

1 each firm seeking to provide professional services to the public in
2 this state except that a firm not required to register with the
3 Board under paragraph 4 of subsection A of Section 15.12A of this
4 title shall also not be required to obtain a permit under this
5 section. Renewals of firm permits shall be applied for during the
6 month of May of each year.

7 B. Applicants for initial firm permits shall provide the Board
8 with the following information:

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

12 2. Relevant details as to a denial, revocation, or suspension
13 of a permit or its equivalent of the firm, or any partner or
14 shareholder of the firm in any other state or jurisdiction;

15 3. Documentary proof that the firm has complied with the
16 requirements of the Oklahoma Office of the Secretary of State
17 applicable to such entities; and

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

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

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

2. Changes in the structure of the firm;
3. Change of the designated manager of the firm;
4. Changes in the number or location of offices of the firm;

and

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

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

1. A list of all partners and shareholders at the time of dissolution;
2. The location of each office of the firm at the time of dissolution; and
3. The date the dissolution became effective.

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

F. Each firm seeking a permit to practice accounting as a CPA firm shall be issued a permit by the Board upon application and

1 payment of appropriate fees. A firm applying for a permit shall
2 provide documentary proof to the Board that:

3 1. A Except as authorized in Section 15.15B of this title, a
4 simple majority of the ownership of the firm, in terms of financial
5 interests and voting rights, belongs to partners or shareholders
6 engaged in the practice of public accounting in the United States
7 and holding a certificate as a certified public accountant in one or
8 more jurisdictions. Although firms may include non-certificate
9 holder owners, the firm and its ownership must comply with rules
10 promulgated by the Board; and

11 2. Each designated manager of an office in this state is a
12 holder of a valid Oklahoma certificate and permit to practice as a
13 certified public accountant; and

14 3. All nonlicensed owners are active individual participants in
15 the public accounting firm or affiliated entities, except as
16 authorized in Section 15.15B of this title.

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

21 1. A Except as authorized in Section 15.15B of this title, a
22 simple majority of the ownership of the firm, in terms of financial
23 interests and voting rights, belongs to partners or shareholders
24 engaged in the practice of public accounting in the United States

1 and holding a license as a public accountant in one or more
2 jurisdictions. Although firms may include nonlicense holder owners,
3 the firm and its ownership must comply with rules promulgated by the
4 Board; and

5 2. Each designated manager of an office in this state has
6 received an Oklahoma license and permit to practice as a public
7 accountant or certificate and permit to practice as a certified
8 public accountant; and

9 3. All nonlicensed owners are active individual participants in
10 the public accounting firm or affiliated entities, except as
11 authorized in Section 15.15B of this title.

12 H. Any individual licensee who is responsible for supervising
13 attest or compilation services and signs or authorizes someone to
14 sign the accountant's report on the financial statement on behalf of
15 the firm shall meet the competency requirements set out in the
16 professional standards for such services.

17 I. Any individual licensee who signs or authorizes someone to
18 sign the accountant's report on the financial statements on behalf
19 of the firm shall meet the competency requirements of the prior
20 subsection.

21 SECTION 2. AMENDATORY 59 O.S. 2011, Section 15.15B, is
22 amended to read as follows:

23 Section 15.15B A. ~~Each~~ Except as authorized in subsection B of
24 this section, each office established or maintained in this state

1 for the practice of public accounting shall be under the direct
2 supervision of a designated manager.

3 1. The designated manager must be the holder of a certificate
4 in order for the title "Certified Public Accountant" or the
5 abbreviation "C.P.A." to be used in connection with such office; or

6 2. The designated manager must be the holder of a certificate
7 or a license in order for the title "Public Accountant" or the
8 abbreviation "P.A." to be used in connection with such office.

9 B. 1. For the purposes of a sale or transfer of an existing
10 office established or maintained in this state for the practice of
11 public accounting, the office is authorized to continue its
12 accounting practice during the pendency of its sale or transfer to a
13 qualified person or entity. For purposes of this subsection, the
14 term "sale or transfer" means and includes, but is not limited to:

15 a. the succession of an office established or maintained
16 in this state for the practice of public accounting by
17 the sale or transfer to another person or entity
18 authorized by law to practice public accounting in
19 this state, or

20 b. the succession of an office established or maintained
21 in this state for the practice of public accounting by
22 transfer to a grantor trust upon the death of the
23 holder of a permit to practice public accounting as an
24 interim interest holder before being transferred to

1 qualified individual owners as set out in paragraph F
2 or G of Section 15.15A of this title and only upon the
3 actual review of all client documents by a qualified
4 certified public accountant or public accountant in
5 this state.

6 2. Upon the death of a sole proprietor, single owner of a firm
7 or a majority stockholder of a firm, notice shall be given to the
8 executive director of the Oklahoma Accountancy Board by letter
9 within fourteen (14) days of the death expressing any intention to
10 sell, transfer or assume responsibility of the office, and declaring
11 the name of the qualified person or entity who has agreed to
12 continue the business or review the client documents during pendency
13 of the sale or transfer.

14 3. Upon completion of a sale or transfer authorized by this
15 subsection, notice shall be given to the executive director of the
16 Oklahoma Accountancy Board by affidavit within fourteen (14) days of
17 conclusion of the sale or transfer stating the date of completion of
18 the sale or transfer, the name of the designated manager who
19 reviewed client documents or continued the business through
20 completion of the sale or transfer, and the name of the purchaser or
21 transferee that has assumed responsibility for the office, if
22 different from the designated manager.

1 4. If a sale or transfer cannot be completed within sixty (60)
2 days, the executive director of the Oklahoma Accountancy Board shall
3 be notified monthly until the sale or transfer has been completed.

4 5. Nothing in this subsection shall prohibit the executive
5 director of the Oklahoma Accountancy Board from seeking an action
6 for injunctive relief or disciplinary action if there is reasonable
7 cause to believe a person is violating the law or administrative
8 rules of the Board.

9 C. The Board shall ~~prescribe~~ promulgate such rules as are
10 necessary to implement ~~registration pursuant to~~ the provisions of
11 this section.

12 SECTION 3. This act shall become effective November 1, 2015.

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14 COMMITTEE REPORT BY: COMMITTEE ON BANKING AND FINANCIAL SERVICES,
15 dated 04/07/2015 - DO PASS, As Amended.
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