 6. Deny renewal of a permit;

8 7. Require an accelerated peer review of the registrant,
9 subject to such procedures, as the Board deems appropriate;

10 8. Require successful completion of continuing professional
11 educational programs deemed appropriate;

12 9. Assess a fine not to exceed Ten Thousand Dollars
13 (\$10,000.00) for each separate offense; and

14 10. Require the registrant, individual or entity to pay all
15 costs incurred by the Board as a result of hearings conducted
16 regarding accountancy actions of the registrant, individual, or
17 entity including but not limited to attorney fees, investigation
18 costs, hearing officer costs, renting of special facilities costs,
19 and court reporter costs.

20 B. Upon application in writing, the Board may reinstate a
21 certificate, license, practice privilege or permit which has been
22 revoked, or may modify, upon good cause as to why said individual or
23 entity should be reinstated, the suspension of any certificate,
24 license, practice privilege or permit.

1 C. Before reinstating or terminating the suspension of a
2 certificate, license, practice privilege or permit, or as a
3 condition to such reinstatement or termination, the Board may
4 require the applicant to show successful completion of specified
5 continuing professional education courses.

6 D. Before reinstating or terminating the suspension of a
7 certificate, license, practice privilege or permit, or as a
8 condition to such reinstatement or termination, the Board may make
9 the reinstatement of a certificate, license, or permit conditional
10 and subject to satisfactory completion of a peer review conducted in
11 such fashion as the Board may specify.

12 E. The provisions of this section shall not be construed to
13 preclude the Board from entering into any agreement to resolve a
14 complaint prior to a formal hearing or before the Board enters a
15 final order.

16 F. All monies, excluding costs, collected from civil penalties
17 authorized in this section, such penalties being enforceable in the
18 district courts of this state, shall be deposited with the State
19 Treasurer to be paid into the General Revenue Fund of the state.

20 SECTION 20. AMENDATORY 59 O.S. 2001, Section 15.25, as
21 amended by Section 23, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
22 Section 15.25), is amended to read as follows:

23 Section 15.25 Any individual or entity who:
24

1 1. Represents himself, herself or itself as having received a
2 certificate, license, or permit and otherwise presents himself,
3 herself or itself to the public as having specialized knowledge or
4 skills associated with CPAs and PAs without having received such
5 certificate, license, or permit; or

6 2. Continues to use such title or designation after such
7 certificate, license, or permit has been recalled, revoked,
8 surrendered, canceled, or suspended or refuses to surrender such
9 certificate, license, or permit; or

10 3. Falsely represents himself, herself or itself as being a CPA
11 or licensed as a public accountant, or firm of CPAs or licensed
12 public accountants, or who incorrectly designates the character of
13 the certificate, license or permit which he, she or it holds; or

14 4. Otherwise violates any of the provisions of the Oklahoma
15 Accountancy Act,
16 upon conviction shall be deemed guilty of a misdemeanor.

17 Provided, however, that an individual granted practice
18 privileges under Section 15.12A of this title, or a firm exempt from
19 the permit and registration requirements under Section 17 of this
20 act may hold out as a CPA or a firm of CPAs, respectively, without
21 violation of this section.

22 SECTION 21. AMENDATORY 59 O.S. 2001, Section 15.27, as
23 amended by Section 25, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
24 Section 15.27), is amended to read as follows:

1 Section 15.27 A. In addition to any other powers conferred on
2 the Board to impose penalties for violations of the provisions of
3 the Oklahoma Accountancy Act, whenever in the judgment of the Board
4 any individual or entity has engaged in any acts or practices, that
5 constitute a violation of the Oklahoma Accountancy Act, the Board
6 may:

7 1. After notice and hearing, issue a cease and desist order to
8 any individual who should have obtained a certificate, license,
9 practice privilege or permit or to an entity which should have
10 obtained a permit;

11 2. Impose a fine of not more than Ten Thousand Dollars
12 (\$10,000.00) for each violation in the event after the issuance of
13 an order to cease and desist the illegal activity, the individual or
14 entity to whom the order is directed commits any act in violation of
15 the order; and

16 3. Make application to the appropriate court for an order
17 enjoining such acts or practices, and upon a showing by the Board
18 that such person has engaged in any such acts or practices, an
19 injunction, restraining order, or such other order as may be
20 appropriate shall be granted by such court, without bond.

21 B. Each day a violation is continuing shall constitute a
22 separate offense.

23 C. Administrative fines imposed pursuant to this section shall
24 be enforceable in the district courts of this state.

1 D. Notices and hearings required by this section shall be in
2 accordance with the Administrative Procedures Act.

3 E. Appeals from orders entered pursuant to this section shall
4 be in accordance with the Administrative Procedures Act.

5 SECTION 22. AMENDATORY 59 O.S. 2001, Section 15.35, as
6 last amended by Section 30, Chapter 125, O.S.L. 2004 (59 O.S. Supp.
7 2008, Section 15.35), is amended to read as follows:

8 Section 15.35 A. In order to assure continuing professional
9 competence of individuals in accountancy, and as a condition for
10 issuance of a certificate or license and/or renewal of a permit to
11 practice, certificate and license holders shall furnish evidence of
12 participation in continuing professional education.

13 ~~B. All certificate and license holders shall complete a minimum~~
14 ~~of forty (40) hours of continuing professional education per~~
15 ~~compliance period to obtain a permit to practice public accounting.~~
16 Continuing professional education compliance periods shall be
17 established by rule.

18 C. ~~Effective January 1, 2006, all~~ All certificate and license
19 holders shall complete at least one hundred twenty (120) hours of
20 continuing professional education within a three-year period with
21 completion of not less than twenty (20) hours of continuing
22 professional education in any year.

23

24

1 D. The Oklahoma Accountancy Board shall adopt rules and
2 regulations regarding such continuing professional education. Such
3 rules shall include but not be limited to:

4 1. Requiring reporting of continuing professional education to
5 coincide with the annual permit renewal date;

6 2. Provisions for exempting retired, inactive and disabled
7 individuals as defined by the Board in the rules from the
8 requirement of continuing professional education; and

9 3. Adopt standards for determining approved continuing
10 professional education courses.

11 SECTION 23. AMENDATORY 59 O.S. 2001, Section 15.36, as
12 amended by Section 31, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
13 Section 15.36), is amended to read as follows:

14 Section 15.36 Any CPA or PA holding a valid permit, or an
15 individual granted practice privileges under Section 15.12A of this
16 title, may perform assurance services, including audit services, and
17 issue a report required by any statute, charter, ordinance, trust or
18 other legal instrument.

19 SECTION 24. AMENDATORY 59 O.S. 2001, Section 15.37, as
20 amended by Section 32, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008,
21 Section 15.37), is amended to read as follows:

22 Section 15.37 From and after June 24, 1971, no ordinance, trust
23 or other legal instrument shall provide for any audit services to be
24 performed other than by a registrant holding a valid permit or an

1 individual granted practice privileges under Section 15.12A of this
2 title.

3 SECTION 25. It being immediately necessary for the preservation
4 of the public peace, health and safety, an emergency is hereby
5 declared to exist, by reason whereof this act shall take effect and
6 be in full force from and after its passage and approval.

7 Passed the House of Representatives the 23rd day of February,
8 2009.

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Presiding Officer of the House of
Representatives

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Passed the Senate the ____ day of _____, 2009.

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Presiding Officer of the Senate

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