

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

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CHAPTER 21.  
BOARD OF ACCOUNTANCY REGULATIONS.

PART I.  
DEFINITIONS AND FEES.

**18 VAC 5-21-10. Definitions.**

The following words and terms when used in this chapter have the following meanings, unless the context clearly indicates otherwise:

“Accredited institution” means any degree-granting college or university accredited at the time of the applicant's degree or attendance by any of the following: Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, and Western Association of Schools and Colleges.

“AICPA” means the American Institute of Certified Public Accountants.

“Assurance” means any act or action, whether written or oral, expressing an opinion or conclusion about the reliability of a financial statement or about its conformity with any financial accounting principles or standards.

“Attestation engagement” means performing an engagement in accordance with attestation standards promulgated by the AICPA and issuing a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party.

“Audit” means expressing an opinion about the fairness of presentation of financial statements in accordance with prescribed criteria.

“Audit,” “review,” or “express or disclaim an opinion,” when referenced to financial information or the practice of public accountancy, are terms which, when used in connection with the issuance of reports, state or imply assurance of conformity with generally accepted accounting principles, generally accepted auditing standards, and review standards. The terms include forms of language disclaiming an opinion concerning the reliability of the financial information referred to or relating to the expertise of the issuer.

“Board” means the Board of Accountancy.

~~“Certify,” “audit,” “examine,” “review,” or “express or disclaim an opinion,” when referenced to financial information or the practice of public accountancy, are terms which, when used in connection with the issuance of reports, state or imply assurance of conformity with generally accepted accounting principles, generally accepted auditing standards, and review standards. The terms include forms of language disclaiming an opinion concerning the reliability of the financial information referred to or relating to the expertise of the issuer.~~

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1 “Client” means a person or entity that contracts with or retains a ~~firm~~ regulant for the  
2 performance of professional services ~~by a CPA certificate holder or registration certificate holder~~  
3 ~~subject to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.~~

4  
5 “Commission” means compensation generated from the purchase or sale of a product or  
6 service and which would not be generated but for the purchase or sale of the product or service.  
7

8 “Compilation” or “compile,” when used by a CPA, refers to a firm (including sole proprietors)  
9 presenting in the form of financial statements information that is the representation of  
10 management (owners) without undertaking to express any assurance on the statements and  
11 performing such service in accordance with the Statements on Standards for Accounting and  
12 Review Services issued by the AICPA.

13  
14 “Conditional CPA exam credit” means credit for successfully passing a section of the CPA  
15 exam.

16  
17 “Contact hour” means ~~50 minutes of participation in a group program or 50 minutes of~~  
18 ~~average completion time in a self-study program.~~

19  
20 “Contingent fee” means a fee established for the performance of a service pursuant to an  
21 arrangement in which no fee will be charged unless a specified finding or result is obtained, or in  
22 which the amount of the fee is dependent upon the finding or result obtained. Fees shall not be  
23 considered contingent if fixed by courts or other public authorities, or in tax matters if  
24 determined based on the results of judicial proceedings or the findings of governmental  
25 agencies. A CPA certificate holder’s fees may vary depending on the complexity of services  
26 rendered, and such variation shall not be considered a contingent fee.  
27

28 “Continuing Professional Education (CPE)” means an integral part of the lifelong learning  
29 required to provide competent service to the public; the formal set of activities that enables  
30 accounting professionals to maintain ~~and increase~~ or improve their professional competence.  
31

32 “Consulting services” means professional services that employ the practitioner’s technical  
33 skills, education, observations, experiences and knowledge of the consulting process.

34  
35 “CPA certificate” means a certificate as a certified public accountant (CPA) issued by the  
36 ~~board~~ Board pursuant to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia  
37 and this chapter, which shall function as a license if currently valid, or a ~~corresponding~~  
38 certificate as a certified public accountant issued after meeting ~~examination~~ the CPA exam and  
39 other requirements under the laws of any other state.  
40

41 “CPA exam” means the National Uniform CPA exam approved and administered by the  
42 Board of Accountancy to candidates for a CPA certificate.

43  
44 “CPA firm” means a sole proprietorship, partnership, corporation, limited liability company,  
45 limited liability partnership, or any other form of organization permitted by law that is issued a  
46 permit pursuant to 18 VAC 5-21-60.  
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1 “CPA title” means using “CPA,” “Certified Public Accountant,” “public accountant,” or “CPA  
2 firm” in any form or manner that communicates (including but not limited to any title, phrase,  
3 acronym, abbreviation, business cards, CPA wall certificate, letterhead, reports, tax returns,  
4 sign, card, or any other document or device) to the public that the individual or firm holds a  
5 currently valid CPA certificate or permit.

6  
7 “CPA wall certificate” means the symbolic document suitable for wall display that is issued  
8 by the ~~board~~ Board to an individual initially meeting the requirements for a CPA certificate set  
9 forth in 18 VAC 5-21-30 and that is not intended to function as a currently valid license.

10  
11 “CPE” means continuing professional education.

12  
13 “CPE credit” means 50 minutes of participation in a group, independent study or self-study  
14 program.

15  
16 “CPE reporting year” means for the purposes of this chapter a calendar year.

17  
18 “CPE reporting cycle” means the three CPE reporting years immediately preceding the year  
19 the CPA certificate is renewed pursuant to 18 VAC 5-21-80.

20  
21 ~~“Credit hour” means successful completion of a course of study measured in a contact hour.~~

22  
23 “Ethics CPE” means subjects relating to standards of conduct, Chapter 44 (§ 54.1-4400 et  
24 seq.) of Title 54.1 of the Code of Virginia, and regulations of the Board.

25  
26 “Examination” means, when used in the context of services provided by CPAs, expressing  
27 an opinion about the fairness of presentation of financial information in accordance with  
28 prescribed criteria.

29  
30 “Financial statement” means a writing written or other form of presentation, including  
31 accompanying notes, which presents, in whole or in part, historical or prospective financial  
32 position, results of operations or changes in financial position of any person, corporation,  
33 partnership or other entity.

34  
35 “Firm” means a sole proprietorship, partnership, corporation, limited liability company, limited  
36 liability partnership, or any other form of organization permitted by law.

37  
38 “Good moral character” means a lack of a history of dishonest or felonious acts.

39  
40 “Group program” means an educational process designed to permit a participant to learn a  
41 given subject through interaction with an instructor and other participants.

42  
43 ~~“Interactive self-study program” means a program using interactive learning methodologies~~  
44 ~~simulating a classroom learning process by employing software, other courseware, or~~  
45 ~~administrative systems and providing significant ongoing, interactive feedback to the learner~~  
46 ~~regarding his learning process. Substantial written or electronic evidence of satisfactory~~  
47 ~~completion of each program segment by the learner is required. Interactive self-study programs~~

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1 ~~must clearly define lesson objectives and manage students through the learning process by~~  
2 ~~requiring frequent student response to questions that test for understanding of the material~~  
3 ~~presented, providing evaluative feedback to incorrectly answered questions, and providing~~  
4 ~~reinforcement feedback to correctly answered questions. Capabilities must, based on student~~  
5 ~~response, provide appropriate ongoing written or electronic format feedback to the student~~  
6 ~~regarding his learning progress through the program.~~

7  
8 “License” means a CPA certificate or permit.

9  
10 “Licensee” means a holder of a CPA certificate or permit.

11  
12 “Non-CPA owner” means an individual who does not hold a license, provides professional  
13 services to clients, and holds an ownership interest in a CPA firm.

14  
15 ~~“Noninteractive self-study program” means any self-study program that does not meet the~~  
16 ~~criteria for interactive self-study programs.~~

17  
18 “Original CPA certificate” means a CPA certificate issued by the ~~board~~ Board other than a  
19 CPA certificate by endorsement.

20  
21 “PCAOB” means the Public Company Accounting Oversight Board.

22  
23 “Peer review” means a study, appraisal, or review, by a CPA certificate holder who is not  
24 affiliated with the firm being reviewed, of one or more aspects of the professional work of a firm  
25 that engages in the practice of public accounting or compiles financial statements in accordance  
26 with the American Institute of Certified Public Accountants’ AICPA’s Statements on Standards  
27 for Accounting and Review Services (SSARS).

28  
29 “Permit” means a permit issued to a firm that has met all of the requirements for registration  
30 under this chapter and which shall function as a license.

31  
32 “Practice of public accountancy” or “public accounting” means the giving of an assurance, in  
33 a report or otherwise, whether expressly or implicitly, unless this assurance is given by an  
34 employee to his employer.

35  
36 “Practice of taxation” means the providing of tax compliance and tax advice services.

37  
38 “Registration” means the process through which a firm obtains a ~~registration certificate~~  
39 permit from the ~~board~~ Board.

40  
41 ~~“Registration certificate” means a certificate issued to a firm that has met all of the~~  
42 ~~requirements for registration under this chapter.~~

43  
44 “Regulant” means any a CPA certificate holder or ~~registration certificate permit~~ holder who is  
45 subject to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.

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1 “Renewal month” means the month of the ~~calendar~~ year in which a firm regulant is required  
2 to renew ~~its registration certificate~~ a CPA certificate or permit.

3  
4 “Report” or “reports,” when used with reference to financial statements, means an opinion or  
5 disclaimer of opinion or other form of language or representation that states or implies any form  
6 of assurance or denial of assurance.

7  
8 “Review” means a review of financial statements in accordance with the Statements on  
9 Standards for Accounting and Review Services issued by the AICPA.

10  
11 “Self-study program” means an educational process designed to permit a participant to learn  
12 a given subject without major involvement of an instructor. Self-study programs do not include  
13 informal learning.

14  
15 “SAS” means Statements on Auditing Standards promulgated by the AICPA.

16  
17 “SSARS” means Statements on Standards for Accounting and Review Services established  
18 issued by the American Institute of Certified Public Accountants AICPA.

19  
20 “SSAE” means Statements on Standards for Attestation Engagements promulgated by the  
21 AICPA.

22  
23 “Standards of conduct” means the standards set forth in 18 VAC 5-21-120, 18 VAC 5-21-  
24 121, 18 VAC 5-21-122 and 18 VAC 5-21-123.

25  
26 “Standards of practice for CPA certificate holders” means the standards set forth in 18 VAC  
27 5-21-130, 18 VAC 5-21-140 and 18 VAC 5-21-150.

28  
29 “State” means any state of the United States, the District of Columbia, Puerto Rico, the U.S.  
30 Virgin Islands and Guam.

31  
32 “Substantial equivalency” means a determination by the ~~board~~ Board or its designee that the  
33 education, ~~examination~~ CPA exam and experience requirements contained in the statutes and  
34 administrative rules of another jurisdiction are comparable to, or exceed, the education,  
35 ~~examination~~ CPA exam and experience requirements contained in this chapter, or that an  
36 individual CPA from another jurisdiction has met education, ~~examination~~ CPA exam and  
37 experience requirements that are comparable to, or exceed, the education, ~~examination~~ CPA  
38 exam, and experience requirements contained in Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1  
39 of the Code of Virginia and this chapter.

40  
41 “Supervising CPA” means a CPA certificate holder who is responsible for supervising  
42 services involving the practice of public accounting, and who signs or authorizes another person  
43 to sign on behalf of the firm the financial statement resulting from the practice of public  
44 accounting.

45  
46 “Window” means the four times (each being a three-month period) in a year that a CPA  
47 candidate may take the computer-based CPA exam.

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1  
2 “Year” means a calendar year unless otherwise indicated.

3  
4 **18 VAC 5-21-20. Fees.**

5  
6 A. All fees are nonrefundable and the date of receipt by the ~~board~~ Board or its agent is the  
7 date that will be used to determine whether it is on time.

