

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 791

By: Dahm

6 AS INTRODUCED

7 An Act relating to the Oklahoma Accountancy Act;
8 amending 59 O.S. 2011, Sections 15.1A, as amended by
9 Section 1, Chapter 60, O.S.L. 2015, 15.2, as amended
10 by Section 1, Chapter 55, O.S.L. 2014, 15.8, 15.9,
11 15.10, 15.11, 15.12, 15.12A, 15.13, 15.13A, 15.14,
12 15.14A, 15.14B, 15.15, 15.15A, as amended by Section
13 1, Chapter 218, O.S.L. 2015, 15.15B, as amended by
14 Section 2, Chapter 218, O.S.L. 2015, 15.15C, 15.24,
15 15.25, 15.28, and 15.36 (59 O.S. Supp. 2018, Sections
16 15.1A, 15.2, 15.15A and 15.15B) which relate to the
17 Oklahoma Accountancy Act; deleting provisions for an
18 individual public accountant license; modifying
19 language; modifying references; modifying board
20 membership; setting date to abolish public accountant
21 licenses; directing prorated renewals between certain
22 dates; prohibiting renewals after certain date;
23 deleting public accountant firm license; providing
24 effective dates; and declaring an emergency.

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

20 SECTION 1. AMENDATORY 59 O.S. 2011, Section 15.1A, as
21 amended by Section 1, Chapter 60, O.S.L. 2015 (59 O.S. Supp. 2018,
22 Section 15.1A), is amended to read as follows:

23 Section 15.1A. As used in the Oklahoma Accountancy Act:

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

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

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

8 4. "Assurance" means independent professional services that
9 improve the quality of information, or its context, for decision
10 makers;

11 5. "Attest" means providing the following services:

12 a. any audit or other engagement to be performed in
13 accordance with the Statements on Auditing Standards
14 (SAS),

15 b. any review of a financial statement to be performed in
16 accordance with the Statements on Standards for
17 Accounting and Review Services (SSARS),

18 c. any engagement performed in accordance with the
19 Statements on Standards for Attestation Engagements
20 (SSAE), and

21 d. any engagement to be performed in accordance with the
22 Auditing Standards of the Public Company Accounting
23 Oversight Board (PCAOB).

1 The statements on standards specified in this definition shall
2 be adopted by reference by the Board pursuant to rulemaking and
3 shall be those developed for general application by recognized
4 national accountancy organizations, such as the AICPA, IFAC and the
5 PCAOB;

6 6. "Audit" can only be performed by an individual or entity who
7 is registered with the Board and holding a valid permit issued
8 pursuant to the Oklahoma Accountancy Act, or an individual granted
9 practice privileges under Section 15.12A of this title, and means a
10 systematic investigation or appraisal of information, procedures, or
11 operations performed in accordance with generally accepted auditing
12 standards in the United States, for the purpose of determining
13 conformity with established criteria and communicating the results
14 to interested parties;

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

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

19 9. "Certificate" means the Oklahoma document issued by the
20 Board to a candidate upon successful completion of the certified
21 public accountant examination designating the holder as a certified
22 public accountant pursuant to the laws of Oklahoma. "Certificate"
23 shall also mean the Oklahoma document issued by reciprocity to an
24

1 individual who has previously been certified in another
2 jurisdiction;

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

5 11. "Client" means the individual or entity which retains a
6 registrant, an individual granted practice privileges under Section
7 15.12A of this title, or a firm exempt from the permit and
8 registration requirements under Section 15.15C of this title to
9 perform professional services;

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

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

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

18 15. "Designee" means the National Association of State Boards
19 of Accountancy (NASBA) or other entities so designated by the Board;

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

22 17. "Examination" means the test sections of Auditing and
23 Attestation, Business Environment and Concepts, Financial Accounting
24 and Reporting, and Regulation or their successors, administered,

1 supervised, and graded by, or at the direction of, the Board or
2 other jurisdiction that is required for a certificate as a certified
3 public accountant or a license as a public accountant;

4 18. "Executive director" means the chief administrative officer
5 of the Board;

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

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

1 21. "Holding out" means any representation by an individual
2 that he or she holds a certificate or license and a valid permit, or
3 by an entity that it holds a valid permit. Any such representation
4 is presumed to invite the public to rely upon the professional
5 skills implied by the certificate or license and valid permit in
6 connection with the services or products offered;

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

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

11 24. "Individual" means a human being;

12 25. "Jurisdiction" means any state or territory of the United
13 States and the District of Columbia;

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

21 27. "Management advisory services", also known as "management
22 consulting services", "management services", "business advisory
23 services" or other similar designation, hereinafter collectively
24 referred to as "MAS", means the function of providing advice and/or
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1 technical assistance, performed in accordance with standards for MAS
2 engagements and MAS consultations such as those issued by the
3 American Institute of Certified Public Accountants, where the
4 primary purpose is to help the client improve the use of its
5 capabilities and resources to achieve its objectives including but
6 not limited to:

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

18 MAS shall not include recommendations and comments prepared as a
19 direct result of observations made while performing an audit,
20 review, or compilation of financial statements or while providing
21 tax services, including tax consultations;

22 28. "NASBA" means the National Association of State Boards of
23 Accountancy;

24 29. ~~"PA" or "P.A." means public accountant;~~
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1 ~~30.~~ "Partnership" means a contractual relationship based upon a
2 written, oral, or implied agreement between two or more individuals
3 who combine their resources and activities in a joint enterprise and
4 share in varying degrees and by specific agreement in the management
5 and in the profits or losses. A partnership may be general or
6 limited as the laws of this state define those terms;

7 ~~31.~~ 30. "PCAOB" means the Public Company Accounting Oversight
8 Board;

9 ~~32.~~ "Peer Review" 31. "Peer review" means a review performed
10 pursuant to a set of peer review rules established by the Board.
11 The term "peer review" also encompasses the term "quality review";

12 ~~33.~~ 32. "Permit" means the written authority granted annually
13 by the Board to individuals or firms to practice public accounting
14 in Oklahoma, which is issued pursuant to the Oklahoma Accountancy
15 Act;

