

1 **SENATE FLOOR VERSION**

2 February 13, 2023

3 SENATE BILL NO. 172

By: Dugger of the Senate

4 and

5 Kendrix of the House

6
7
8 An Act relating to accounting; amending 59 O.S. 2021,
9 Sections 15.1A, as last amended by Section 1, Chapter
10 26, O.S.L. 2022, 15.11, 15.12A, 15.14A, 15.15,
11 15.15A, 15.15C, 15.25, and 15.37 (59 O.S. Supp. 2022,
12 Section 15.1A), which relate to the Oklahoma
13 Accountancy Act; modifying definitions; allowing
14 firms to operate and provide certain services in this
15 state under certain conditions; specifying
16 requirements and qualifications necessary for firms
17 to operate under this exemption; updating statutory
18 language; updating statutory reference; and providing
19 an effective date.

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

21 SECTION 1. AMENDATORY 59 O.S. 2021, Section 15.1A, as
22 last amended by Section 1, Chapter 26, O.S.L. 2022 (59 O.S. Supp.
23 2022, Section 15.1A), is amended to read as follows:

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

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

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

1 3. "Applicant" means an individual or entity that has made
2 application to the Board for a certificate or permit and ~~said~~ the
3 application has not been approved;

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

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

- 8 a. any audit or other engagement to be performed in
9 accordance with the Statements on Auditing Standards
10 (SAS),
- 11 b. any review of a financial statement to be performed in
12 accordance with the Statements on Standards for
13 Accounting and Review Services (SSARS),
- 14 c. any engagement performed in accordance with the
15 Statements on Standards for Attestation Engagements
16 (SSAE), and
- 17 d. any engagement to be performed in accordance with the
18 Auditing Standards of the Public Company Accounting
19 Oversight Board (PCAOB).

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

1 6. "Audit" can only be performed by an individual or entity who
2 is registered with the Board and holding a valid permit issued
3 pursuant to the Oklahoma Accountancy Act, or an entity that is
4 exempt from registration under paragraph 3 of subsection A of
5 Section 15.15 of this title or an individual granted practice
6 privileges under Section 15.12A of this title, and means a
7 systematic investigation or appraisal of information, procedures, or
8 operations performed in accordance with generally accepted auditing
9 standards in the United States, for the purpose of determining
10 conformity with established criteria and communicating the results
11 to interested parties;

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

13 8. "Candidate" means an individual who has been qualified and
14 approved by the Board to take the examination for a certificate;

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

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

24

1 11. "Client" means the individual or entity which retains a
2 registrant, an individual granted practice privileges under Section
3 15.12A of this title, or a firm exempt from the permit and
4 registration requirements under Section 15.15C of this title, which
5 also is exempt from the registration requirement of paragraph 3 of
6 subsection A of Section 15.15 of this title, to perform professional
7 services;

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

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

13 14. "Designated manager" means the Oklahoma certified public
14 accountant or public accountant appointed by the firm partners or
15 shareholders to be responsible for the administration of the office;

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

18 16. "Entity" means an organization whether for profit or not,
19 recognized by this state to conduct business;

20 17. "Examination" means the test sections of Auditing and
21 Attestation, Business Environment and Concepts, Financial Accounting
22 and Reporting, and Regulation or their successors, administered,
23 supervised, and graded by, or at the direction of, the Board or
24

1 other jurisdiction that is required for a certificate as a certified
2 public accountant;

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

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

14 20. "Firm" means an entity that is either a sole
15 proprietorship, partnership, professional limited liability company,
16 professional limited liability partnership, limited liability
17 partnership or professional corporation, or any other professional
18 form of organization organized under the laws of this state or the
19 laws of another jurisdiction and issued a permit in accordance with
20 Section 15.15A of this title or exempt from the permit requirement
21 under Section 15.15C of this title, which also is exempt from the
22 registration requirement of paragraph 3 of subsection A of Section
23 15.15 of this title, including individual partners or shareholders,
24 that is engaged in accountancy;

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

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

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

11 24. "Individual" means a human being;

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

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

21 27. "Management advisory services", also known as "management
22 consulting services", "management services", "business advisory
23 services" or other similar designation, hereinafter collectively
24 referred to as "MAS", means the function of providing advice and/or

1 technical assistance, performed in accordance with standards for MAS
2 engagements and MAS consultations such as those issued by the
3 American Institute of Certified Public Accountants, where the
4 primary purpose is to help the client improve the use of its
5 capabilities and resources to achieve its objectives including but
6 not limited to:

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

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

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

24 29. "PA" or "P.A." means public accountant;

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

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

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

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

16 34. a. "Practice of public accounting", also known as
17 "practice public accounting", "practice" and "practice
18 accounting", refers to the activities of a registrant,
19 an individual granted practice privileges under
20 Section 15.12A of this title, or a firm exempt from
21 the permit and registration requirements under Section
22 15.15C of this title in reference to accountancy. An
23 individual or firm shall be deemed to be engaged in
24 the practice of public accounting if the individual or