8  
9 B. The following fees shall apply:

10

Initial <del>examination</del> <u>CPA exam</u> application fee	\$25
Original CPA certificate application	<u>\$24 50</u>
CPA certificate by endorsement application	<u>\$24 50</u>
<del>Registration certificate</del> <u>Permit</u> application	<u>\$24 50</u>
CPA certificate renewal	\$24
<del>Registration certificate</del> <u>Permit</u> renewal	\$24
<del>CPA certificate late renewal</del>	<u>\$25</u>
<u>Late renewal fee in lieu of renewal fee –</u>	
<u>CPA certificate</u>	
<u>30 to 60 days after expiration date</u>	<u>\$50</u>
<u>61 to 120 days after expiration date</u>	<u>\$100</u>
<u>121 to 365 days after expiration date</u>	<u>\$225</u>
<del>Registration certificate late renewal</del>	<u>\$25</u>
<u>Late renewal fee in lieu of renewal fee –</u>	
<u>permit</u>	
<u>30 to 60 days after expiration date</u>	<u>\$50</u>
<u>61 to 120 days after expiration date</u>	<u>\$100</u>
<u>121 to 365 days after expiration date</u>	<u>\$225</u>
CPA certificate reinstatement <u>in lieu of</u>	
<u>renewal and late renewal fees*</u>	<u>\$250</u>
<u>CPA was not required to have a license</u>	
<u>during</u>	<u>\$250</u>
<u>the period the license was expired</u>	
<u>CPA was required to have a license</u>	
<u>during</u>	
<u>the period the license was expired*</u>	
<u>Up to one year</u>	<u>\$500</u>
<u>Two to five years</u>	<u>\$1,500</u>
<u>Over five years</u>	<u>\$3,000</u>
<del>Registration certificate</del> <u>Permit</u> reinstatement	
<u>in lieu of renewal and late renewal fees*</u>	<u>\$250</u>
<u>Firm was not required to have a permit</u>	
<u>during</u>	<u>\$250</u>
<u>the period the permit was expired</u>	
<u>Firm was required to have a permit</u>	
<u>during</u>	
<u>the period the permit was expired*</u>	

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<u>Up to one year</u>	<u>\$500</u>
<u>Two to five years</u>	<u>\$1,500</u>
<u>Over five years</u>	<u>\$3,000</u>
Non-interactive processing fee	\$5
<u>Practice in Virginia pursuant to substantially equivalent provisions</u>	<u>Fee charged by resident state, or no more than \$250</u>
<u>Replacement wall certificate</u>	<u>\$25</u>
<u>Returned check fee</u>	<u>\$30</u>
<u>Late CPE filing fees</u>	<u>See subsection C below</u>

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\*These fees also apply to an applicant for an initial CPA certificate or initial firm permit if the individual or firm was required to have a license prior to the date the initial CPA certificate or firm permit is obtained.

~~If the renewal fee is not received by the board within 30 days after the expiration date printed on the CPA certificate or the registration certificate, the regulant shall pay the renewal and the late renewal fees. Regulants applying for reinstatement shall pay all unpaid renewal fees in addition to the late renewal and the reinstatement fees.~~

C. The late CPE filing fee for CPA certificate holders who fail to complete or report their CPE (if requested by the Board) ~~as required by this chapter~~ shall be:

1. If received by the ~~board~~ Board up to four months late, \$25.
2. If received by the ~~board~~ Board more than four months late but not more than six months late, \$50.
3. If received by the ~~board~~ Board more than six months late, \$75.

~~D. The fee for a replacement wall certificate shall be \$25.~~

~~E. A fee of \$25 will be charged in addition to the fees established in this section for submitting a check to the board which is dishonored by the institution upon which it is drawn.~~

~~F D. A non-interactive processing fee will be is assessed when online payment option is not chosen by the applicant or regulant~~ does not choose the online payment option.

~~G E. The fee for the examination CPA exam provided for in 18 VAC 5-21-30 C shall consist of the CPA exam contract charges incurred by the Board. An administrative plus the initial CPA exam application fee, of \$25 which will be assessed at the time of initial application for examination the CPA exam but not for reexamination. No administrative fee will be assessed for re-examination. Examination CPA exam service contracts shall be established through competitive negotiation in compliance with the Virginia Public Procurement Act (§ 44-35 2.2-4300 et seq. of the Code of Virginia). The examination CPA exam fee shall not exceed \$1,000.~~

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## PART II.

ENTRY REQUIREMENTS FOR CPA CERTIFICATE, ~~AND REGISTRATION CERTIFICATE PERMIT~~, AND CPA SUPERVISING SERVICES INVOLVING THE PRACTICE OF PUBLIC ACCOUNTING.

**18 VAC 5-21-30. Qualifications for CPA certificate.**

A. Each applicant must be a person of good moral character as defined in 18 VAC 5-21-10. The Board may refuse to grant a certificate on the ground of failure to satisfy this requirement only if there is a substantial connection between the lack of good moral character of the applicant and the professional responsibilities of a licensee and if the finding by the Board of lack of good moral character is supported by clear and convincing evidence. When an applicant is found to be unqualified for a certificate because of a lack of good moral character, the Board shall furnish the applicant a statement containing the findings of the Board, a complete record of the evidence upon which the determination was based and a notice of the applicant's right of appeal.

B. Education prior to taking the ~~examination~~ CPA exam.

1. Each ~~applicant~~ candidate whose application to sit for an ~~examination~~ a CPA exam administered prior to July 1, 2006, shall have received a baccalaureate degree or its equivalent conferred by an accredited ~~college or university~~ institution as required by § 54.1-4409 B 1 of the Code of Virginia and shall at the time the application is received have completed the following courses at the undergraduate or graduate level to meet the accounting concentration requirement of § 54.1-4409 B 1 of the Code of Virginia:
  - a. At least 24 semester hours of accounting including courses covering the subjects of financial accounting principles, auditing, taxation, and management accounting; and
  - b. At least 18 semester hours in business courses (other than the courses described in subdivision 1 a of this subsection).

~~An applicant whose application is received under the requirements of this subdivision may take the examination so long as the requirements of subsection C of this section are met.~~

2. Each ~~applicant~~ candidate whose initial application to sit for an ~~examination~~ a CPA exam administered on or after July 1, 2006, shall meet the requirements of § 54.1-4409 B 2 of the Code of Virginia and shall at the time the application is received have completed the following courses at the undergraduate or graduate level to meet the accounting concentration requirement of § 54.1-4409 B 2 of the Code of Virginia:
  - a. At least 30 semester hours of accounting, including courses covering the subjects of financial accounting principles, auditing, taxation, and management accounting; and

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1  
2 b. At least 24 semester hours in business courses (other than the courses described  
3 in subdivision 2 a of this subsection).  
4

5 3. If, prior to July 1, 2006, a candidate: (i) met the requirements of 18 VAC 5-21-30 A  
6 and B 1 but not the requirements of 18 VAC 5-21-30 A and B 2; and (ii) sat for at  
7 least one section of the CPA exam prior to July 1, 2006, the candidate must pass all  
8 sections not passed as of July 1, 2006 by December 31, 2007. Otherwise, the  
9 candidate loses all CPA exam credits and must meet the requirements of 18 VAC 5-  
10 21-30 A and B 2 before making application to sit for the CPA exam.  
11

12 3 4. A quarter hour of coursework shall be considered the equivalent of two-thirds of a  
13 semester hour of coursework. The Board will accept up to a two semester hour  
14 deficiency if such deficiency resulted from converting quarter hours to semester  
15 hours.  
16

17 5. Community college credits.  
18

19 a. Effective July 1, 2006, credits for courses taken at community colleges shall be  
20 accepted in meeting degree requirements if such courses were or would be  
21 accepted by any accredited institution for purposes of fulfilling its baccalaureate  
22 degree requirements.  
23

24 b. Effective July 1, 2006, credits for accounting or business courses taken at  
25 community colleges shall be accepted in meeting the semester hour  
26 requirements in accounting and business courses if such credits were or would  
27 be accepted by any accredited institution for the purposes of meeting its  
28 accounting program requirements for a baccalaureate degree.  
29

30 4 6. Each applicant with a degree or coursework earned at a nonaccredited college or  
31 university institution shall, if credit for such degree or coursework is to be  
32 considered by the board Board, (i) have his educational credentials evaluated by  
33 an academic credentials service approved by the board Board or an accredited  
34 institution, as defined in 18 VAC 5-21-10, to determine the extent to which such  
35 credentials are equivalent to the education requirements set forth in subdivisions 1  
36 and 2 of this subsection; and (ii) submit such evaluations to the board Board, which  
37 may accept or reject the evaluator's recommendations in whole or in part.  
38

39 5 7. Evidence of having obtained the required education shall be submitted in the form  
40 of official transcripts transmitted in a manner determined by the board Board. In  
41 unusual circumstances, the board Board may accept other evidence it deems to be  
42 substantially equivalent.  
43

44 C. Examination CPA exam.  
45

46 1. Each applicant candidate shall pass (i) a national uniform examination CPA exam, as  
47 approved by the board Board, in auditing and attestation, regulation, business

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1 environment and concepts, business law and professional responsibilities,  
2 accounting and reporting (taxation, managerial, governmental and not-for-profit  
3 organizations), financial accounting and reporting, and other such related subject  
4 areas as deemed appropriate by the ~~board~~ Board; and (ii) an ethics ~~examination~~  
5 exam approved by the ~~board~~ Board. Each part of the ~~examination~~ CPA exam must  
6 be passed ~~with a minimum~~ by attaining a uniform passing grade established through  
7 a psychometrically acceptable standard-setting procedure approved by the ~~board~~  
8 Board based upon the recommendation of a psychometrician who has determined  
9 the valid passing grade by conducting a scientific analysis of the examination.

10  
11 2. The following rules for granting CPA exam credits are applicable until the computer-  
12 based CPA exam becomes effective.

13  
14 If at a given sitting of the ~~examination~~ CPA exam an ~~applicant~~ candidate passes  
15 two or more but not all sections, then the ~~applicant~~ candidate shall be given credit for  
16 those sections that the ~~applicant~~ candidate has passed and need not sit for  
17 reexamination in those sections provided the following conditions are met:

- 18  
19 a. At that sitting, the ~~applicant~~ candidate wrote all sections of the ~~examination~~ CPA  
20 exam for which the ~~applicant~~ candidate did not have credit;  
21  
22 b. The ~~applicant~~ candidate attained a minimum grade of 50 on each section taken  
23 at that sitting when the first two sections were passed and in each subsequent  
24 sitting attains a minimum grade of 50 on all sections taken at that sitting;  
25  
26 c. The ~~applicant~~ candidate passes the remaining sections of the ~~examination~~ CPA  
27 exam within six consecutive ~~examinations~~ CPA exams (irrespective of the date  
28 on which the ~~examination~~ CPA exam credit was earned) given after the one at  
29 which the first sections were passed; and  
30  
31 d. At each subsequent sitting at which the ~~applicant~~ candidate seeks to pass any  
32 additional sections, the ~~applicant~~ candidate writes all sections for which the  
33 ~~applicant~~ candidate does not have credit.

34  
35 3. The following rules for granting CPA exam credits will take effect beginning with the  
36 first computer-based CPA exam:

37  
38 a. Granting of credit.

39  
40 (1) Candidates will be allowed to sit for each section of the CPA exam  
41 individually and in any order.

42  
43 (2) Candidates will retain credit for any section(s) passed for 18 months, without  
44 having to attain a minimum score on failed sections and without regard to  
45 whether they have taken other sections. Candidates will not be allowed to  
46 retake a failed section(s) within the same CPA exam window.  
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1 (3) Candidates must pass all four sections of the CPA exam within a “rolling” 18-  
 2 month period, which begins on the date that the first section(s) passed is  
 3 taken.

4  
 5 (4) In the event all four sections of the CPA exam are not passed within the  
 6 rolling 18-month period, credit for any section(s) passed outside that 18-  
 7 month period will expire and that section(s) must be retaken.

8  
 9 b. Conditional CPA exam credits.

10  
 11 (1) Candidates who have earned conditional credits on the non-computer-based  
 12 CPA exam as of the date of the first computer-based CPA exam will be given  
 13 credits for the corresponding sections of the computer-based CPA exam as  
 14 follows:  
 15

<u>Non-Computer-Based CPA Exam</u>	<u>Computer-Based CPA Exam</u>
<u>Auditing</u>	<u>Auditing and Attestation</u>
<u>Financial Accounting and Reporting (FARE)</u>	<u>Financial Accounting and Reporting</u>
<u>Accounting and Reporting (ARE)</u>	<u>Regulation</u>
<u>Business Law and Professional Responsibilities (LPR)</u>	<u>Business Environment and Concepts</u>

16  
 17 (2) Candidates who have attained conditional status as of the launch date of the  
 18 first computer-based CPA exam will be allowed a transition period to  
 19 complete any remaining test sections of the CPA exam. The transition is the  
 20 maximum number of opportunities that a candidate who has conditioned  
 21 under the non-computer-based CPA exam has remaining, at the launch of  
 22 the computer-based CPA exam, to complete all remaining test sections, or  
 23 the number of remaining opportunities under the non-computer-based CPA  
 24 exam, multiplied by six months, which is first exhausted.  
 25

26 ~~3~~ 4. The ~~board~~ Board may, at its discretion, waive any of the above requirements for  
 27 carryover of ~~examination~~ CPA exam credits, if such waiver is in the public interest.

28  
 29 ~~4~~ 5. Each ~~applicant~~ candidate shall follow all rules and regulations established by the  
 30 ~~board~~ Board with regard to conduct at the ~~examination~~ CPA exam. Such rules shall  
 31 include instructions communicated prior to the ~~examination~~ CPA exam date and  
 32 instructions communicated at the ~~examination~~ CPA exam site on the date of the  
 33 ~~examination~~ CPA exam.  
 34

35 ~~5~~ 6. Failure to comply with the rules and regulations governing conduct in the  
 36 ~~examination~~ CPA exam may result in the loss of established eligibility to sit for the  
 37 ~~examination~~ CPA exam or credit for ~~examination~~ CPA exam parts passed.  
 38

39 ~~6~~ 7. An ~~applicant~~ A candidate to sit for the ~~examination~~ CPA exam shall obtain an  
 40 application form from the ~~board~~ Board or its designee, complete the application in

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

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1           accordance with the instructions on the application, and submit the application  
2           together with all required documents to the ~~board~~ Board or its designee by the date  
3           determined by the ~~board~~ Board or its designee.