16 ~~34.~~ 33. a. "Practice of public accounting", also known as
17 "practice public accounting", "practice" and "practice
18 accounting", refers to the activities of a registrant,
19 an individual granted practice privileges under
20 Section 15.12A of this title, or a firm exempt from
21 the permit and registration requirements under Section
22 15.15C of this title in reference to accountancy. An
23 individual or firm shall be deemed to be engaged in
24 the practice of public accounting if the individual or
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1 firm holds itself out to the public in any manner as
2 one skilled in the knowledge, science, and practice of
3 accounting and auditing, taxation and management
4 advisory services and is qualified to render such
5 professional services as a certified public accountant
6 ~~or public accountant~~, and performs the following:

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

- (4) generally or incidentally to the work described herein, renders professional services to clients in any or all matters relating to accounting procedure and to the recording, presentation, or certification of financial information or data,
- (5) keeps books, or prepares trial balances, financial statements, or reports, all as a part of bookkeeping services for clients,
- (6) prepares or signs as the tax preparer, tax returns for clients, consults with clients on tax matters, conducts studies for clients on tax matters and prepares reports for clients on tax matters, unless the services are uncompensated and are limited solely to the registrant's, or the registrant's spouse's lineal and collateral heirs,
- (7) prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans, or
- (8) provides management advisory services to clients.

1 b. Except for an individual granted practice privileges
2 under Section 15.12A of this title or a firm exempt
3 from the permit and registration requirements under
4 Section 15.15C of this title, an individual or firm
5 not holding a certificate, license or permit shall not
6 be deemed to be engaged in the practice of public
7 accounting if the ~~individual or~~ firm does not hold
8 itself out, solicit, or advertise for clients using
9 the certified public accountant ~~or public accountant~~
10 designation and engages only in the following
11 services:

- 12 (1) keeps books, or prepares trial balances,
13 financial statements, or reports, provided such
14 instruments do not use the terms "audit",
15 "audited", "exam", "examined", "review" or
16 "reviewed" or are not exhibited as having been
17 prepared by a certified public accountant ~~or~~
18 ~~public accountant~~. Except for an individual
19 granted practice privileges under Section 15.12A
20 of this title or a firm exempt from the permit
21 and registration requirements under Section
22 15.15C of this title, nonregistrants may use the
23 following disclaimer language in connection with
24 financial statements and be in compliance with

1 the Oklahoma Accountancy Act: "I (we) have not
2 audited, examined or reviewed the accompanying
3 financial statements and accordingly do not
4 express an opinion or any other form of assurance
5 on them.",

6 (2) prepares or signs as the tax preparer, tax
7 returns for clients, consults with clients on tax
8 matters, conducts studies for clients on tax
9 matters and prepares reports for clients on tax
10 matters,

11 (3) prepares personal financial or investment plans
12 or provides to clients products or services of
13 others in implementation of personal financial or
14 investment plans, or

15 (4) provides management advisory services to clients.

16 c. Only permit holders, individuals granted practice
17 privileges under Section 15.12A of this title, or
18 firms exempt from the permit and registration
19 requirements under Section 15.15C of this title may
20 render or offer to render any attest service, as
21 defined herein, or issue a report on financial
22 statements which purport to be in compliance with the
23 Statements on Standards for Accounting and Review
24 Services (SSARS). This restriction shall not prohibit

1 any act of a public official or public employee in the
2 performance of that person's duties. This restriction
3 shall not be construed to prohibit the performance by
4 any unlicensed individual of other services as set out
5 in subparagraph b of this paragraph.

- 6 d. A person is not deemed to be practicing public
7 accounting within the meaning of this section solely
8 by displaying an Oklahoma CPA certificate ~~or a PA~~
9 ~~license~~ in an office, identifying himself or herself
10 as a CPA ~~or PA~~ on letterhead or business cards, or
11 identifying himself or herself as a CPA ~~or PA~~.
12 However, the designation of CPA ~~or PA~~ on such
13 letterheads, business cards, public signs,
14 advertisements, publications directed to clients or
15 potential clients, financial or tax documents of a
16 client, performance of any attest service or issuance
17 of a report constitutes the practice of public
18 accounting and requires a permit, practice privileges
19 under Section 15.12A of this title, or an exemption
20 from the permit and registration requirements under
21 Section 15.15C of this title;

22 ~~35.~~ 34. "Preissuance review" means a review preformed pursuant
23 to a set of procedures that include review of engagement document,
24 report, and clients' financial statements in order to permit the
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reviewer to assess compliance with all applicable professional standards;

~~36.~~ 35. "Principal place of business" means the office location designated by the licensee for the purposes of substantial equivalency and reciprocity;

~~37.~~ 36. "Professional corporation" means a corporation organized pursuant to the laws of this state;

~~38.~~ 37. "Professional" means arising out of or related to the specialized knowledge or skills associated with CPAs or PAs;

~~39.~~ ~~"Public accountant" means any individual who has received a license from the Board;~~

~~40.~~ 38. "Public interest" means the collective well-being of the community of people and institutions the profession serves;

~~41.~~ 39. "Qualification applicant" means an individual who has made application to the Board to qualify to become a candidate for examination;

~~42.~~ 40. "Registrant" means a CPA, ~~PA,~~ or firm composed of certified public accountants ~~or public accountants or combination of both~~ currently registered with the Board pursuant to the authority of the Oklahoma Accountancy Act;

~~43.~~ 41. "Report", when used with reference to any attest or compilation service, means an opinion, report or other form of language that states or implies assurance as to the reliability of the attested information or complied financial statements, and that

1 also includes or is accompanied by any statement or implication that
2 the person or firm issuing it has special knowledge or competence in
3 accounting or auditing. Such a statement or implication of special
4 knowledge or competence may arise from use by the issuer of the
5 report of names or titles indicating that the person or firm is an
6 accountant or auditor, or from the language of the report itself.
7 The term "report" includes any form of language which disclaims an
8 opinion when such form of language is conventionally understood to
9 imply any positive assurance as to the reliability of the attested
10 information or compiled financial statements referred to and/or
11 special competence on the part of the person or firm issuing such
12 language; and it includes any other form of language that is
13 conventionally understood to imply such assurance and/or such
14 special knowledge or competence. This definition is not intended to
15 include a report prepared by a person not holding a certificate or
16 license or not granted practice privileges under Section 15.12A of
17 this title. However, such report shall not refer to "audit",
18 "audited", "exam", "examined", "review" or "reviewed", nor use the
19 language "in accordance with standards established by the American
20 Institute of Certified Public Accountants" or successor of ~~said~~ the
21 entity, or governmental agency approved by the Board, except for the
22 Internal Revenue Service. Except for 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 15.15C of

