

LAWS OF ALASKA 2018

Source SSHB 147 Chapter No.

AN ACT

Relating to the Board of Public Accountancy; relating to the licensure of public accountants; and relating to the practice of public accounting.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

AN ACT

- Relating to the Board of Public Accountancy; relating to the licensure of public accountants; and relating to the practice of public accounting.
- _____
 - * **Section 1.** AS 08.04.080 is amended to read:

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- **Sec. 08.04.080. Adoption of rules.** The board may adopt rules of professional conduct to establish and maintain a high standard of integrity and dignity in the profession of public accounting. At least 30 days before the adoption of any rule or amendment, the board shall **send a notice** [MAIL COPIES] of the proposed rule or amendment [TOGETHER WITH A NOTICE OF ITS EFFECTIVE DATE] to each holder of a license or permit issued under this chapter to the address of the license or permit holder last known to the board.
- * **Sec. 2.** AS 08.04.110 is amended to read:
 - **Sec. 08.04.110. Personal requirements.** An applicant for a certified public accountant license shall be [AT LEAST 19 YEARS OF AGE AND] of good moral

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1	character.
2	* Sec. 3. AS 08.04.195(a) is amended to read:
3	(a) Notwithstanding AS 08.04.110 - 08.04.190, the board may issue a license
4	to engage in the practice of public accounting to an applicant who holds a license, or
5	its equivalent, issued by another state if the applicant
6	(1) passed the Uniform Certified Public Accountant Examination of
7	the American Institute of Certified Public Accountants in order to receive the
8	applicant's initial license from the other state;
9	(2) [HAS FOUR YEARS OF EXPERIENCE OUTSIDE THE STATE
10	IN THE PRACTICE OF PUBLIC ACCOUNTING OR] meets the accounting
11	experience [EQUIVALENT] requirements established by the board by regulation;
12	[THE FOUR YEARS MUST OCCUR AFTER THE APPLICANT PASSES THE
13	EXAMINATION REQUIRED IN (1) OF THIS SUBSECTION AND WITHIN THE
14	10 YEARS IMMEDIATELY PRECEDING THE APPLICANT'S APPLICATION
15	UNDER THIS CHAPTER;]
16	(3) is not the subject of review procedures, disciplinary proceedings, or
17	unresolved complaints related to the applicant's license from another state; and
18	(4) is of good moral character.
19	* Sec. 4. AS 08.04 is amended by adding a new section to read:
20	Sec. 08.04.565. Prohibited acts. An individual licensed under AS 08.04.105
21	may not perform attest functions through a partnership, limited liability company,
22	corporation, or other business entity unless the partnership, limited liability company,
23	corporation, or other business entity holds a valid permit issued under AS 08.04.240.
24	* Sec. 5. AS 08.04.662 is amended to read:
25	Sec. 08.04.662. Confidential communications. (a) A license holder, a permit
26	holder, a practice privilege holder, an out-of-state exemption holder, or a partner, an
27	officer, a shareholder, a member, or an employee of a license holder, a permit holder,
28	an out-of-state exemption holder, or a practice privilege holder may not reveal
29	information communicated to the license holder, permit holder, out-of-state exemption
30	holder, or practice privilege holder by a client about a matter concerning which the

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client has employed the license holder, permit holder, out-of-state exemption holder,

1	or practice privilege holder in a professional capacity. This section does not apply to
2	(1) information required to be disclosed by the standards of the public
3	accounting profession in reporting on the examination of financial statements;
4	(2) the release of information the client has authorized the license
5	holder, permit holder, out-of-state exemption holder, or practice privilege holder to
6	reveal;
7	(3) information revealed as part of the discovery of evidence related to
8	a court or administrative proceeding or introduced in evidence in a court or
9	administrative proceeding;
10	(4) information revealed in ethical investigations conducted by private
11	professional organizations; [OR]
12	(5) information revealed in the course of a quality review under
13	AS 08.04.426 <u>; or</u>
14	(6) information disclosed
15	(A) under applicable state or federal laws or regulations; or
16	(B) as required by the Public Company Accounting
17	Oversight Board.
18	(b) Client information obtained by the board under $(a)(3) - (6)$ [(a)(3) - (5)] of
19	this section is confidential and is not a public record for purposes of AS 40.25.110 -
20	40.25.140.
21	* Sec. 6. AS 08.04.680(1) is amended to read:
22	(1) "attest function" means
23	(A) an audit or other engagement, if the performance of the
24	audit or other engagement is established by the Statements on Auditing
25	Standards;
26	(B) a review of a financial statement, if the performance of the
27	review is established by the Statements on Standards for Accounting and
28	Review Services;
29	(C) an examination of prospective financial information, if the
30	performance of the examination is established by the Statements on Standards
31	for Attestation Engagements; [OR]

1	(D) an engagement, if the performance of the engagement is
2	established by the Auditing Standards of the Public Company Accounting
3	Oversight Board; or
4	(E) any examination, review, or agreed upon procedure to
5	be performed in accordance with the standards on attestation
6	engagements as
7	(i) developed by national accountancy organizations,
8	including the American Institute of Certified Public Accountants
9	and the Public Company Accounting Oversight Board; and
10	(ii) adopted by the board in regulation;
11	* Sec. 7. AS 08.04.680(19) is amended to read:
12	(19) "report," when used with reference to an attest or compilation
13	service,
14	(A) [FINANCIAL STATEMENTS,] means
15	(i) an opinion, report, or other form of language that
16	states or implies assurance as to the reliability of financial statements
17	and that also contains [INCLUDES] or is accompanied by a statement
18	or implication that the person issuing it has special knowledge or
19	competency in accounting or auditing, which [; A STATEMENT OR
20	IMPLICATION OF SPECIAL KNOWLEDGE OR COMPETENCE]
21	may arise from use by the issuer of the report of names or titles
22	indicating that the issuer is a certified public accountant or auditor, or
23	from the language of the report itself;
24	(ii) [EXCEPT AS PROVIDED IN THIS
25	PARAGRAPH, "REPORT" INCLUDES] any form of language that
26	disclaims an opinion when the form of the language is conventionally
27	understood to imply a positive assurance as to the reliability of the
28	financial statements referred to or special competence on the part of the
29	person issuing the language;
30	(iii) [AND "REPORT" INCLUDES] any other form of
31	language that is conventionally understood to imply that [SUCH]

1	assurance or [SUCH] special knowledge or competence;
2	(B) ["REPORT"] does not include
3	(i) [(A)] a compilation of financial statement language
4	that does not express or imply assurance or special knowledge or
5	competence; or
6	(ii) [(B)] the following disclaimer language when used
7	by a person without a license, a practice privilege, or an out-of-state
8	exemption in connection with financial statements:
9	[(i)] "I (we) have prepared the accompanying (financial
10	statements) of (name of entity) as of (time period) for
11	the (period) then ended. This presentation is limited to
12	preparing, in the form of financial statements,
13	information that is the representation of management
14	(owners)."; or
15	[(ii)] "I (we) have not audited or reviewed the
16	accompanying financial statements and, accordingly, do
17	not express an opinion or any other form of assurance on
18	them.";
19	* Sec. 8. AS 08.04.680(20) is amended to read:
20	(20) "state" means a state of the United States, the District of
21	Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands,
22	Guam, the United States Virgin Islands, and American Samoa.
23	* Sec. 9. AS 08.04.120(b), 08.04.180, 08.04.580, 08.04.590, 08.04.595, and 08.04.598 are
24	repealed.