4  
5       7 ~~8~~. An applicant A candidate who fails to appear for the ~~examination~~ CPA exam or  
6       reexamination shall forfeit the fees charged for that ~~examination~~ CPA exam or  
7       reexamination unless excused by the ~~board~~ Board.

8  
9       8 ~~9~~. The fee to sit for the ~~examination~~ CPA exam is established in 18 VAC 5-21-20 ~~F E~~,  
10       whether paid directly to the ~~board~~ Board or to a designee under contract to the  
11       ~~board~~ Board.

12  
13       10. The Board or its designee will forward notification of eligibility for the computer-  
14       based CPA exam to NASBA's National Candidate Database.

15  
16       11. Cheating by a candidate in applying for, taking or subsequent to the CPA exam will  
17       be deemed to invalidate any grade otherwise earned by a candidate on any test  
18       section of the CPA exam, and may warrant summary expulsion from the CPA exam  
19       site and disqualification from taking the CPA exam for a specified period of time.

20  
21       12. Notwithstanding any other provisions under these rules, the Board may postpone  
22       scheduled CPA exams, the release of grades, or the issuance of certificates due to  
23       a breach of CPA exam security; unauthorized acquisition or disclosure of the  
24       contents of a CPA exam; suspected or actual negligence, errors, omissions, or  
25       irregularities in conducting a CPA exam; or for any other reasonable cause or  
26       unforeseen circumstances.

27  
28       D. Experience.

29  
30       1. Each applicant for initial issuance of a CPA certificate under this section shall provide  
31       documentation of having met the experience requirements established by § 54.1-  
32       4409 C of the Code of Virginia, which requires at least one year of acceptable  
33       experience in accounting or a related field. The experience may include providing  
34       any type of service or advice involving the use of accounting, management, financial,  
35       tax, or consulting advisory skills or services. Acceptable experience shall include  
36       employment in government, industry, academia or public accounting or related  
37       services. The applicant's experience may be supervised and attested to by a non-  
38       CPA certificate holder, ~~although, when completing the application for the CPA~~  
39       ~~certificate, the experience must be verified by a CPA certificate holder.~~

40  
41       2. One year of experience shall consist of full- or part-time employment that extends  
42       over a period of no less than a year and no more than three years and includes no  
43       fewer than 2,000 hours of performance of services described in subdivision 1 of this  
44       subsection.

45  
46

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## Emergency Regulation

**18 VAC 5-21-40. Issuance of original CPA certificate; CPA certificate by endorsement; and substantial equivalency.**

A. Practicing as a CPA in ~~the Commonwealth of Virginia~~. Only an individual who (i) holds a currently valid and unrestricted CPA certificate issued by the Board; or (ii) ~~meets has met~~ the ~~substantial equivalency temporary practice registration and fee requirements in this section~~ 18 VAC 5-21-52 may practice as a CPA in ~~the Commonwealth of Virginia~~.

B. Original CPA certificate.

1. Each individual who desires to use the CPA ~~designation~~ title shall first obtain a CPA certificate.

2. Each applicant for an original CPA certificate shall submit an application, on a form provided by the ~~board~~ Board, which shall document that the requirements of 18 VAC 5-21-30 have been met. ~~If the application is received by the board three or more years after the successful completion of the CPA examination by the applicant, the applicant shall, in addition, submit evidence of having met the CPE requirements set forth in 18 VAC 5-21-170 A 3 or B 3. Each applicant shall agree to comply with the statutes and regulations of any other state in which he is authorized to practice.~~

3. If the application for an original CPA certificate is received more than one year after the issuance of the notice of successful completion of the CPA exam, the applicant shall provide evidence of having obtained at least 40 CPE credits for each year, or portion thereof, in excess of one year after the issuance of such notice up to a maximum of 400 CPE credits. Furthermore, the CPE for each excess year shall include four CPE credits (up to a maximum of 40 CPE credits) in financial accounting principles subjects, four CPE credits (up to a maximum of 40 CPE credits) in audit and review of financial statements subjects, four CPE credits (up to a maximum of 40 CPE credits) in taxation subjects, and the most recent Ethics CPE course.

4. If the number of excess years described in subsection 3 of this section exceeds 10, and the application is made after December 31, 2004, the applicant must pass the CPA exam described in 18 VAC 5-21-30 C.

5. Each applicant shall agree to comply with the statutes and regulations of any other state in which he is authorized to practice.

~~3~~ 6. Each application for an original CPA certificate shall be accompanied by the fee established in 18 VAC 5-21-20.

C. CPA certificate by endorsement; interstate reciprocity.

1. ~~Each~~ An individual who holds a currently valid and unrestricted CPA certificate in a state other than Virginia and ~~either~~ (i) has moved his principal place of business to Virginia; or (ii) does not meet the ~~substantial equivalency provision outlined in subsection G of this section~~ temporary interstate practice rules in 18 VAC 5-21-52

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1 must obtain a CPA certificate by endorsement prior to practicing as a CPA in  
2 Virginia.

- 3  
4 2. Each applicant for a CPA certificate by endorsement shall submit an application, on  
5 a form provided by the ~~board~~ Board, which shall document that the applicant holds a  
6 ~~corresponding currently valid and unrestricted~~ CPA certificate ~~as a certified public~~  
7 ~~accountant~~ issued after meeting ~~examination~~ CPA exam and other requirements  
8 under laws of the state(s) from which the applicant is seeking a CPA certificate by  
9 endorsement. The application shall include the following:  
10  
11 a. From each state from which the applicant has received a CPA certificate (or from  
12 the applicant directly if the state is unable to provide the information), a written  
13 statement from the board of each state confirming that the applicant (i) is in good  
14 standing in that state; (ii) has not been found guilty of violating that state's  
15 standards of conduct or practice; (iii) has no pending actions alleging violations of  
16 that state's standards of conduct or practice; (iv) has met the education  
17 requirements in effect in that state when the applicant passed the national  
18 uniform ~~examination~~ CPA exam described in 18 VAC 5-21-30 C; and (v) has met  
19 the experience requirement for a CPA certificate in effect in Virginia when the  
20 CPA certificate by endorsement application is received by the ~~board~~ Board. An  
21 applicant who holds a CPA certificate from a state that the ~~board~~ Board has  
22 determined meets the substantial equivalency provision set forth in § 54.1-4411  
23 of the Code of Virginia shall be considered to have met the requirements of  
24 clauses (iv) and (v) of this paragraph.  
25  
26 b. A written statement from the applicant affirming that the applicant has (i) not  
27 violated the ~~board's~~ Board's standards of conduct or applicable standards of  
28 practice; and (ii) met the ~~board's~~ continuing professional education requirements  
29 for each state that has issued the applicant a currently valid CPA certificate.  
30

31 The ~~board~~ Board may deny the application for a CPA certificate by endorsement if  
32 the applicant is not in good standing in the other states ~~which that~~ have issued CPA  
33 certificates to the applicant or if any information from the applicant indicates a failure  
34 to comply with the aforementioned standards.  
35

- 36 3. ~~Each application for a CPA certificate by endorsement shall be accompanied by the~~  
37 The fee established in 18 VAC 5-21-20 shall accompany each application for a CPA  
38 certificate by endorsement.  
39

40 D. International reciprocity.

- 41  
42 1. The Board may designate a professional accounting credential issued in a foreign  
43 country as substantially equivalent to a CPA certificate.  
44  
45 a. The Board may rely on the International Qualifications Appraisal Board for  
46 evaluation of a foreign country credential equivalency or any other matter relating  
47 to international reciprocity.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

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- 1  
2 b. The Board may accept a foreign country accounting credential in partial  
3 satisfaction of its domestic credentialing requirements if:  
4  
5 (1) The holder of the foreign country accounting credential met the issuing  
6 body's education requirements and passed the issuing body's examination  
7 used to qualify its own domestic candidates; and  
8  
9 (2) The foreign country credential is currently valid, unrestricted and otherwise in  
10 good standing at the time of application for a domestic credential.  
11  
12 2. The Board may satisfy through qualifying examination(s) that the holder of a foreign  
13 country credential deemed by the Board to be substantially equivalent to a CPA  
14 certificate possesses adequate knowledge of U.S. practice standards. The Board  
15 may rely on the National Association of State Boards of Accountancy, the AICPA, or  
16 other professional bodies to develop, administer, and grade such qualifying  
17 examination(s). Any foreign country qualifying examination(s) and process will be  
18 approved the Board.  
19  
20 3. An applicant for renewal of a CPA certificate originally issued in reliance on a foreign  
21 country accounting credential shall:  
22  
23 a. Comply with the renewal requirements set forth in 18 VAC 5-21-80.  
24  
25 b. If the applicant has a foreign country credential in effect at the time of the  
26 application for renewal of the CPA certificate, present documentation from the  
27 foreign country accounting credential issuing body that the applicant's foreign  
28 country credential has not been suspended or revoked and the applicant is not  
29 the subject of a current investigation. If the applicant for renewal no longer has a  
30 foreign country credential, the applicant must present proof from the foreign  
31 country credentialing body that the applicant for renewal was not the subject of  
32 any disciplinary proceedings or investigations at the time the foreign country  
33 credential lapsed.  
34  
35 4. The holder of a CPA certificate issued in reliance on a foreign country accounting  
36 credential shall report any investigations undertaken, or sanctions imposed, by a  
37 foreign country credentialing body against the CPA's foreign country credential.  
38  
39 5. Suspension or revocation of, or refusal to renew, the CPA certificate holder's foreign  
40 country accounting credential by the foreign country credentialing body may be  
41 evidence of conduct reflecting adversely upon the CPA's fitness to retain the CPA  
42 certificate and may be a basis for Board action.  
43  
44 6. Conviction of a felony or any crime involving dishonesty or fraud under the laws of a  
45 foreign country is evidence of conduct reflecting adversely on the CPA certificate  
46 holder's fitness to retain the CPA certificate and is a basis for Board action.  
47

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1           7. The Board shall notify the appropriate foreign country credentialing authorities of any  
2           sanctions imposed against a CPA.

3  
4           8. The Board may participate in joint investigations with foreign country credentialing  
5           bodies and may rely on evidence supplied by such bodies in disciplinary hearings.

6  
7       D E. Each CPA certificate holder shall have the privilege of using the CPA ~~designation title~~  
8           provided the CPA certificate holder complies with the (i) standards of conduct, (ii)  
9           standards of practice, and (iii) ~~the~~ renewal requirements established by the ~~board~~  
10          Board. Upon expiration of the CPA certificate, the CPA certificate holder shall cease  
11          displaying the CPA certificate and the wall certificate, and shall cease affixing and  
12          using the CPA ~~designation title~~ title in any manner.

13  
14       E F. All CPA certificate holders who supervise services involving the practice of public  
15          accountancy and who sign or authorize another to sign the report on the financial  
16          statements on behalf of the firm shall meet the experience requirement established in  
17          18 VAC 5-21-50.

18  
19       G. A CPA certificate holder who performs compilation services as defined in this chapter  
20          other than through a CPA firm that holds a permit issued pursuant to 18 VAC 5-21-60  
21          shall undergo a peer review as required by 18 VAC 5-21-70.

22  
23       F H. CPA certificates issued under the provisions of this chapter shall expire one year from  
24          the last day of the month wherein the initial CPA certificate was issued and shall be  
25          renewed in compliance with 18 VAC 5-21-80.