1 this title, nonregistrants may use the following disclaimer language
2 in connection with financial statements not to be in violation of
3 the Oklahoma Accountancy Act: "I (we) have not audited, examined,
4 or reviewed the accompanying financial statements and accordingly do
5 not express an opinion or any other form of assurance on them.";

6 ~~44.~~ 42. "Representation" means any oral or written
7 communication including but not limited to the use of title or
8 legends on letterheads, business cards, office doors,
9 advertisements, and listings conveying the fact that an individual
10 or entity holds a certificate, license or permit;

11 ~~45.~~ 43. "Review", when used with reference to financial
12 statements, means a registrant or an individual granted practice
13 privileges under Section 15.12A of this title, or a firm exempt from
14 the permit and registration requirements under Section 15.15C of
15 this title performing inquiry and analytical procedures that provide
16 the registrant with a reasonable basis for expressing limited
17 assurance that there are no material modifications that should be
18 made to the statements in order for them to be in conformity with
19 generally accepted accounting principles or, if applicable, with
20 another comprehensive basis of accounting; and

21 ~~46.~~ 44. "Substantial equivalency" is a determination by the
22 Oklahoma Accountancy Board or its designee that:

- 23 a. the education, examination and experience requirements
24 contained in the statutes and administrative rules of

1 another jurisdiction are comparable to, or exceed, the
2 education, examination and experience requirements
3 contained in the AICPA/NASBA Uniform Accountancy Act,
4 or

- 5 b. that an individual certified public accountant's ~~or~~
6 ~~public accountant's~~ education, examination and
7 experience qualifications are comparable to or exceed
8 the education, examination and experience requirements
9 contained in the Oklahoma Accountancy Act and rules of
10 the Board.

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

15 SECTION 2. AMENDATORY 59 O.S. 2011, Section 15.2, as
16 amended by Section 1, Chapter 55, O.S.L. 2014 (59 O.S. Supp. 2018,
17 Section 15.2), is amended to read as follows:

18 Section 15.2. A. There is hereby re-created, to continue until
19 July 1, 2020, in accordance with the provisions of the Oklahoma
20 Sunset Law, the Oklahoma Accountancy Board. The Oklahoma
21 Accountancy Board shall have the responsibility for administering
22 and enforcing the Oklahoma Accountancy Act. The Oklahoma
23 Accountancy Board shall be composed of seven (7) members, who shall
24 have professional or practical experience in the use of accounting

1 services and financial matters, so as to be qualified to make
2 judgments about the qualifications and conduct of persons and firms
3 subject to regulation under ~~this act~~ the Oklahoma Accountancy Act to
4 be appointed by the Governor and confirmed by the Senate. The
5 number of registrant members shall not be more than six, not
6 including a firm, who shall serve terms of five (5) years. No
7 member who has served two successive complete terms shall be
8 eligible for reappointment, but an appointment to fill an unexpired
9 term shall not be considered a complete term for this purpose. The
10 public member shall serve coterminously with the Governor appointing
11 the public member.

12 B. ~~One member shall be either a public accountant licensed and~~
13 ~~holding a permit pursuant to the provisions of the Oklahoma~~
14 ~~Accountancy Act, or a person with professional or practical~~
15 ~~experience in the use of accounting services and financial matters~~
16 ~~and who shall have met the educational requirements to qualify as a~~
17 ~~candidate for examination for the license of public accountant as~~
18 ~~provided in subsection B of Section 15.8 of this title. A list of~~
19 ~~qualified persons shall be compiled and submitted to the Governor by~~
20 ~~the Oklahoma Society of Public Accountants, or successor~~
21 ~~organization from time to time as appointment of the Board member is~~
22 ~~required to be made. A list of three names shall be submitted for~~
23 ~~each single appointment from which the Governor may make the~~
24 ~~appointment.~~

1 ~~C.~~ Five Six members shall be certified public accountants
2 holding certificates and four shall hold permits issued pursuant to
3 the provisions of the Oklahoma Accountancy Act, at least four of
4 whom shall have been engaged in the practice of public accounting as
5 a certified public accountant continuously for not less than five
6 (5) out of the last fifteen (15) years immediately preceding their
7 appointments. A list of qualified persons shall be compiled and
8 submitted to the Governor by the Oklahoma Society of Certified
9 Public Accountants from time to time as appointments of the
10 certified public accountant Board members are required. A list of
11 three names shall be submitted for each single appointment from
12 which the Governor may make the appointment.

13 ~~D.~~ C. One member shall be a public member who is not a
14 certified public accountant or licensed public accountant. The
15 public member shall be appointed by the Governor to a term
16 coterminous with the Governor. The public member shall serve at the
17 pleasure of the Governor.

18 ~~E.~~ D. Upon the expiration of the term of office, a member shall
19 continue to serve until a qualified successor has been appointed.
20 Confirmation by the Senate is required during the next regular
21 session of the Oklahoma Senate for the member to continue to serve.

22 SECTION 3. AMENDATORY 59 O.S. 2011, Section 15.8, is
23 amended to read as follows:
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1 Section 15.8. A. A qualification applicant to qualify as a
2 candidate for examination shall file an application for
3 qualification in a format approved by the Oklahoma Accountancy
4 Board. The fee for the qualification application shall be
5 determined by the Board and shall not exceed Three Hundred Dollars
6 (\$300.00). Every qualification applicant to qualify as a candidate
7 for the certificate of certified public accountant ~~or license of~~
8 ~~public accountant~~ must be of good moral character, shall submit to a
9 national criminal history record search, must be a resident of this
10 state immediately prior to making application and, except as
11 otherwise provided in this section, shall meet the education and
12 experience requirements provided in this section. The costs
13 associated with the national criminal history records search shall
14 be paid by the applicant.