26  
27       G. ~~Privilege to practice without a CPA certificate by endorsement, substantial equivalency.~~

28  
29       1. ~~A holder of a CPA certificate from a state other than Virginia and with a principal~~  
30          ~~place of business in a state other than Virginia shall either obtain a CPA certificate by~~  
31          ~~endorsement as outlined in subsection C of this section or meet the substantial~~  
32          ~~equivalency requirements of this subsection before beginning CPA practice in~~  
33          ~~Virginia.~~

34  
35       2. ~~To implement the provisions of § 54.1-4411 A of the Code of Virginia, the privilege to~~  
36          ~~practice under substantial equivalency shall be evidenced by the following:~~

37  
38       a. ~~If the individual's CPA certificate is issued by a state that the board has~~  
39          ~~determined is substantially equivalent, the CPA certificate issued by that state~~  
40          ~~shall constitute evidence of the privilege to practice.~~

41  
42       b. ~~If the individual's CPA certificate is issued by a state that the board has~~  
43          ~~determined is not substantially equivalent, the CPA certificate holder shall notify~~  
44          ~~the board in writing that he intends to practice in the Commonwealth and shall~~  
45          ~~provide documentation acceptable to the board that he has personally satisfied~~  
46          ~~the requirements for substantial equivalency. An approval letter from the board~~  
47          ~~shall constitute evidence of the privilege to practice.~~

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1  
2 ~~e. A CPA certificate by endorsement shall be obtained if the CPA exercising the~~  
3 ~~privilege to practice under substantial equivalency moves his principal place of~~  
4 ~~business to Virginia or ceases to have an office in any other state.~~

5  
6 ~~3. For the purposes of implementing § 54.1-4411 B 2 of the Code of Virginia relating to~~  
7 ~~the privilege of practicing public accounting extended to nonresident CPA certificate~~  
8 ~~holders, the board shall determine the state to be served based on whose statutes~~  
9 ~~and regulations most closely correspond to those of the Commonwealth of Virginia.~~

10  
11 ~~4. The board shall determine whether a state meets the substantial equivalency~~  
12 ~~provisions for nonresident CPA certificate holders by periodically obtaining, reviewing~~  
13 ~~and approving a list of states, which in the opinion of the board, meet the substantial~~  
14 ~~equivalency provisions for nonresident CPA certificate holders.~~

15  
16 **18 VAC 5-21-41. When individual qualifying for CPA certificate is required to obtain a**  
17 **CPA certificate.**

18  
19 A. It shall be unlawful for an individual meeting the qualifications to become a CPA as set  
20 forth in § 54.1-4409 of the Code of Virginia and 18 VAC 5-21-30 of this chapter to not  
21 obtain a CPA certificate prior to engaging in the following activities:

22  
23 1. Practicing public accountancy in any capacity (e.g., partner, staff person) irrespective  
24 of whether the CPA title is used.

25  
26 2. Using the CPA title and providing services to the public.

27  
28 3. Using the CPA title and performing or offering to perform any services involving the  
29 application of accounting and auditing knowledge or experience, issuing reports on  
30 financial advisory or consulting services, preparing tax returns, or furnishing advice  
31 on tax matters, for an employer or other organization and not for the public.

32  
33 4. Using the CPA title and performing or offering to perform services as an educator in  
34 the field of accounting.

35  
36 **18 VAC 5-21-50. Additional requirements for CPAs who supervise services involving the**  
37 **practice of public accountancy and who sign or authorize another to sign reports on**  
38 **financial statements.**

39  
40 A. To implement the provisions of § 54.1-4412 C 7 of the Code of Virginia, any individual a  
41 CPA certificate holder who is responsible for supervising services involving the practice  
42 of public accounting, and who signs or authorizes another person to sign on behalf of the  
43 firm the financial statement resulting from the practice of public accounting (referred to  
44 herein as a Supervising CPA), shall meet the requirements set forth in subsection B of  
45 this section.

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1 Nothing in this section is intended to proscribe an individual who does not have a CPA  
2 certificate from affixing his signature to any statement or report for his employer's  
3 internal or management use and designating his position, title or office.  
4

5 B. Requirements.  
6

7 1. CPA certificate. Any individual desiring to supervise public accountancy services as  
8 described in subsection A of this section shall hold a currently valid CPA certificate  
9 issued by this ~~board~~ Board or shall be in compliance with the substantial equivalency  
10 requirements in 18 VAC 5-21-40 G.  
11

12 2. Experience.  
13

14 a. In addition to the one year of experience required to receive a CPA certificate,  
15 such individual shall have completed one year of additional experience in the  
16 practice of public accounting, as defined in 18 VAC 5-21-10, with not less than  
17 600 of these hours in the performance of audits if the services involve an audit or  
18 not less than 600 of these hours in the performance of reviews or audits if the  
19 services involve a review but not an audit.  
20

21 b. One year of experience shall consist of no fewer than 2,000 hours of full- or part-  
22 time employment that extends over a period of no less than one year and no  
23 more than three years.  
24

25 c. The experience must have been gained under the direct supervision of a CPA  
26 licensed in any state.  
27

28 d. Persons who held a license, as defined in the ~~board's~~ Board's regulations  
29 effective on April 1, 1997, issued by the ~~board~~ Board and in effect on October 4,  
30 1999, shall be deemed to have met this experience requirement.  
31

32 **18 VAC 5-21-51. Substantial equivalency.**  
33

34 Pursuant to § 54.1-4411 of the Code of Virginia, the Board shall determine whether a state  
35 meets the substantial equivalency provisions for nonresident CPA certificate holders by  
36 periodically obtaining, reviewing and approving a list of states, which in the opinion of the Board,  
37 meet the substantial equivalency provisions for nonresident CPA certificate holders. This list  
38 shall be published on the Board's website.  
39

40 **18 VAC 5-21-52. Temporary interstate practice by nonresident CPAs.**  
41

42 A. A holder of a currently valid and unrestricted CPA certificate from a state other than  
43 Virginia and with a principal place of business in a state other than Virginia may practice  
44 in Virginia if he meets the requirements of this section before beginning CPA practice in  
45 Virginia.  
46

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

- 1        B. Except as set forth in subsection C 1 of this section, notice is immediately due and shall  
2        be received by the Board within 30 days after the individual knowingly avails himself of  
3        the laws of Virginia by accepting an engagement or an assignment to render  
4        professional services in Virginia.
- 5
- 6        C. If the CPA holds a currently valid and unrestricted license issued by a state that the  
7        Board has determined to be substantially equivalent, the registration and fee  
8        requirements depend upon the notification and fee requirements of the resident state  
9        issuing the CPA certificate.
- 10
- 11        1. If the CPA's resident state does not require notification by or a fee from licensees of  
12        Virginia temporarily practicing in that state, the nonresident CPA of that state may  
13        practice in Virginia without providing notification or paying a fee.
- 14
- 15        2. If the CPA's resident state requires notification by or fee from licensees of Virginia  
16        temporarily practicing in that state, notice is immediately due and shall be received  
17        within 30 days of commencing practice in Virginia. The nonresident CPA of that  
18        state shall submit, via the Board's website, fax or mail, a notification form and pay  
19        the lesser of \$250 or the fee that is charged by the state that issued his CPA  
20        certificate. An electronic approval from the Board shall be provided via the Board's  
21        website or other means and shall constitute evidence of the privilege to practice in  
22        Virginia.
- 23
- 24        D. If the CPA certificate is not issued by a state that the Board has determined to be  
25        substantially equivalent, the CPA shall obtain a CPA certificate by endorsement  
26        pursuant to 18 VAC 5-21-40 C prior to practicing in Virginia.
- 27
- 28        E. Neither notice by or fee from a nonresident CPA is required if the CPA's contact with  
29        Virginia is limited to any of the following activities: (i) teaching either a college or  
30        continuing professional education course; (ii) delivering a lecture; (iii) moderating a panel  
31        discussion; or (iv) rendering professional services to the individual's employers or to  
32        persons employed by the CPA's employer, including affiliated, parent, or subsidiary  
33        entities, provided such services are not rendered for the employer's clients.
- 34
- 35        F. Reference is made to § 54.1-4411 B and C of the Code of Virginia with respect to the  
36        consents that a CPA is deemed to have made by availing himself of the provisions of  
37        this section.
- 38
- 39        G. A CPA certificate by endorsement shall be obtained if the CPA exercising the privilege  
40        to practice under substantial equivalency moves his principal place of business to  
41        Virginia or ceases to have an office in any other state.
- 42
- 43        H. For purposes of implementing § 54.1-4411 B 2 of the Code of Virginia relating to the  
44        privilege of practicing public accounting extended to nonresident CPA certificate holders,  
45        the Board shall determine the state to be served based on which statutes and  
46        regulations closely correspond to those of Virginia.
- 47

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

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PART III.  
PERMITS TO PRACTICE AND PEER REVIEW.

**18 VAC 5-21-60. Registration of firms.**

- 1  
2  
3  
4  
5  
6 A. To implement the provisions of § 54.1-4412 B of the Code of Virginia, any firm with one  
7 or more offices in ~~the Commonwealth of Virginia~~ that practices, directly or indirectly,  
8 public accounting or that uses the term “~~Certified Public Accountant(s)~~” or the  
9 designation “~~CPA~~” in the name of the firm title shall register with the ~~board~~ Board.  
10  
11 B. To implement the provisions of § 54.1-4412 C of the Code of Virginia, any firm with an  
12 office in ~~the Commonwealth of Virginia~~ providing or offering to provide services involving  
13 the practice of public accounting shall ~~be issued~~ apply for a registration certificate permit  
14 ~~by the board upon its application and payment of the required fee provided the firm is in~~  
15 ~~compliance with § 54.1-4412 C of the Code of Virginia.~~  
16  
17 1. Each firm shall submit an application on forms provided by the ~~board~~ Board, which  
18 shall contain the following:  
19  
20 a. A statement that the applicant is registering pursuant to § 54.1-4412 B of the  
21 Code of Virginia and has complied with each of the requirements of § 54.1-4412  
22 C of the Code of Virginia.  
23  
24 b. A written statement from the applicant affirming that the applicant has not  
25 violated the Board’s standards of conduct or applicable standards of practice.  
26  
27 ~~b c.~~ c. An affirmation of the that a peer review as required by 18 VAC 5-21-70 has  
28 been completed and that the firm has enclosed a copy of the peer review report  
29 and any letter of comments if the report is adverse or if the latest peer review  
30 report is the second consecutive modified report that the firm has received.  
31  
32 d. An affirmation that the firm has caused all non-CPA owners domiciled in Virginia,  
33 if any, to meet the CPE requirements set forth in 18 VAC 5-21-170 E relating to  
34 the standards of conduct, Code of Virginia statutes relating to public  
35 accountancy, and the Board’s regulations.  
36  
37 ~~e e.~~ e. The designation of a CPA certificate holder that will be the primary contact for  
38 the firm, including a firm with multiple offices.  
39  
40 f. Each application for registration under this subsection shall include: (i) a consent  
41 executed by the firm to cooperate in and comply with any request for testimony  
42 or the production of documents made by the Board in the furtherance of its  
43 authority and responsibilities under this chapter (and an agreement to secure and  
44 enforce similar consents from each of the associated persons of the firm as a  
45 condition of their continued employment by or other association with such firm);  
46 and (ii) a statement that such firm understands and agrees that cooperation and  
47 compliance, as described in the consent required by subparagraph (i), and the

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1                   securing and enforcement of such consents from its associated persons, in  
2                   accordance with the rules of the Board, shall be a condition to the continuing  
3                   effectiveness of the registration of the firm with the Board.  
4

- 5           2. To implement § 54.1-4412 C 3 of the Code of Virginia, all non-CPA owners shall  
6           work in the firm. “Work in the firm” means that the non-CPA owner works full time  
7           for the firm (at least 1,000 hours a year), and that retirees and owners no longer  
8           working full time shall have 12 months from the last day of their full-time  
9           involvement with the firm to dispose of their interest. Heirs shall have 24 months  
10          from the time they receive their bequest or inheritance in which to dispose of the  
11          ownership interest.

- 12  
13          C. To implement § 54.1-4412 D of the Code of Virginia, any firm with an office in the  
14          Commonwealth of Virginia that is not engaged in the practice of public accounting but  
15          uses the term “Certified Public Accountant” or the “CPA” designation in its name title  
16          shall ~~be issued~~ apply for a registration certificate permit by the board upon its application  
17          and payment of the required fee provided the firm is in compliance with § 54.1-4412 C 1,  
18          2, 3, and 8 of the Code of Virginia.  
19

- 20          1. Such firm shall submit an application provided by the ~~board~~ Board that shall contain  
21          the following:

- 22  
23          a. A statement that the applicant is registering pursuant to § 54.1-4412 D of the  
24          Code of Virginia and has complied with each of the requirements set forth in §  
25          54.1-4412 D, and § 54.1-4412 C 1, 2, 3, 5, if applicable, and 8 of the Code of  
26          Virginia.  
27  
28          b. A statement that the firm has or has not compiled financial statements, which, as  
29          required by SSARS and § 54.1-4413 of the Code of Virginia, shall be prepared in  
30          compliance with SSARS.  
31  
32          c. If the firm has compiled financial statements in accordance with SSARS, an  
33          affirmation ~~of that~~ the peer review as required by 18 VAC 5-21-70 has been  
34          completed. If the firm was required to have an engagement review, the firm shall  
35          enclose a copy of its peer review report and any letter of comments if the report  
36          is adverse or if the latest peer review report is the second consecutive modified  
37          report that the firm has received. If the firm was required to have a report review,  
38          the firm shall enclose a copy of the report if the latest peer review report is the  
39          second consecutive report to contain comments and recommendations.  
40  
41          d. An affirmation that the firm has caused all non-CPA owners domiciled in Virginia,  
42          if any, to meet the CPE requirements set forth in 18 VAC 5-21-170 E relating to  
43          the standards of conduct, Code of Virginia statutes relating to public  
44          accountancy, and the Board’s regulations.

- 45  
46          ~~d e.~~ The designation of a CPA certificate holder that will be the primary contact for  
47          the firm, including a firm with multiple offices.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

1  
2           f. Each application for registration under this subsection shall include: (i) a consent  
3           executed by the firm to cooperate in and comply with any request for testimony  
4           or the production of documents made by the Board in the furtherance of its  
5           authority and responsibilities under this chapter (and an agreement to secure and  
6           enforce similar consents from each of the associated persons of the firm as a  
7           condition of their continued employment by or other association with such firm);  
8           and (ii) a statement that such firm understands and agrees that cooperation and  
9           compliance, as described in the consent required by subparagraph (i), and the  
10           securing and enforcement of such consents from its associated persons, in  
11           accordance with the rules of the Board, shall be a condition to the continuing  
12           effectiveness of the registration of the firm with the Board.

13  
14           2. To implement § 54.1-4412 C 3 of the Code of Virginia, all non-CPA owners shall  
15           work in the firm. “Work in the firm” means that the non-CPA owner works full time for  
16           the firm (at least 1,000 hours a year), and that retirees and owners no longer working  
17           full time shall have 12 months from the last day of their full-time involvement with the  
18           firm to dispose of their interest. Heirs shall have 24 months from the time they  
19           receive their bequest or inheritance in which to dispose of the ownership interest.

20  
21           D. The fee for a ~~registration certificate~~ permit is set forth in 18 VAC 5-21-20.

22  
23           E. Pursuant to § 54.1-4412 C 6 of the Code of Virginia, all firms required to obtain  
24           ~~registration certificates~~ permits shall ~~meet~~ comply with the standards set forth in 18 VAC  
25           5-21-~~160~~ 123.

26  
27           F. Each ~~registration certificate~~ permit shall expire two years from the last day of the month  
28           wherein issued and shall be renewed in compliance with 18 VAC 5-21-80.

29  
30           **18 VAC 5-21-70. Peer review.**

31  
32           A. To implement the provisions of § 54.1-4412 C 5 and D 2 of the Code of Virginia, ~~firms a~~  
33           ~~firm or CPA certificate holder~~ meeting the requirements set forth in this section shall  
34           provide the ~~board~~ Board with evidence, as described in subsection E of this section, that  
35           the firm ~~or CPA~~ has undergone, no less frequently than every three years, a peer review.  
36           Each peer review shall be performed and reported by a CPA holding a currently valid  
37           license and in accordance with standards that are no less stringent than the peer review  
38           program of the ~~American Institute of Certified Public Accountants~~ AICPA for firms that are  
39           not required to register with the PCAOB or a peer review performed under the auspices  
40           of the PCAOB for firms that are required to register with the PCAOB. Prior to its use by  
41           a ~~registrant's~~ regulant's reviewer, the ~~board~~ Board must approve a peer review program  
42           other than the peer review program of the ~~American Institute of Certified Public~~  
43           ~~Accountants~~ AICPA or the PCAOB. Firms not required to register with the ~~board~~ Board  
44           are not required to comply with the peer review requirement.

45  
46           B. If a firm performs the services described in subsection ~~D~~ E of this section, a peer review  
47           is required and the firm shall provide an affirmation of such peer review to the ~~board~~

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

1 Board in accordance with the dates set forth in subsection ~~G~~ E of this section. The  
2 nature of the review will be determined based on the peer review selection criteria, which  
3 criteria shall consider the highest level of service provided ~~and shall be no less stringent~~  
4 ~~than the criteria of the peer review program of the American Institute of Certified Public~~  
5 ~~Accountants (Standards for Performing and Reporting on Peer Reviews, effective~~  
6 ~~January 1999, American Institute of Certified Public Accountants) by the firm or CPA.~~  
7 The date of the year-end used for the peer review shall not be more than 48 months  
8 prior to the month of the initial registration or the renewal month for a renewal  
9 registration.

10  
11 C. If a CPA certificate holder provides compilation services to the public other than through  
12 a firm registered pursuant to 18 VAC 5-21-60, the applicable peer review described in  
13 subsection F is required and the CPA shall provide to the Board the affirmation required  
14 by subsection G in accordance with the dates set forth in subsection E of this section.

15  
16 D. A report review is not required for engagements in which a CPA submits unaudited  
17 financial statements of nonpublic entities if the CPA (i) has a clear understanding with  
18 the client that such financial statements are not intended for third parties and are  
19 submitted to members of client management who have knowledge of the entity and who  
20 understand the limitations of the financial information; and (ii) has otherwise met all of  
21 the requirements of SSARS No. 8.

22  
23 ~~G~~ E. Applicable dates.

24  
25 ~~1. An affirmation of a peer review is not required for an initial or renewal application for~~  
26 ~~a registration certificate filed prior to July 1, 2002.~~

27  
28 ~~2. Initial or renewal applications due after June 30, 2002, are required to include an~~  
29 ~~affirmation of a peer review except that a firm first initiating services requiring a peer~~  
30 ~~review after July 1, 1999, shall comply with the peer review requirement within three~~  
31 ~~two years after first initiating services requiring a peer review. Affirmation of a timely~~  
32 ~~peer review shall be provided with the initial or first renewal application immediately~~  
33 ~~following the aforementioned three-year two-year period.~~

34  
35 ~~D~~ E. The nature of the services requiring a peer review and the nature of such reviews are  
36 set forth in this subsection.

37  
38 ~~1. System review. This review applies to firms that perform engagements governed by~~  
39 ~~the Statements on Auditing Standards (SASs), or examinations of prospective~~  
40 ~~financial information governed by under the Statements on Standards for Attestation~~  
41 ~~Engagements (SSAEs), as established by the American Institute of Certified Public~~  
42 ~~Accountants, or the Government Auditing Standards (the Yellow Book) issued by the~~  
43 ~~U.S. Comptroller General Accounting Office (GAO) of the United States.~~

44  
45 ~~2. Engagement review. This review is required for firms that are not required to have a~~  
46 ~~system review and who are not eligible to have a report review as described in~~  
47 ~~subdivision 3 of this subsection. It applies to registered firms that do not perform~~

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

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1 engagements in accordance with SASs or examinations of prospective financial  
 2 statements under the SSAEs but do perform engagements in accordance with the  
 3 ~~Statements on Standards for Accounting and Review Services (SSARs)~~ or review  
 4 engagements in accordance with the SSAEs, ~~both as established by the American~~  
 5 ~~Institute of Certified Public Accountants.~~

- 6  
 7 3. Report review. This review applies to firms that only perform compilations, as  
 8 described in the SSARs, that omit substantially all disclosures. It does not apply to  
 9 compilations described in subsection D.

10  
 11 **E G.** Required affirmation of peer review and report submission.

- 12  
 13 1. The applicant for an initial or a renewal ~~registration certificate~~ permit shall include an  
 14 affirmation with the application that the firm (i) has complied with the peer review  
 15 provisions in § 54.1-4412 C of the Code of Virginia and with the provisions of this  
 16 section; (ii) has received a final acceptance letter from the entity administering the  
 17 peer review program; and (iii) will maintain its peer review documents until the later  
 18 of the date of the final acceptance letter for its next peer review or four years.  
 19 Furthermore, if the report is adverse or if the latest peer review report is the second  
 20 consecutive modified report that the firm has received, the firm shall submit to the  
 21 Board a copy of its peer review report and any letter of comments and letter of  
 22 response. If the firm was required to have a report review and the latest peer review  
 23 report is the second consecutive report to contain comments and recommendations,  
 24 the firm shall enclose a copy of the report. The ~~board~~ Board reserves the right to  
 25 request a copy of the peer review report or any other document relating to the peer  
 26 review program.

- 27  
 28 **F 2.** Final acceptance letter not available. If an applicant for ~~registration~~ initial or renewal  
 29 permit cannot provide a final letter of acceptance indicating that the peer review is  
 30 complete, then the applicant shall file the application with (i) a copy of the “subject to”  
 31 acceptance letter and other relevant documents that explain the reasons why a final  
 32 acceptance letter was not issued; and (ii) a statement setting forth the ~~registrant's~~  
 33 firm's plan of action that will enable the ~~registrant firm~~ registrant firm to receive a final acceptance  
 34 letter. This submission will extend the due date of the application for six months from  
 35 the original due date of the application.

36  
 37 **PART IV.**

38 **ENFORCEMENT ACTIONS AGAINST REGULANTS.**

39  
 40 **18 VAC 5-21-72. Grounds for enforcement actions against regulants.**

41  
 42 **A. The grounds for revocation and suspension of CPA certificates or permits (regulants)**  
 43 **and other disciplinary action against regulants include the following:**

- 44  
 45 1. Fraud or deceit in obtaining a CPA certificate or permit includes the submission to  
 46 the Board of any knowingly false or forged evidence in, or in support of, an  
 47 application for a license, and cheating on the CPA exam.

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

- 1  
2 2. Dishonesty, fraud or gross negligence, including knowingly or through gross  
3 negligence, making misleading, deceptive or untrue representations in the  
4 performance of services.  
5  
6 3. Violations of the Code of Virginia and the Board’s regulations, including:  
7  
8 a. Using the CPA title when not in inactive status as set forth in 18 VAC 5-21-81 or  
9 providing public accountancy services without a CPA certificate, permit or  
10 qualification under the substantial equivalency provisions.  
11  
12 b. Using or attempting to use a CPA certificate or permit that has been suspended  
13 or revoked.  
14  
15 c. Making any false or misleading statement, in support of an application for a CPA  
16 certificate or permit filed by another person.  
17  
18 d. Failing to provide any explanation requested by the Board regarding evidence  
19 submitted by the regulant in support of an application filed by another, or  
20 regarding a failure or refusal to submit such evidence; and failure by a regulant to  
21 furnish for inspection upon request by the Board or its representative  
22 documentation relating to any evidence submitted by the regulant in support of  
23 such an application.  
24  
25 e. Failing to satisfy the continuing professional education requirements set forth in  
26 18 VAC 5-21-170.  
27  
28 f. Failing to comply with the applicable standards of conduct set forth in 18 VAC 5-  
29 21-120, 18 VAC 5-21-121, 18 VAC 5-21-122, and 18 VAC 5-21-123 or the  
30 standards of practice set forth in 18 VAC 5-21-130.  
31  
32 g. Failing to comply with the applicable peer review requirements set forth in 18  
33 VAC 5-21-70.  
34  
35 4. Conduct reflecting adversely upon the regulant’s fitness to perform services, such  
36 as:  
37  
38 a. Adjudication as mentally incompetent.  
39  
40 b. Fiscal dishonesty of any kind.  
41  
42 c. Presenting as one’s own, a CPA certificate or permit issued to another.  
43  
44 d. Concealment of information regarding violations by other regulants of the Code  
45 of Virginia or regulations of the Board when questioned or requested by the  
46 Board.  
47



## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

1           1. An individual holding a CPA certificate issued by the ~~board~~ Board shall submit a  
 2           renewal application provided by the ~~board~~ Board, which application shall contain a  
 3           statement that the applicant has (i) complied with the ~~board's~~ Board's standards of  
 4           conduct and applicable standards of practice; (ii) met the applicable CPE  
 5           requirements set forth in 18 VAC 5-21-170 for the ~~three years~~ CPE reporting cycle  
 6           prior to the year the renewal application is submitted or has met the applicable  
 7           CPE requirements for the state in which the CPA has his principal office if such  
 8           state has a CPE requirement of at least 120 CPE credits during a three-year  
 9           reporting period; and (iii) met the requirements set forth in 18 VAC 5-21-50 B if the  
 10          CPA certificate holder is responsible for supervising services involving the practice  
 11          of public accounting, and signs or authorizes another person to sign the  
 12          accountant's report on the financial statement on behalf of the firm; and (iv) either  
 13          (a) has not compiled financial statements other than through a CPA firm that holds  
 14          a permit or (b) has compiled financial statements other than through a CPA firm  
 15          and has complied with the peer review requirements set forth in 18 VAC 5-21-70 C.

17          2. A firm holding a ~~registration certificate permit~~ issued by the ~~board~~ Board shall submit  
 18          (i) a renewal application provided by the ~~board~~ Board affirming that it continues to  
 19          meet the standards set forth in 18 VAC 5-21-60 and (ii), in the case of firms subject  
 20          to the peer review requirement set forth in 18 VAC 5-21-70, an affirmation that ~~# the~~  
 21          firm has undergone, no less frequently than once every three years, a peer review  
 22          complied with all provisions of 18 VAC 5-21-70, including the affirmation and  
 23          submission requirements of 18 VAC 5-21-70 G.