15 B. ~~On or after July 1, 1999, every qualification applicant to~~
16 ~~qualify as a candidate for examination for the license of public~~
17 ~~accountant shall have graduated from an accredited four-year college~~
18 ~~or university with a major in accounting or with a nonaccounting~~
19 ~~major supplemented by what the Oklahoma Accountancy Board determines~~
20 ~~to be the equivalent of an accounting major of any four-year college~~
21 ~~or university in this state or any other four-year college or~~
22 ~~university recognized by the Board. Such major in accounting or~~
23 ~~nonaccounting major shall include satisfactory completion of forty-~~
24 ~~eight (48) semester hours, or the equivalent thereof, in accounting~~

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

10 C. ~~On or after July 1, 2003, every~~ Every qualification
11 applicant to qualify as a candidate for examination for the
12 certificate of certified public accountant shall have at least one
13 hundred fifty (150) semester hours, or the equivalent thereof, of
14 college education including a baccalaureate or higher degree
15 conferred by a college or university acceptable to the Board from an
16 accredited four-year college or university in this state or any
17 other accredited four-year college or university recognized by the
18 Board. A minimum of seventy-six (76) semester hours must be earned
19 at the upper-division level of college or above or the equivalent
20 thereof as determined by the Board; this education requirement shall
21 have been completed prior to submitting an application to the Board;
22 the total educational program of the applicant for examination shall
23 include an accounting concentration or its equivalent as determined
24 acceptable by the Board which shall include not less than thirty

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

16 ~~D.~~ C. The costs associated with the national criminal history
17 record check shall be paid by the applicant.

18 SECTION 4. AMENDATORY 59 O.S. 2011, Section 15.9, is
19 amended to read as follows:

20 Section 15.9. A. Upon payment of appropriate fees, the
21 Oklahoma Accountancy Board shall grant a certificate ~~or license~~ to
22 any individual of good character who meets the applicable education,
23 experience and testing requirements provided for in this section and
24 in Sections 15.8 and 15.10 of this title. For purposes of this

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

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

18 ~~C. The Board shall, upon request, issue licenses as public~~
19 ~~accountants only to those applicants who shall have qualified and~~
20 ~~complied with the provisions of this act and the rules of the Board,~~
21 ~~and shall have passed an examination in accounting, auditing, and~~
22 ~~other related subjects not to exceed seventy-five percent (75%) of~~
23 ~~the CPA Examination subjects with such grades that satisfy the Board~~
24 ~~that each applicant is competent to practice as a public accountant.~~

1 ~~The subjects examined shall be covered by the same examination, and~~
2 ~~grading thereon for passing, as those used by the Board to test~~
3 ~~candidates for the certified public accountant's certificate.~~

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

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

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

1 ~~G. F.~~ Every applicant for the certificate of certified public
2 accountant ~~or license of public accountant~~ shall submit to a
3 national criminal history record check. The costs associated with
4 the national criminal history record check shall be paid by the
5 applicant.

6 ~~H. G.~~ An individual applying for a certificate as a certified
7 public accountant must make application for the certificate within
8 five (5) years of the date the Board notifies the candidate that the
9 candidate has successfully passed all sections of the C.P.A.
10 Examination. If the candidate fails to make application for the
11 certificate within five (5) years, the candidate must provide
12 documentation showing he or she has completed at least one hundred
13 twenty (120) hours of qualifying continuing public accountancy
14 education completed within the three-year period immediately
15 preceding the date the individual applies for certification. The
16 Board shall establish rules whereby time limits set for application
17 pursuant to this provision may, upon written application to the
18 Board, be waived or reduced if the candidate is called to active
19 military service or becomes incapacitated as a result of illness or
20 injury or for such other good causes as determined by the Board on a
21 case-by-case basis.

22 ~~I. An individual applying for a license as a public accountant~~
23 ~~must make application for the license within five (5) years of the~~
24 ~~date the Board notifies the candidate that the candidate has~~

1 ~~successfully passed all sections of the PA Examination. If the~~
2 ~~candidate fails to make application for the license within five (5)~~
3 ~~years, the candidate must provide documentation showing he or she~~
4 ~~has completed at least one hundred twenty (120) hours of qualifying~~
5 ~~continuing public accountancy education completed within the three-~~
6 ~~year period immediately preceding the date the individual applies~~
7 ~~for licensure. The Board shall establish rules whereby time limits~~
8 ~~set for application pursuant to this provision may, upon written~~
9 ~~application to the Board, be waived or reduced if the candidate is~~
10 ~~called to active military service or becomes incapacitated as a~~
11 ~~result of illness or injury or for such other good causes as~~
12 ~~determined by the Board on a case-by-case basis.~~

13 SECTION 5. AMENDATORY 59 O.S. 2011, Section 15.10, is
14 amended to read as follows:

15 Section 15.10. A. The Board shall provide an examination for
16 candidates to obtain a certificate ~~or license~~ as public accountants
17 at least once each year. Additional examinations may be held at
18 such times and places as the Board may deem advisable.

19 B. Each candidate allowed to sit at the examination shall file
20 a written application on a form prescribed by the Board.

21 C. In addition to the requirement of confidentiality of
22 examination results, the Board shall take such action as necessary
23 to assure the confidentiality of the examination prior to their
24 being administered to candidates.

1 SECTION 6. AMENDATORY 59 O.S. 2011, Section 15.11, is

2 amended to read as follows:

3 Section 15.11. A. No individual, other than as described in
4 subparagraph d of paragraph 34 of Section 15.1A of this title, shall
5 assume or use the title or designation "Certified Public Accountant"
6 or the abbreviation "C.P.A." or any other title, designation, words,
7 letters, abbreviation, sign, card, or device tending to indicate or
8 represent that such individual is a certified public accountant,
9 unless such individual has received a certificate as a certified
10 public accountant and holds a valid permit issued pursuant to the
11 provisions of the Oklahoma Accountancy Act or is granted practice
12 privileges under Section 15.15C of this title. All offices in this
13 state for the practice of public accounting by such individual shall
14 be maintained and registered as required by the Oklahoma Accountancy
15 Act.