25          ~~E.~~ F. If the ~~required~~ renewal fee is received more than 30 days after the expiration date but  
 26          within one year after the expiration date, a late renewal fee will be charged in ~~addition~~  
 27          to lieu of the renewal fee as provided for in 18 VAC 5-21-20.

29          G. If the required renewal application is made more than one year after the expiration date,  
 30          the regulant shall follow the procedures set forth in 18 VAC 5-21-90.

**18 VAC 5-21-81. Inactive status.**

34          A. A CPA who is not providing or offering to provide any services involving the application  
 35          of accounting and auditing knowledge or experience, issuing reports on financial  
 36          advisory or consulting services, preparing tax returns, or furnishing advice on tax matters  
 37          for the public, an employer or other organization may discontinue renewal of his license  
 38          and may use the designation CPA (Inactive) on business cards or letterhead.

40          B. If an individual in inactive status intends to use the CPA title without the inactive  
 41          designation or provide the services described in subsection A, the former CPA certificate  
 42          holder shall meet the reinstatement requirements in 18 VAC 5-21-90.

**18 VAC 5-21-90. Requirement Requirements for reinstatement.**

46          A. If a former regulant fails to renew a CPA certificate or permit within 12 months after its  
 47          expiration or if more than 12 months have elapsed since voluntarily or involuntarily

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

1 surrendering the CPA certificate or permit, ~~in~~ in addition to meeting the requirements for  
2 renewal set forth in 18 VAC 5-21-80, a ~~the former~~ regulant shall ~~comply with~~ provide the  
3 following requirements if the regulant fails to renew within 12 months after the expiration  
4 of the applicable certificate information.:

- 5
- 6 1. If the regulant fails to renew his An explanation as to why the CPA certificate or  
7 registration certificate permit within 12 months following its expiration or voluntary  
8 termination by the holder of a CPA certificate or registration certificate, he will be  
9 required to present reasons for was not renewed on a timely basis and why the  
10 Board should permit reinstatement.;
- 11
- 12 2. A description of the services and range of dates of services provided to clients or  
13 employers since the expiration of the CPA certificate or firm permit;
- 14
- 15 3. An affirmation on a form provided by the Board that the former CPA certificate holder  
16 meets the requirements for renewal as set forth in 18 VAC 5-21-80;
- 17
- 18 4. An affirmation on a form provided by the Board that the former permit holder meets  
19 the requirements for entry as set forth in 18 VAC 5-21-60, and for renewal as set  
20 forth in 18 VAC 5-21-80;
- 21
- 22 5. Information relating to (i) any disciplinary actions imposed by or any consent orders  
23 entered into with any national, state, or local regulatory body; and (ii) any felony or  
24 misdemeanor conviction in any jurisdiction since the expiration of the license;
- 25
- 26 6. An affirmation that the former CPA certificate holder has been in compliance with the  
27 Board's standards of conduct and applicable standards of practice for CPA certificate  
28 holders;
- 29
- 30 7. An affirmation from the former permit holder that the firm has been in compliance  
31 with the Board's standards of conduct and applicable standards of practice for permit  
32 holders; and
- 33
- 34 8. Evidence of having obtained 40 CPE credits for each year, or portion thereof,  
35 preceding the year the former CPA certificate holder applies for reinstatement, up to  
36 a maximum of 400 CPE credits. In addition, the CPE credits for each such year shall  
37 include four CPE credits (up to a maximum of 40 CPE credits) in financial accounting  
38 principles subjects, four CPE credits (up to a maximum of 40 CPE credits) in audit or  
39 review of financial reporting subjects, four CPE credits (up to a maximum of 40 CPE  
40 credits) in taxation, and CPE credits in Ethics as required by the Board in 18 VAC 5-  
41 21-170 E. See subsection B if the former CPA certificate holder had not been  
42 licensed for the 10 years preceding the year application is made for reinstatement.
- 43
- 44 B. If the former CPA certificate holder had not been licensed for the 10 years preceding the  
45 year application is made for reinstatement and such application is made after December  
46 31, 2004, the former CPA certificate holder must pass the CPA exam described in 18  
47 VAC 5-21-30 C.

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- 1  
2 ~~C.~~ C. No application for reinstatement shall be considered while the ~~petitioner~~ applicant is  
3 under sentence for criminal offense related to the practice of public accountancy,  
4 including any period during which the ~~petitioner~~ applicant is on probation or parole for  
5 such offense.  
6  
7 ~~3.~~ 3. ~~Reinstatement fees, which are nonrefundable and shall not be prorated, are~~  
8 ~~established in 18 VAC 5-21-20.~~  
9  
10 ~~4.~~ 4. ~~Applicants for reinstatement of the CPA certificate shall affirm on a form provided by~~  
11 ~~the board that they continue to meet the standards for entry as set forth in 18 VAC 5-~~  
12 ~~21-30, and for renewal as set forth in 18 VAC 5-21-80. Applicants for reinstatement~~  
13 ~~of the registration certificate shall affirm on a form provided by the board that they~~  
14 ~~continue to meet the standards of conduct and applicable standards of practice, and~~  
15 ~~the renewal requirements set forth in 18 VAC 5-21-80.~~  
16  
17 ~~5.~~ 5. ~~If the regulant has failed to renew his CPA certificate or registration certificate for a~~  
18 ~~period of 12 months or longer, a reinstatement fee as set forth in 18 VAC 5-21-20~~  
19 ~~shall be due in addition to the renewal fee and late renewal fee established in 18~~  
20 ~~VAC 5-21-20.~~  
21  
22 D. Within two years after the firm's permit is reinstated, a former permit holder shall obtain  
23 a peer review in accordance with 18 VAC 5-21-70 and submit a copy of the peer review  
24 report and any letter of comments to the Board.  
25  
26 ~~6 E.~~ E. ~~The renewal reinstatement fee and late renewal fee for each renewal period in which the~~  
27 ~~regulant failed to renew his CPA certificate or registration certificate shall be paid as set~~  
28 ~~forth in 18 VAC 5-21-20 shall be paid in lieu of the renewal and late renewal fees and~~  
29 ~~shall accompany the application for reinstatement. The reinstatement fee is~~  
30 ~~nonrefundable.~~  
31  
32 F. After evaluating the information described in subsection A of this section, the Board may  
33 impose additional requirements for reinstatement (e.g., retesting or experience  
34 requirements for a CPA certificate holder; accelerated peer review for a permit holder).  
35  
36 ~~B G.~~ G. ~~If the requirements set forth in subsection A are not met, the The board Board shall~~  
37 ~~advise communicate its decision to the applicant, and if that reinstatement has been is~~  
38 ~~denied, and the reasons for the denial. The reinstatement request may be resubmitted~~  
39 ~~when the applicant believes the matters affecting the reinstatement application have~~  
40 ~~been satisfactorily resolved. The reinstatement applicant may request a proceeding in~~  
41 ~~accordance with the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of~~  
42 ~~the Code of Virginia).~~  
43  
44 H. The Board may, at its discretion, consider requests for exception to the reinstatement  
45 requirements if the previous certificate holder can document extraordinary  
46 circumstances so long as such waiver or deferral is in the public interest.  
47

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

**18 VAC 5-21-100. Status of certificate holder during the period prior to reinstatement.**

A regulant who is reinstated shall be regarded as having been a regulant continuously without interruption. Therefore, the regulant shall remain under the disciplinary authority of the ~~board~~ Board during this entire period and may be held accountable for his activities during this period. A regulant who is not reinstated shall be regarded as unlicensed from the expiration date of the CPA certificate or ~~registration certificate~~ permit forward. Nothing in this chapter shall divest the ~~board~~ Board of its authority to discipline a regulant for a violation of the law or regulations during the period of time for which the regulant held a CPA certificate or ~~registration certificate~~ permit.

**18 VAC 5-21-110. Notification of change of address or name, response to ~~board~~ Board communication.**

- A. Each regulant shall notify the ~~board~~ Board in writing within 30 days of any change of address or name.
- B. Each regulant shall respond within 30 days to any request for information made by the ~~board~~ Board.

PART ~~IV~~ VI.STANDARDS OF CONDUCT FOR ALL REGULANTS.**18 VAC 5-21-120. Standards of conduct for all regulants.**

In addition to the specific standards of conduct set forth below, a CPA certificate holder and permit holder are required to follow the applicable standards of conduct established by regulatory or professional standard setting boards (e.g., The Code of Professional Conduct promulgated by the AICPA; Auditing and Independence Standards issued by the Comptroller General of the United States; Auditor Independence Standards issued by the SEC for SEC engagements), or successors thereto, and effective at the time of the services.

- ~~A. Responsibilities. A regulant shall exercise sensitive professional and moral judgment in all activities.~~
- ~~B. Public interest. A regulant shall act in a way that serves the public interest, honors the public trust, and demonstrates commitment to professionalism.~~
- ~~C. Integrity and objectivity. A regulant shall perform all professional responsibilities with the highest sense of integrity, maintain objectivity and freedom from conflicts of interest in discharging professional responsibilities, and avoid knowingly misrepresenting facts or inappropriately subordinating his judgment to others.~~
- ~~D. Independence. A CPA certificate holder and registration certificate holder shall be independent in fact and appearance when offering to provide or providing services pursuant to the standards listed in the definition of "standards of practice for CPA certificate holders."~~

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

- 1  
2 ~~E. Professional competence. A regulant shall undertake only those professional services~~  
3 ~~that can reasonably be expected to be completed with professional competence.~~  
4
- 5 ~~F. Due professional care. A regulant shall exercise due professional care in the~~  
6 ~~performance of professional services.~~  
7
- 8 ~~G. Planning and supervision. A regulant shall adequately plan and supervise the~~  
9 ~~performance of professional services.~~  
10
- 11 ~~H. Sufficient relevant data. A regulant shall obtain sufficient relevant data to afford a~~  
12 ~~reasonable basis for conclusions or recommendations in relation to any professional~~  
13 ~~services performed.~~  
14
- 15 ~~I. Accounting principles. A CPA certificate holder shall not express an opinion or state~~  
16 ~~affirmatively that financial statements or other financial data of any entity are presented~~  
17 ~~in conformity with generally accepted accounting principles or state that the CPA~~  
18 ~~certificate holder is not aware of any material modifications that should be made to such~~  
19 ~~statements or data in order for them to be in conformity with generally accepted~~  
20 ~~accounting principles, if such statements or data contain any departure from any of the~~  
21 ~~standards described in the definition of the “standards of practice for CPA certificate~~  
22 ~~holders” that has a material effect on the statements or data taken as a whole with the~~  
23 ~~following exception: the CPA certificate holder can demonstrate that, due to unusual~~  
24 ~~circumstances, the financial statements or data would otherwise have been misleading~~  
25 ~~without the departure, and the approximate effects of the departure, if practicable, and~~  
26 ~~the reasons why compliance with the principle would result in a misleading statement~~  
27 ~~are provided in the statements or data.~~  
28
- 29 ~~J. Confidential client information. A regulant shall not disclose any confidential client~~  
30 ~~information without the specific consent of the client. This rule shall not be construed to~~  
31 ~~(i) affect in any way the regulant’s obligation to comply with a validly issued and~~  
32 ~~enforceable subpoena or summons, or to prohibit a regulant’s compliance with~~  
33 ~~applicable laws and government regulations; (ii) prohibit review of a regulant’s~~  
34 ~~professional practice by this Board; (iii) prohibit a review in conjunction with a~~  
35 ~~prospective purchase, sale or merger of all or part of a regulant’s practice so long as the~~  
36 ~~regulant takes appropriate precautions (e.g., through a written confidentiality agreement)~~  
37 ~~so that the prospective purchaser does not disclose any information obtained in the~~  
38 ~~course of the review; or (iv) prohibit a review in conjunction with a peer review of a firm~~  
39 ~~as provided in 18 VAC 5-21-70. The reviewers of such information shall not use to their~~  
40 ~~advantage nor disclose any regulant’s confidential client information that comes to their~~  
41 ~~attention.~~  
42
- 43 ~~K. Contingent fees. As provided in § 54.1-4414 D 2 and 3 of the Code of Virginia, a CPA~~  
44 ~~certificate holder shall not perform for a contingent fee: (i) any services for, or receive~~  
45 ~~such a fee from, a client for whom the CPA certificate holder or the CPA certificate~~  
46 ~~holder’s firm performs services which involve the practice of public accounting, during~~  
47 ~~the period when such services are being provided and during the period covered by the~~

## AMEND – BOARD OF ACCOUNTANCY REGULATIONS

## Emergency Regulation

1 ~~financial statements; or (ii) prepare an original tax return or claim for a tax refund for a~~  
 2 ~~contingent fee for any client.~~

3  
 4 ~~1. Preparation of an original tax return or claim for a tax refund includes giving advice~~  
 5 ~~on events that have occurred at the time the advice is given if such advice is directly~~  
 6 ~~relevant to determining the existence, character, or amount of a schedule, entry, or~~  
 7 ~~other portion of a return or claim for refund.~~

8  
 9 ~~2. A fee is considered determined based on the findings of governmental agencies if~~  
 10 ~~the regulant can demonstrate a reasonable expectation, at the time of a fee~~  
 11 ~~arrangement, of substantive consideration by an agency with respect to the~~  
 12 ~~regulant's client. Such an expectation is deemed not reasonable in the case of~~  
 13 ~~preparation of original tax returns.~~

14  
 15 ~~L~~ 1. Commissions and referral fees.

16  
 17 ~~4~~ a. Prohibited commissions. As provided in § 54.1-4414 D 1 of the Code of Virginia,  
 18 a CPA certificate holder shall not recommend to a client any product or services  
 19 for a commission, or, for a commission, recommend or refer any product or  
 20 service to be supplied by a client, or receive a commission when the CPA  
 21 certificate holder also performs for that client any service which involves the  
 22 practice of public accounting. This prohibition applies during the period in which  
 23 the CPA certificate holder is providing services ~~which~~ that involve the giving of an  
 24 assurance or during the period covered by any financial statements that were  
 25 prepared by the CPA certificate holder as a part of such services.

26  
 27 ~~2~~ b. Disclosure of permitted commissions. As provided in § 54.1-4414 E of the Code  
 28 of Virginia, a CPA certificate holder who is not prohibited from accepting a  
 29 commission and who is paid or expects to be paid a commission shall disclose  
 30 that fact to any person or entity to whom the CPA certificate holder recommends  
 31 or refers a product or service to which the commission applies.

32  
 33 ~~3~~ c. Disclosure of referral fees. As provided in § 54.1-4414 F of the Code of Virginia,  
 34 a CPA certificate holder who accepts a referral fee for recommending or referring  
 35 any service of a CPA certificate holder shall disclose such payment to the client.

36  
 37 ~~M~~ 2. Prohibited Acts discreditable. A regulant shall not commit acts ~~discreditable to the~~  
 38 ~~profession, as listed~~ described in § 54.1-4413 of the Code of Virginia ~~and this chapter,~~  
 39 or 18 VAC 5-21-72 of this chapter.

40  
 41 ~~N.~~ ~~Advertising and other forms of solicitation.~~ A regulant shall not seek to obtain clients by  
 42 ~~advertising or other forms of solicitation in a manner that is false, misleading, or~~  
 43 ~~deceptive, or by coercion, overreaching or harassing conduct.~~

44  
 45 ~~O.~~ ~~Form of organization and name.~~ A regulant shall not practice under a firm name that is  
 46 ~~false, misleading or deceptive.~~

47

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**18 VAC 5-21-121. Standards of conduct for CPA certificate and permit holders involved in the practice of taxation.**

In addition to the standards of conduct established in 18 VAC 5-21-120, CPA certificate and permit holders involved in the practice of taxation shall comply with the standards as appropriate under the circumstances, set forth in the Statements on Standards for Tax Services promulgated by the AICPA.

**18 VAC 5-21-122. Standards of conduct for CPA certificate and permit holders providing consulting services.**

A CPA certificate or permit holder providing consulting services shall comply with the Standards for Consulting Services promulgated by the AICPA.

**18 VAC 5-21-123. Standards of conduct for firms holding permits.**

- A. Use of terms by firms. No firm having an office in Virginia shall use or assume the CPA title tending to indicate that it is offering to practice or is practicing public accountancy unless at least 51% of the owners currently hold a valid CPA certificate or CPA certificate by endorsement.
- B. Management of offices. Each firm's office or offices located in Virginia that is offering services involving the practice of public accountancy shall be managed by a certified public accountant holding a valid CPA certificate.
- C. Client's records. Upon request, a firm shall furnish to the firm's client or former client, within a reasonable time, any accounting or other record prepared by and belonging to the client, or obtained from or on behalf of the client, which the regulant or another member of his firm removed from the client or the client's premises, or had received for the client's account. Client records do not include working papers prepared by the client and given to the auditor for use by the auditor in the audit process.
- D. Ownership of regulant's working papers and records. All working papers, including but not limited to statements, programs, records, schedules, and memoranda, prepared by the regulant incident to rendering services to a client are the property of the regulant's firm absent an express agreement between the firm and the client to the contrary. Such working papers shall not be sold, transferred, or bequeathed, to anyone other than a regulant without the consent of the client, except this rule shall not be construed to (i) affect in any way the regulant's obligation to comply with a validly issued and enforceable subpoena or summons, or to prohibit a regulant's compliance with applicable laws and government regulations; or (ii) prohibit a transfer to another firm licensed in Virginia in conjunction with a sale or merger of all or part of a member's practice so long as the regulant takes appropriate precautions (e.g., through a written confidentiality agreement) so that the purchaser or merging entity does not disclose any information obtained in the transaction. The purchaser or party to a merger shall not use to their advantage nor disclose any member's confidential client information that comes to their attention.

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1  
2 E. Peer review. If required, a firm shall comply with the peer review requirements of 18  
3 VAC 5-21-70.

4  
5 F. Power of inspection. The Board and its duly authorized agents shall have the power to  
6 inspect the work product and all supporting working papers and records of all regulants  
7 in connection with an investigation or relating to compliance with statutes and  
8 regulations.

9  
10 G. Advertising and other forms of solicitation. A regulant shall not seek to obtain clients by  
11 advertising or other forms of solicitation in a manner that is false, misleading, or  
12 deceptive, or by coercion, overreaching or harassing conduct.

13  
14 H. Form of organization and name. A regulant shall not practice under a firm name that is  
15 false, misleading or deceptive. A firm may continue to use a name that includes the  
16 name of a retired or former member. A firm may use the maiden name of a member  
17 rather than the member's married name.

18  
19 I. Retention of audit, review and compilation working papers. A regulant shall maintain all  
20 client working papers that are necessary to support work performed for the longer of (i)  
21 seven years after the service is completed; or (ii) three years after any regulatory  
22 proceeding or litigation, civil or criminal, is final and no longer subject to appeal.

23  
24 J. Destruction, alteration, or falsification of records in governmental investigations. A  
25 regulant shall not alter, destroy, mutilate, conceal, cover up, falsify, or make a false entry  
26 in any record, document, or tangible object with the intent to impede, obstruct, or  
27 influence the investigation or proper administration of any matter within the jurisdiction of  
28 this Board or any governmental body having jurisdiction over the professional services  
29 provided by the regulant.

## PART VII.

STANDARDS OF PRACTICE FOR CPA CERTIFICATE AND PERMIT HOLDERS.

30  
31  
32  
33  
34 **18 VAC 5-21-130. Standards of practice for CPA certificate and permit holders involved**  
35 **in the practice of public accounting or compiling financial statements.**

36  
37 CPA certificate and permit holders shall follow the standards, as applicable under the  
38 circumstances and at the time of the services, set forth in this section in providing services  
39 involving the practice of public accounting or compiling financial statements: Regulants shall  
40 follow standards issued by any successor to the entities referred to below.

- 41  
42 1. Statements of Financial Accounting Standards (Volumes I and II, June 1, 2000) and  
43 related interpretations issued by the Financial Accounting Standards Board;  
44  
45 2. Accounting Principles principles (Volume III, June 1, 2000) promulgated by the  
46 Accounting Principles Board of the American Institute of Certified Public Accountants  
47 AICPA;

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3. Accounting ~~Principles~~ principles (Volume III, June 1, 2000) promulgated by the Committee on Accounting Procedure of the ~~American Institute of Certified Public Accountants~~ AICPA;
4. Statements on Auditing Standards (~~2000 Edition~~) issued by the Auditing Standards Board of the ~~American Institute of Certified Public Accountants~~ AICPA;
5. Statements on Standards for Accounting and Review Services (~~January 1, 1999~~) issued by the ~~American Institute of Certified Public Accountants~~ AICPA;
6. Statements of Governmental Accounting and Financial Reporting Standards (~~June 30, 1999~~) issued by the Governmental Accounting Standards Board;
7. ~~Statements on~~ Governmental Auditing Standards issued by the Comptroller General of the United States;
8. Statements on Standards for Attestation Engagements (~~January 1, 2000~~) issued by the ~~Accounting and Review Services Committee~~ Auditing Standards Board of the ~~American Institute of Certified Public Accountants~~ AICPA; and
9. Standards issued by various governmental bodies with which the auditor is required to comply the PCAOB;
10. Statements on Standards for Consulting Services issued by the AICPA;
11. Statements on Standards for Tax Services issued by the AICPA; and
12. Standards issued by other professional or governmental bodies (e.g., the Securities and Exchange Commission) with which a regulant is required to comply.

**~~18 VAC 5-21-140. Standards of practice for CPA certificate holders providing tax compliance and advice.~~**

~~In addition to the standards of conduct established in 18 VAC 5-21-120, CPA certificate holders who provide tax compliance and tax advisory services shall comply with the standards as appropriate under the circumstances, set forth in the Statements on Responsibilities in Tax Practice promulgated by the Responsibilities in Tax Practice Committee and the Tax Executive Committee of the American Institute of Certified Public Accountants.~~

**~~18 VAC 5-21-150. Standards of practice for CPA certificate holders providing consulting services.~~**

~~A CPA certificate holder providing management consulting advisory services shall comply with the following standards of practice:~~

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- 1 ~~1. Client interest. Serve the client interest by seeking to accomplish the objectives~~  
2 ~~established by the understanding with the client while maintaining integrity and~~  
3 ~~objectivity.~~
- 4
- 5 ~~2. Understanding with client. Establish with the client a written or oral understanding about~~  
6 ~~the responsibilities of the parties and the nature, scope, and limitations of services to be~~  
7 ~~performed, and modify the understanding if circumstances require a significant change~~  
8 ~~during the engagement.~~
- 9
- 10 ~~3. Communication with client. Inform the client of (i) conflicts of interest that may occur~~  
11 ~~pursuant to interpretations of the standards of conduct established in 18 VAC 5-21-120;~~  
12 ~~(ii) significant reservations concerning the scope of benefits of the engagement; and (iii)~~  
13 ~~significant engagement findings or events.~~

## PART VI.

## STANDARDS OF PRACTICE FOR FIRMS HOLDING REGISTRATION CERTIFICATES.

**18 VACS 5-21-160. Standards of practice for firms holding registration certificates.**

- 19
- 20 ~~A. Use of terms by firms. No firm having an office in Virginia shall use or assume the title~~  
21 ~~or designation "certified public accountant," "public accountant," "CPA," or any other title,~~  
22 ~~designation, phrase, acronym, abbreviation, sign, card, or device tending to indicate that~~  
23 ~~it is offering to practice or is practicing public accountancy unless at least 51% of the~~  
24 ~~owners currently hold a valid CPA certificate or CPA certificate by endorsement.~~
- 25
- 26 ~~B. Management of offices. Each firm's office or offices located in Virginia that is offering~~  
27 ~~services involving the practice of public accountancy shall be managed by a certified~~  
28 ~~public accountant holding a valid CPA certificate.~~
- 29
- 30 ~~C. Client's records. Upon request, a firm shall furnish to the firm's client or former client,~~  
31 ~~within a reasonable time, any accounting or other record prepared by and belonging to~~  
32 ~~the client, or obtained from or on behalf of the client, which the regulant or another~~  
33 ~~member of his firm removed from the client or the client's premises, or had received for~~  
34 ~~the client's account.~~
- 35
- 36 ~~D. Ownership of regulant's working papers and records. All working papers, including but~~  
37 ~~not limited to statements, programs, records, schedules, and memoranda, prepared by~~  
38 ~~the regulant incident to rendering services to a client are the property of the regulant's~~  
39 ~~firm absent an express agreement between the firm and the client to the contrary. Such~~  
40 ~~working papers shall not be sold, transferred, or bequeathed, to anyone other than a~~  
41 ~~regulant without the consent of the client, except this rule shall not be construed to (i)~~  
42 ~~affect in any way the regulant's obligation to comply with a validly issued and~~  
43 ~~enforceable subpoena or summons, or to prohibit a regulant's compliance with~~  
44 ~~applicable laws and government regulations or (ii) prohibit a transfer to another firm~~  
45 ~~licensed in Virginia in conjunction with a sale or merger of all or part of a member's~~  
46 ~~practice so long as the regulant takes appropriate precautions (e.g., through a written~~  
47 ~~confidentiality agreement) so that the purchaser or merging entity does not disclose any~~

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1 information obtained in the transaction. The purchaser or party to a merger shall not use  
 2 to their advantage nor disclose any member's confidential client information that comes  
 3 to their attention.

4  
 5 ~~E. Peer review. If required, a firm shall comply with the peer review requirements of 18~~  
 6 ~~VAC 5-21-70.~~

7  
 8 ~~F. Power of inspection. The board and its duly authorized agents shall have the power to~~  
 9 ~~inspect the work product and all supporting working papers and records of all regulants~~  
 10 ~~in connection with an investigation or relating to compliance with statutes and~~  
 11 ~~regulations.~~

12  
 13 PART VIII.  
 14 CONTINUING PROFESSIONAL EDUCATION.