16 B. No entity shall assume or use the title or designation
17 "Certified Public Accountant" or the abbreviation "C.P.A." or any
18 other title, designation, words, letters, abbreviation, sign, card
19 or device tending to indicate or represent that such entity is
20 composed of certified public accountants unless such entity is
21 registered as a firm of certified public accountants and holds a
22 valid permit issued pursuant to the provisions of the Oklahoma
23 Accountancy Act or is exempt from the registration and permit
24 requirements under Section 15.15C of this title. All offices in

1 this state for the practice of public accounting by such entity
2 shall be maintained and registered as required by the Oklahoma
3 Accountancy Act.

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

15 ~~D. No entity shall assume or use the title or designation~~
16 ~~"Public Accountant" or any other title, designation, words, letters,~~
17 ~~abbreviation, sign, card, or device tending to indicate or represent~~
18 ~~that such entity is composed of public accountants, unless such~~
19 ~~entity is registered as a firm of public accountants and holds a~~
20 ~~valid permit issued pursuant to the provisions of the Oklahoma~~
21 ~~Accountancy Act. All offices in this state for the practice of~~
22 ~~public accounting by such entity shall be maintained and registered~~
23 ~~as required by the Oklahoma Accountancy Act.~~

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

15 ~~F.~~ D. No individual or entity not holding a valid permit, not
16 granted practice privileges under Section 15.12A of this title, or
17 not exempt from the permit requirement under Section 15.15C of this
18 title shall hold oneself or itself out to the public as an
19 "Accountant" or "Auditor" by use of either or both of such words on
20 any sign, card, letterhead, or in any advertisement or directory,
21 without specifically indicating that such individual or entity does
22 not hold such a permit. The provisions of this subsection shall not
23 be construed to prohibit any officer, employee, partner or principal
24 of any entity from describing oneself by the position, title or

1 office one holds in such organization; nor shall this subsection
2 prohibit any act of public official or public employee in the
3 performance of the duties as such.

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

15 SECTION 7. AMENDATORY 59 O.S. 2011, Section 15.12, is
16 amended to read as follows:

17 Section 15.12. An individual who is not a certified public
18 accountant ~~or public accountant~~ in any jurisdiction may serve as an
19 employee of a firm composed of certified public accountants ~~or~~
20 ~~public accountants~~ holding a valid permit. Such employee or
21 assistant shall not issue any accounting or financial statements
22 over the employee's or assistant's name.

23 SECTION 8. AMENDATORY 59 O.S. 2011, Section 15.12A, is
24 amended to read as follows:

1 Section 15.12A. A. 1. An individual whose principal place of
2 business is not in this state and who holds a valid certificate ~~or~~
3 ~~license~~ as a Certified Public Accountant ~~or Public Accountant~~ from
4 any jurisdiction which the Oklahoma Accountancy Board's designee has
5 verified to be in substantial equivalence to the Certified Public
6 Accountant ~~and Public Accountant licensure~~ requirements of the
7 AICPA/NASBA Uniform Accountancy Act shall be presumed to have
8 qualifications substantially equivalent to this state's requirements
9 and shall have all the privileges of certificate and license holders
10 of this state without the need to obtain a certificate, license or
11 permit required under Sections 15.9, 15.13, 15.14A, 15.15 and 15.15A
12 of this title. An individual who offers or renders professional
13 services, whether in person or by mail, telephone or electronic
14 means, under this section shall be granted practice privileges in
15 this state and no notice, fee or submission shall be provided by any
16 such individual. Such an individual shall be subject to the
17 requirements in paragraph 3 of this subsection.

18 2. An individual whose principal place of business is not in
19 this state who holds a valid certificate ~~or license~~ as a Certified
20 Public Accountant ~~or Public Accountant~~ from any jurisdiction which
21 the Oklahoma Accountancy Board's designee has not verified to be in
22 substantial equivalence to the Certified Public Accountant licensure
23 requirements of the AICPA/NASBA Uniform Accountancy Act shall be
24 presumed to have qualifications substantially equivalent to this

1 state's requirements and shall have all the privileges of
2 certificate and license holders of this state without the need to
3 obtain a certificate, license or permit required under Sections
4 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. Any individual
5 who passed the Uniform CPA Examination and holds a valid certificate
6 ~~or license~~ issued by any other state prior to January 1, 2012, may
7 be exempt from the education requirement of the Uniform Accountancy
8 Act for purposes of this paragraph. An individual who offers or
9 renders professional services, whether in person, or by mail,
10 telephone or electronic means, under this section, shall be granted
11 practice privileges in this state and no notice, fee or submission
12 shall be provided by any such individual. Such an individual shall
13 be subject to the requirements in paragraph 3 of this subsection.

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

- 19 a. to the personal and subject matter jurisdiction and
20 disciplinary authority of the Board,
- 21 b. to comply with the Oklahoma Accountancy Act and the
22 Board's rules,
- 23 c. that in the event the certificate holder or license
24 holder from the jurisdiction of the individual's

1 principal place of business is no longer valid, the
2 individual will cease offering or rendering
3 professional services in this state individually or on
4 behalf of a firm, and

5 d. to the appointment of the state board which issued the
6 certificate ~~or license~~ as the agent upon whom process
7 may be served in any action or proceeding by the Board
8 against the certificate ~~or license~~ holder.

9 4. A certified public accounting ~~or public accounting~~ firm that
10 is licensed and has its primary place of business in another state,
11 does not have an office in this state and does not provide the
12 professional services described in subparagraphs a, b, and c of
13 paragraph 5 of this subsection for a client whose home office is in
14 this state, may practice in this state without a firm license,
15 permit, or notice to the Board if the firm's practice in this state
16 is performed by an individual who is licensed in Oklahoma or who has
17 been granted practice privileges under paragraph 1 or 2 of this
18 subsection.

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

22 a. any audit or other engagement to be performed in
23 accordance with Statements on Auditing Standards,
24

- b. any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS),
- c. any report performed in accordance with Statements on Standards for Attestation Engagements (SSAE), and
- d. any engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board (PCAOB),

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

B. A registrant of this state offering or rendering services or using the registrant's CPA ~~or PA~~ title in another jurisdiction shall be subject to disciplinary action in this state for an act committed in another jurisdiction which would subject the certificate or license holder to discipline in that jurisdiction. The Board shall be required to investigate any complaint made by the board of accountancy of another jurisdiction.