15  
 16 **18 VAC 5-21-170. Continuing professional education requirements for CPA certificate**  
 17 **applicants and for CPA certificate holders.**

18  
 19 A. Use of CPA designation title and performing services for the public.

20  
 21 1. As provided in § 54.1-4410 B of the Code of Virginia, any person ~~referring to himself~~  
 22 ~~as a Certified Public Accountant or "CPA," including the use of using the "CPA" title~~  
 23 ~~on individual business cards, letterhead and all other documents and devices except~~  
 24 ~~the CPA wall certificate, and who is performing or offering to perform any services~~  
 25 ~~involving the application of accounting skills or and auditing skills knowledge or~~  
 26 ~~experience, issuing reports on financial advisory or consulting services, preparing tax~~  
 27 ~~returns, or furnishing advice on tax matters, for the public, shall obtain 120 hours of~~  
 28 ~~CPE credits during each CPE reporting cycle with a minimum of 20 hours CPE~~  
 29 ~~credits per CPE reporting year. The CPA certificate holder may choose the areas of~~  
 30 ~~study and courses so long as the learning activities maintain or improve his~~  
 31 ~~professional competence.~~

32  
 33 ~~2. Any person covered by this provision who, prior to implementation of § 54.1-4410 B~~  
 34 ~~of the Code of Virginia on October 4, 1999, provided one or more of the services~~  
 35 ~~described in subdivision 1 of this subsection, but was not required to obtain CPE,~~  
 36 ~~shall obtain at least 20 hours of CPE in each of the CPE reporting years 2000, 2001~~  
 37 ~~and 2002 and meet the 120-hour requirement for the CPE reporting cycle ending~~  
 38 ~~December 31, 2002.~~

39  
 40 ~~3. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or more~~  
 41 ~~years after his successful completion of the CPA examination who intends to provide~~  
 42 ~~the services described in subdivision 1 of this subsection shall, in addition, submit~~  
 43 ~~evidence of having met the 120-hour CPE requirement in subdivision 1 of this~~  
 44 ~~subsection as though subdivision 1 of this subsection had been applicable to the~~  
 45 ~~applicant during the three calendar years prior to the date of his application.~~

46  
 47 4 B. Use of CPA title and planning to perform services for the public.

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1  
2 Any ~~If a~~ CPA certificate holder ~~whose original CPA certification application was received~~  
3 ~~by the board fewer than three years after his successful completion of the CPA~~  
4 ~~examination who commences~~ has not been required to meet the CPE requirements in  
5 18 VAC 5-21-170 A and decides to provide the services described in subdivision 1 of  
6 this subsection after December 31, 2000 18 VAC 5-21-170 A, prior to performing such  
7 services, the CPA certificate holder shall have obtained 40 120 hours of CPE credits  
8 within during the 42 36 months preceding prior to the date month or the reporting cycle  
9 prior to the year in which such services are first offered to the public and obtain the  
10 remaining 80 hours of CPE by the end of the second CPE reporting year following the  
11 date of commencing such services with no less than 20 hours in each of these two CPE  
12 reporting years commenced. In addition, such CPE shall include 12 CPE credits in  
13 financial accounting principles subjects, 12 CPE credits in audit or review of financial  
14 statements subjects, 12 CPE credits in taxation subjects, and the most recent Ethics  
15 CPE course.

16  
17 ~~B C.~~ B C. Use of CPA designation title and performing services other than for the public.

18  
19 1. As provided in § 54.1-4410 C of the Code of Virginia, effective July 1, 2002, any  
20 person ~~referring to himself as a Certified Public Accountant or “CPA,” including the~~  
21 ~~use of using the “CPA” title on individual business cards, letterhead and all other~~  
22 ~~documents and devices except the CPA wall certificate, who is and~~ performing or  
23 offering to perform any services involving the application of accounting skills or and  
24 auditing skills knowledge or experience, issuing reports on financial advisory or  
25 consulting services, preparing tax returns, or furnishing advice on tax matters, for an  
26 employer or other organization and not for the public, or who is ~~employed performing~~  
27 or offering to perform services as an educator in the field of accounting, shall meet  
28 the following CPE requirements as a condition of renewal of the person’s CPA  
29 certificate: (i) for the three-year reporting period beginning ~~July 1, 2002~~ January 1,  
30 2003, a minimum of 45 ~~credit hours~~ CPE credits with a minimum of 10 ~~hours~~ CPE  
31 credits per year, (ii) for the three-year reporting period beginning ~~July 1, 2005~~  
32 January 1, 2006, a minimum of 90 ~~credit hours~~ CPE credits with a minimum of 15  
33 ~~hours~~ CPE credits per year, and (iii) for the three-year reporting periods beginning on  
34 or after ~~July 1, 2008~~ January 1, 2009, a minimum of 120 ~~credit hours~~ CPE credits  
35 with a minimum of 20 ~~hours~~ CPE credits per year. The CPA certificate holder may  
36 choose the areas of study and courses so long as the learning activities maintain or  
37 improve his professional competence.

38  
39 ~~2. Individuals failing to meet the CPE requirements may be subject to requalification,~~  
40 ~~including possible re-examination and submission of experience qualifications. The~~  
41 ~~board may, at its discretion, waive or defer CPE requirements so long as such waiver~~  
42 ~~or deferral is in the public interest.~~

43  
44 ~~3 2.~~ 3 2. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or  
45 more years after his successful completion of the CPA examination exam who  
46 intends to provide the services described in subdivision 1 of this subsection shall, in  
47 addition, submit evidence of having met the CPE requirement of subdivision 1 of

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1 this subsection as though subdivision 1 of this subsection had been applicable to  
2 the applicant during the three ~~calendar~~ years prior to the date of his application.  
3 Furthermore, if such person obtained his CPA certificate at a time when he did not  
4 intend to provide services for the public and subsequently decides to provide for the  
5 public the services described in subdivision A 1 of this section, then such ~~regulant~~  
6 licensee shall, prior to performing such services, meet the ~~120-hour requirement~~  
7 CPE requirements of subdivision A 4 2 of this section.

8  
9 D. Use of CPA ~~designation title~~ and not performing services.

- 10  
11 1. Any CPA certificate holder who is not performing or offering to perform any of the  
12 services described in subdivision A 1 or B 1 of this section is not required to meet  
13 CPE requirements.  
14  
15 2. Any CPA certificate holder who ceases to perform services for the public shall  
16 meet the CPE requirements described in subdivision A 1 of this section for any  
17 reporting year in which he performed those services. Any CPA certificate holder  
18 who performs services for the public for less than a complete reporting cycle shall  
19 ~~complete~~ obtain at least 20 ~~hours~~ CPE credits in each reporting year that he did  
20 perform services for the public during the reporting cycle.  
21

22 E. CPE in standards of conduct, Code of Virginia statutes relating to public accountancy,  
23 and Board's regulations.

24  
25 Beginning with the CPE reporting year ending immediately subsequent to the year in  
26 which these regulations become effective, each CPA to which the CPE requirements in  
27 subsections A, B, and C of this section apply will obtain annually two CPE credits  
28 relating to standards of conduct, Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the  
29 Code of Virginia, and regulations of the Board. The course will be a self-contained  
30 course presented in not more than two CPE credit parts and may be presented in  
31 conjunction with other CPE programs. The course may be a self-study course so long  
32 as the self-study requirements of 18 VAC 5-21-170 K 3 are met. An outline of the  
33 required content for the course will be provided by the Board to CPE providers who must  
34 state in their Ethics CPE course material and related catalog summaries whether the  
35 content of the course includes the material required by the Board for the calendar year  
36 the course is provided.

37  
38 F. If a CPA certificate holder has not obtained 120 CPE credits by the end of a CPE  
39 reporting cycle or has not met the minimum 20 CPE credits per CPE reporting year  
40 requirement for a year in such CPE reporting cycle, he shall have an automatic 31-day  
41 grace period after the end of the CPE reporting cycle or after the end of a year to make  
42 up the deficiency.

43  
44 G. A CPA holding a currently valid CPA certificate from a state in which he has his principal  
45 office is not required to meet the Board's CPE requirements so long as that state has a  
46 CPE requirement of at least 120 CPE credits during a three-year reporting period.  
47

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1 H. Individuals failing to meet the CPE requirements may be subject to re-qualification,  
 2 including possible retesting and experience requirements.

3  
 4 I. The Board may, at its discretion, waive or defer CPE requirements so long as such  
 5 waiver or deferral is in the public interest.

6  
 7 ~~D~~ J. Requirements for retaining records.

- 8  
 9 1. It is the responsibility of the CPA certificate holder to retain evidence of satisfactory  
 10 completion of compliance with the CPE credit hours requirements set forth in this  
 11 section for a period of the three years from preceding the anniversary date of  
 12 renewal. Such documentation shall be in the form of the certificate of completion  
 13 provided by the sponsor, verification from the institution offering the course, written  
 14 statement from the course provider verifying the ~~regulant's~~ licensee's attendance,  
 15 or any other documentation deemed agreeable by ~~satisfactory to the board~~ Board  
 16 so long as it contains the sponsor's name, title and description of content, date(s)  
 17 of program, and number of CPE credits.
- 18  
 19 2. The CPA certificate holder shall provide such documentation to the ~~board~~ Board or  
 20 its authorized agent upon request.

21  
 22 ~~E~~ K. Continuing professional education credit.

- 23  
 24 1. CPE credit measurement. Learning activities are measured by program length  
 25 determined as follows:
- 26  
 27 a. One credit hour shall be given for each 50-minute period of instruction equals  
 28 one CPE credit.
- 29  
 30 b. One-half CPE credit increments (equal to 25 minutes) are permitted after the  
 31 first CPE credit has been earned in a given learning activity.
- 32  
 33 c. For learning activities in which individual segments are less than 50 minutes,  
 34 the sum of the segments should be considered one total program (e.g., five 30-  
 35 minute presentations would equal three CPE credits).
- 36  
 37 d. One semester hour For university or college credit courses, each unit  
 38 (semester hour) of college credit is shall equal 15 CPE credit hours credits for a  
 39 semester system and 10 CPE credits for a one quarter hour of college credit is  
 40 10 CPE credit hours system.
- 41  
 42 2. Instructors. A CPA certificate holder who instructs courses that qualify for will  
 43 receive CPE credit for participants will be awarded two additional hours of CPE for  
 44 each credit hour of the instruction if (i) the course qualifies for CPE credit for  
 45 participants, (ii) this is the first presentation of the course, and (iii) the activities  
 46 maintain or improve the CPA certificate holder's professional competence.  
 47 Instructors meeting these requirements will be given CPE credit for presentation

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1 time plus preparation time up to two times the presentation time. The instructor  
2 shall retain evidence to support the request for CPE credit. ~~The instructor shall be~~  
3 ~~given no credit for subsequent sessions involving substantially identical subject~~  
4 ~~matter.~~ The credit given for instructing shall not exceed 30 ~~credit hours~~ CPE  
5 credits per CPE reporting cycle.

- 6  
7 3. Self-study. Participants in self-study programs must complete a final exam with a  
8 minimum-passing grade of at least 70 percent in order to receive CPE credit. ~~CPE~~  
9 ~~credit-credits~~ hours for successful completion of a self-study course shall be  
10 ~~established by the~~ will be determined by the CPE program sponsor according  
11 based on to the type of CPE self-study program and pre-tests to determine  
12 average completion time. ~~Interactive~~ Quality Assurance Service (QAS) credits will  
13 be accepted for self-study programs courses shall receive CPE credit equal to the  
14 average completion time. ~~Noninteractive self-study programs shall receive CPE~~  
15 ~~credit equal to one-half of the average completion time.~~ ~~For example, an~~  
16 ~~interactive self-study program that takes an average of two contact hours to~~  
17 ~~complete shall receive two CPE credit hours, and a noninteractive self-study~~  
18 ~~program that takes an average of two contact hours to complete shall receive one~~  
19 ~~CPE credit hour.~~

- 20  
21 4. Publishing. CPE credit will be given for researching and writing articles, books, or  
22 CPE programs that are reviewed by an independent party, are published, and  
23 maintains or improves the CPA certificate holder's professional competence. CPE  
24 credit will be based on 50 minutes of preparation time on a self-declaration basis up  
25 to a maximum of 10 CPE credits per CPE reporting year. Documentation for  
26 published articles, books or CPE programs shall include: (i) a copy of the publication  
27 (or in the case of a CPE program, course development documentation) that names  
28 the writer as author or contributor; (ii) a statement from the writer supporting the  
29 number of CPE credits claimed; and (iii) the name and contact information of the  
30 independent reviewer(s) or publisher.

31