SECTION 9. AMENDATORY 59 O.S. 2011, Section 15.13, is amended to read as follows:

Section 15.13. A. The Oklahoma Accountancy Board may issue a certificate or license to an applicant who has been authorized to practice public accounting as a certified public accountant ~~or public accountant~~ pursuant to the laws of any jurisdiction if the applicant passed a test administered for the purpose of authorizing

1 an individual to practice as a certified public accountant ~~or public~~
2 ~~accountant~~ with grades which were equivalent to passing a test for
3 the same purpose in this state as of the date the applicant
4 originally passed the examination, and ~~said~~ the applicant:

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

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

10 3. Met on the date of becoming a candidate in another
11 jurisdiction, the requirements of becoming a candidate in the State
12 of Oklahoma, except for residency.

13 B. In the event an applicant does not meet the requirements of
14 subsection A of this section, but has passed a test administered for
15 the purpose of authorizing an individual to practice as a certified
16 public accountant ~~or public accountant~~ with grades which were
17 equivalent to passing a test for the same purpose in this state on
18 the date the applicant passed the examination, the Board may issue a
19 certificate or license to an applicant if such applicant has four
20 (4) years of experience practicing public accounting as a certified
21 public accountant ~~or public accountant~~ pursuant to the laws of any
22 jurisdiction. Such experience must have occurred within the ten
23 (10) years immediately preceding the application. Experience
24

1 acceptable to satisfy the requirements of this subsection shall be
2 determined by standards established by the Board.

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

8 D. The Board may issue a certificate or license by reciprocity
9 to the extent required by treaties entered into by the government of
10 the United States.

11 E. A fee in the amount equal to the registration fee and permit
12 fee, if applicable, plus an administrative fee, the total of which
13 shall not exceed Three Hundred Dollars (\$300.00), shall be paid by
14 an applicant seeking a certificate or license pursuant to the
15 provisions of this section. The total amount shall be established
16 by Board rule.

17 F. ~~On or after July 1, 2005, an~~ An applicant for the
18 certificate of certified public accountant ~~or license of public~~
19 ~~accountant~~ under this section shall provide evidence of successful
20 completion of an ethics examination prescribed by the Board.

21 G. As an alternative to the requirements of subsection A, B or
22 C of this section, a certificate holder licensed by another
23 jurisdiction who establishes the certificate holder's principal
24 place of business in this state shall request the issuance of a
25

1 certificate from the Board prior to establishing such principal
2 place of business. The Board shall issue a certificate to such
3 person who obtains from the NASBA National Qualification Appraisal
4 Service verification that such individual's CPA qualifications are
5 substantially equivalent to the CPA licensure requirements of the
6 AICPA/NASBA Uniform Accountancy Act.

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

12 SECTION 10. AMENDATORY 59 O.S. 2011, Section 15.13A, is
13 amended to read as follows:

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

17 1. The foreign authority which granted the designation makes
18 similar provision to allow a registrant who holds a valid
19 certificate issued by this state to obtain such foreign authority's
20 comparable designation;

21 2. The designation:

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

- b. entitles the holder to issue reports upon financial statements, and
- c. was issued upon the basis of substantially equivalent educational, examination and experience requirements established by the foreign authority or by law; and

3. The applicant:

- a. received the designation based on educational and examination standards substantially equivalent to those in effect in this state at the time the foreign designation was granted,
- b. completed an experience requirement substantially equivalent to the requirement set out under ~~this act~~ the Oklahoma Accountancy Act in the foreign country which granted the foreign designation or has completed four (4) years of professional experience in this state, or meets equivalent requirements prescribed by the Board by rule within the ten (10) years immediately preceding the application,
- c. passed a uniform qualifying examination in national standards acceptable to the Board, and
- d. is of good character.

An applicant for the certificate of certified public accountant under this section shall submit to a national criminal history

1 record check. The costs associated with the national criminal
2 history record check shall be paid by the applicant.

3 B. An applicant under subsection A of this section shall in the
4 application list all jurisdictions, foreign and domestic, in which
5 the applicant has applied for or holds a designation to practice
6 public accounting, and each holder of a certificate issued under
7 this subsection shall notify the Board in writing, within thirty
8 (30) days after its occurrence, of any issuance, denial, revocation
9 or suspension of a designation or commencement of disciplinary or
10 enforcement action by any jurisdiction.

11 SECTION 11. AMENDATORY 59 O.S. 2011, Section 15.14, is
12 amended to read as follows:

13 Section 15.14. A. In addition to obtaining a certificate ~~or~~
14 ~~license~~, certified public accountants ~~and public accountants~~, unless
15 granted practice privileges under Section 15.12A of this title,
16 shall register with the Oklahoma Accountancy Board and pay a
17 registration fee.

18 ~~B. Until January 1, 2010, all valid certificates and licenses~~
19 ~~ending in an odd number shall expire on July 31 of each odd-numbered~~
20 ~~year. All valid certificates and licenses ending in an even number~~
21 ~~shall expire on July 31 of each even-numbered year. All such~~
22 ~~registrations shall expire on the last day of July and may be~~
23 ~~renewed for a period of two (2) years. The Board shall implement~~
24 ~~rules for the scheduling of expiration and renewal of certificates~~

1 ~~and licenses, including the prorating of fees~~ On January 1, 2020,
2 all individual licenses of public accountants in this state shall be
3 abolished. Any individual license of public accountant, which is
4 scheduled for renewal on or after October 1, 2019, shall not be
5 renewable. The Oklahoma Accountancy Board shall not issue any new
6 license of public accountant on or after October 1, 2019. Any new
7 or renewable license of public accountant issued on or after July 1,
8 2019, and before October 1, 2019, shall be prorated to expire on
9 January 1, 2020.

10 C. ~~After the initial registration, renewal of registrations~~
11 ~~shall be accomplished by registrants in good standing upon filing of~~
12 ~~the registration and upon payment of the registration fee. Interim~~
13 ~~registration shall be at full rates.~~

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

20 E. D. Not less than thirty (30) calendar days before the
21 expiration of a valid certificate or license, written notice of the
22 expiration date shall be mailed to the individual holding the valid
23 certificate or license at the last-known address of such individual
24 according to the official records of the Board.

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

4 1. Upon failure of an individual to pay registration fees on or
5 before the expiration date, the Board shall notify the individual in
6 writing by certified mail to the last known address of the
7 individual, as reflected in the records of the Board, of the
8 individual's failure to comply with the Oklahoma Accountancy Act.

9 2. A certificate or license granted under authority of the
10 Oklahoma Accountancy Act shall automatically be revoked if the
11 individual fails to pay registration fees within thirty (30) days
12 after the expiration date.

13 3. Any individual whose certificate or license is automatically
14 revoked by this provision may be reinstated by the Board upon
15 payment of:

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

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

22 However, an individual whose certificate or license has been
23 expired, surrendered, canceled or revoked for five (5) years or more
24 may not renew the certificate or license. The individual may obtain

1 a new certificate or license by complying with the requirements and
2 procedures, including the examination requirements, for obtaining an
3 original certificate or license. This provision shall not apply to
4 an individual who is licensed to practice in another jurisdiction
5 for the five (5) years immediately preceding their application for
6 reinstatement.

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

16 ~~H.~~ G. All notifications of criminal arrests or charges,
17 disciplinary actions by any other jurisdiction or foreign country,
18 revocation or suspension by enforcement action of any professional
19 credential and all changes of employment or mailing address shall be
20 reported to the Board within thirty (30) calendar days of such
21 changes becoming effective.

22 ~~I.~~ H. At the direction of the Board, a register of registrants
23 may be published in any media format the Board considers appropriate
24 for public distribution.

SECTION 12. AMENDATORY 59 O.S. 2011, Section 15.14A, is amended to read as follows:

Section 15.14A. A. Before any individual may practice public accounting or hold himself or herself out as being engaged in the practice of public accounting as a certified public accountant ~~or public accountant~~ in this state, such person shall obtain a permit from the Oklahoma Accountancy Board, unless such person is granted practice privileges under Section 15.12A of this title. Any individual, corporation or partnership or any other entity who provides any of the services defined hereinabove as the "practice of public accounting" without holding a license and permit, or without holding a certificate and permit, shall be assessed a fine not to exceed Ten Thousand Dollars (\$10,000.00) for each separate offense, unless such person is granted practice privileges under Section 15.12A of this title, or such entity is exempt from the permit and registration requirements of Section 15.15C of this title.

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

1. Any individual seeking a permit must have a valid certificate or license;

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

1 3. Any individual seeking a permit must meet continuing
2 professional education requirements as set forth by the Oklahoma
3 Accountancy Act and rules promulgated by the Board; and

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

5 C. All such individuals shall, upon application and compliance
6 with the rules establishing qualifications for obtaining a permit
7 and payment of the fees, be granted an annual permit to practice
8 public accounting in this state. ~~Until January 1, 2010, all permits~~
9 ~~issued shall expire on June 30 of each year and may be renewed from~~
10 ~~year to year. Effective January 1, 2010, all~~ All permits issued
11 shall be renewed based on staggered expiration dates on the last day
12 of the individual's birth month in conjunction with the registrant's
13 certificate or license renewal. The Board may issue interim permits
14 upon payment of the same fees required for annual permits.

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

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

20 SECTION 13. AMENDATORY 59 O.S. 2011, Section 15.14B, is
21 amended to read as follows:

22 Section 15.14B. After notice and hearing, the Oklahoma
23 Accountancy Board may impose any one or more of the penalties
24 authorized in Section 15.24 of this title on a certified public
25

1 accountant ~~or a public accountant~~ for any one or more of the
2 following causes:

3 1. Fraud or deceit in obtaining a certificate, license,
4 practice privilege or permit;

5 2. Dishonesty, fraud, or gross negligence in accountancy or
6 financially related activities;

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

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

16 5. Failure to comply with professional standards in the Board's
17 professional code of conduct to the attest and/or compilation
18 competency requirement for those who supervise attest and/or
19 compilation engagements and sign the report on financial statements
20 or other compilation communications with respect to financial
21 statements; and

22 6. Violation of any of the provisions of the Oklahoma
23 Accountancy Act and rules promulgated for its implementation by the
24 Board.

SECTION 14. AMENDATORY 59 O.S. 2011, Section 15.15, is

amended to read as follows:

Section 15.15. A. The Oklahoma Accountancy Board, upon application, shall grant or register any firm, including sole proprietorships, seeking to provide public accounting services to the public in this state if such firm demonstrates its qualifications therefore in accordance with this section. All firms, except sole proprietorships with an office in this state, shall pay an annual registration fee not to exceed One Hundred Dollars (\$100.00). The following must register with the Board under this section:

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

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

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

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

1 C. Interim registrations shall be at full rates.

2 D. Upon failure of a firm to pay registration fees on or before
3 the last day of June, the Board shall notify the firm in writing by
4 certified mail to the last known address of the firm, as reflected
5 in the records of the Board, of the firm's failure to comply with
6 the Oklahoma Accountancy Act.

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

10 F. A firm whose registration is automatically revoked pursuant
11 to this section may be reinstated by the Board upon payment of a fee
12 to be set by the Board which shall not exceed Two Hundred Dollars
13 (\$200.00).

14 G. An individual who has practice privileges under Section
15 15.12A of this title who performs services for which firm
16 registration is required under this section shall not be required to
17 meet the certificate, license, registration or permit requirements
18 of Section 15.9, 15.13, 15.13A, 15.14 or 15.14A of this title.

19 SECTION 15. AMENDATORY 59 O.S. 2011, Section 15.15A, as
20 amended by Section 1, Chapter 218, O.S.L. 2015 (59 O.S. Supp. 2018,
21 Section 15.15A), is amended to read as follows:

22 Section 15.15A. A. The Oklahoma Accountancy Board, upon
23 application, shall issue a permit to practice public accounting to
24 each firm seeking to provide professional services to the public in
25

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

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

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

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

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

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

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

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

24 2. Changes in the structure of the firm;

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

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

3 and

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

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

14 1. A list of all partners and shareholders at the time of
15 dissolution;

16 2. The location of each office of the firm at the time of
17 dissolution; and

18 3. The date the dissolution became effective.

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

22 F. Each firm seeking a permit to practice accounting as a CPA
23 firm shall be issued a permit by the Board upon application and
24

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

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

21 SECTION 16. AMENDATORY 59 O.S. 2011, Section 15.15B, as
22 amended by Section 2, Chapter 218, O.S.L. 2015 (59 O.S. Supp. 2018,
23 Section 15.15B), is amended to read as follows:
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1 Section 15.15B. A. Except as authorized in subsection B of
2 this section, each office established or maintained in this state
3 for the practice of public accounting shall be under the direct
4 supervision of a designated manager.

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

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

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

- 17 a. the succession of an office established or maintained
18 in this state for the practice of public accounting by
19 the sale or transfer to another person or entity
20 authorized by law to practice public accounting in
21 this state, or
22 b. the succession of an office established or maintained
23 in this state for the practice of public accounting by
24 transfer to a grantor trust upon the death of the

1 holder of a permit to practice public accounting as an
2 interim interest holder before being transferred to
3 qualified individual owners as set out in paragraph F
4 or G of Section 15.15A of this title and only upon the
5 actual review of all client documents by a qualified
6 certified public accountant ~~or public accountant~~ in
7 this state.

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

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

11 SECTION 17. AMENDATORY 59 O.S. 2011, Section 15.15C, is
12 amended to read as follows:

13 Section 15.15C. It shall not be a violation of the Oklahoma
14 Accountancy Act for a firm, which is not registered under Section
15 15.15 of Title 59 of the Oklahoma Statutes and this title; does not
16 hold a valid permit under Section 15.15A of ~~Title 59 of the Oklahoma~~
17 ~~Statutes~~ this title; and which does not have an office in this
18 state, to provide its professional services in this state so long as
19 it complies with the requirements of paragraph 4 of subsection A of
20 Section 15.12A of Title 59 of the Oklahoma Statutes this title.

21 SECTION 18. AMENDATORY 59 O.S. 2011, Section 15.24, is
22 amended to read as follows:

23 Section 15.24. A. In the event an individual, certified public
24 accountant, ~~public accountant,~~ firm or entity, after proper notice
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1 and hearing, is found to have violated one or more provisions of the
2 Oklahoma Accountancy Act, the Board may impose one or more of the
3 following penalties on the offending individual, firm or entity:

4 1. Revoke any certificate, license, practice privilege or
5 permit issued pursuant to the provisions of the Oklahoma Accountancy
6 Act;

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

10 3. Reprimand a registrant, an individual granted practice
11 privileges under Section 15.12A of this title, or a firm exempt from
12 the permit and registration requirements under Section 15.15C of
13 this title;

14 4. Place a registrant, an individual granted practice
15 privileges under Section 15.12A of this title, or a firm exempt from
16 the permit and registration requirements under Section 15.15C of
17 this title on probation for a specified period of time, which may be
18 shortened or lengthened, as the Board deems appropriate;

19 5. Limit the scope of practice of a registrant, an individual
20 granted practice privileges under Section 15.12A of this title, or a
21 firm exempt from the permit and registration requirements under
22 Section 15.15C of this title;

23 6. Deny renewal of a permit;
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1 7. Require a preissuance review or accelerated peer review of
2 the registrant subject to such procedures as the Board deems
3 appropriate;

4 8. Require successful completion of continuing professional
5 educational programs deemed appropriate;

6 9. Assess a fine not to exceed Ten Thousand Dollars
7 (\$10,000.00) for each separate offense; and

8 10. Require the registrant, individual or entity to pay all
9 costs incurred by the Board as a result of hearings conducted
10 regarding accountancy actions of the registrant, individual, or
11 entity, including, but not limited to, attorney fees, investigation
12 costs, hearing officer costs, renting of special facilities costs,
13 and court reporter costs.

14 B. Upon application in writing, the Board may reinstate a
15 certificate, license, practice privilege or permit which has been
16 revoked, or may modify, upon good cause as to why the individual or
17 entity should be reinstated, the suspension of any certificate,
18 license, practice privilege or permit.

19 C. Before reinstating or terminating the suspension of a
20 certificate, license, practice privilege or permit, or as a
21 condition to such reinstatement or termination, the Board may
22 require the applicant to show successful completion of specified
23 continuing professional education courses.

1 D. 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 make
4 the reinstatement of a certificate, license, or permit conditional
5 and subject to satisfactory completion of a peer review conducted in
6 such fashion as the Board may specify.

7 E. Before reinstating or terminating the suspension of a
8 certificate or license or as a condition to such reinstatement or
9 termination, the Board may require the applicant to submit to a
10 national criminal history records search. The costs associated with
11 the national criminal history records search shall be paid by the
12 applicant.

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

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

21 SECTION 19. AMENDATORY 59 O.S. 2011, Section 15.25, is
22 amended to read as follows:

23 Section 15.25. Any individual or entity who:
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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 15.15C of
20 this title may hold out as a CPA or a firm of CPAs, respectively,
21 without violation of this section.

22 SECTION 20. AMENDATORY 59 O.S. 2011, Section 15.28, is
23 amended to read as follows:

1 Section 15.28. The displaying or uttering by an individual or
2 entity not registered in accordance with the Oklahoma Accountancy
3 Act of a card, sign, advertisement, or other printed, engraved, or
4 written instrument or device bearing the name of the individual or
5 entity in conjunction with the words "Certified Public Accountant"
6 ~~or "Public Accountant"~~ or any abbreviation thereof shall be prima
7 facie evidence in any action brought pursuant to the provisions of
8 the Oklahoma Accountancy Act that the individual or entity whose
9 name is so displayed or uttered caused or procured the display or
10 uttering of such card, sign, advertisement or other printed,
11 engraved or written instrument or device, and that such individual
12 or entity is representing himself, herself or itself to be a
13 certified public accountant, ~~public accountant or CPA, PA~~ or entity
14 holding a valid permit.

15 SECTION 21. AMENDATORY 59 O.S. 2011, Section 15.36, is
16 amended to read as follows:

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

22 SECTION 22. The provisions of Sections 1 through 10 and
23 Sections 12 through 21 of this act shall become effective November
24 1, 2019.

1 SECTION 23. The provisions of Section 11 of this act shall
2 become effective July 1, 2019.

3 SECTION 24. It being immediately necessary for the preservation
4 of the public peace, health or 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.

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