1 firm holds itself out to the public in any manner as
2 one skilled in the knowledge, science, and practice of
3 accounting and auditing, taxation and management
4 advisory services and is qualified to render such
5 professional services as a certified public accountant
6 or public accountant, and performs the following:

7 (1) maintains an office for the transaction of
8 business as a certified public accountant or
9 public accountant,

10 (2) offers to prospective clients to perform or who
11 does perform on behalf of clients professional
12 services that involve or require an audit,
13 verification, investigation, certification,
14 presentation, or review of financial transactions
15 and accounting records or an attestation
16 concerning any other written assertion,

17 (3) prepares or certifies for clients reports on
18 audits or investigations of books or records of
19 account, balance sheets, and other financial,
20 accounting and related schedules, exhibits,
21 statements, or reports which are to be used for
22 publication or for the purpose of obtaining
23 credit, or for filing with a court of law or with
24

1 any governmental agency, or for any other
2 purpose,

3 (4) generally or incidentally to the work described
4 herein, renders professional services to clients
5 in any or all matters relating to accounting
6 procedure and to the recording, presentation, or
7 certification of financial information or data,

8 (5) keeps books, or prepares trial balances,
9 financial statements, or reports, all as a part
10 of bookkeeping services for clients,

11 (6) prepares or signs as the tax preparer, tax
12 returns for clients, consults with clients on tax
13 matters, conducts studies for clients on tax
14 matters and prepares reports for clients on tax
15 matters, unless the services are uncompensated
16 and are limited solely to the registrant's, or
17 the registrant's spouse's lineal and collateral
18 heirs,

19 (7) prepares personal financial or investment plans
20 or provides to clients products or services of
21 others in implementation of personal financial or
22 investment plans, or

23 (8) provides management advisory services to clients.
24

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

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

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

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

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

15 (4) provides management advisory services to clients.

16 c. Only permit holders, individuals granted practice
17 privileges under Section 15.12A of this title, or
18 firms exempt from the permit and registration
19 requirements under Section 15.15C of this title, who
20 also meet the requirements of paragraph 3 of
21 subsection A of Section 15.15 of this title, may
22 render or offer to render any attest service, as
23 defined herein, or issue a report on financial
24 statements which purport to be in compliance with the

1 Statements on Standards for Accounting and Review
2 Services (SSARS). This restriction shall not prohibit
3 any act of a public official or public employee in the
4 performance of that person's duties. This restriction
5 shall not be construed to prohibit the performance by
6 any unlicensed individual of other services as set out
7 in subparagraph b of this paragraph.

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

1 35. "Preissuance review" means a review preformed pursuant to a
2 set of procedures that include review of engagement document,
3 report, and clients' financial statements in order to permit the
4 reviewer to assess compliance with all applicable professional
5 standards;

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

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

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

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

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

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

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

24

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

1 of ~~said~~ this entity, or governmental agency approved by the Board,
2 except for the Internal Revenue Service. Except for an individual
3 granted practice privileges under Section 15.12A of this title or a
4 firm exempt from the permit and registration requirements under
5 Section 15.15C of this title, nonregistrants may use the following
6 disclaimer language in connection with financial statements not to
7 be in violation of the Oklahoma Accountancy Act: "I (we) have not
8 audited, examined, or reviewed the accompanying financial statements
9 and accordingly do not express an opinion or any other form of
10 assurance on them.";

11 44. "Representation" means any oral or written communication
12 including but not limited to the use of title or legends on
13 letterheads, business cards, office doors, advertisements, and
14 listings conveying the fact that an individual or entity holds a
15 certificate, license or permit;

16 45. "Review", when used with reference to financial statements,
17 means a registrant or an individual granted practice privileges
18 under Section 15.12A of this title, which also meets the
19 requirements of paragraph 3 of subsection A of Section 15.15 of this
20 title, or a firm exempt from the permit and registration
21 requirements under Section 15.15C of this title performing inquiry
22 and analytical procedures that provide the registrant with a
23 reasonable basis for expressing limited assurance that there are no
24 material modifications that should be made to the statements in

1 order for them to be in conformity with generally accepted
2 accounting principles or, if applicable, with another comprehensive
3 basis of accounting; and

4 46. "Substantial equivalency" is a determination by the
5 Oklahoma Accountancy Board or its designee that:

6 a. the education, examination and experience requirements
7 contained in the statutes and administrative rules of
8 another jurisdiction are comparable to, or exceed, the
9 education, examination and experience requirements
10 contained in the AICPA/NASBA Uniform Accountancy Act,
11 or

12 b. that an individual certified public accountant's or
13 public accountant's education, examination and
14 experience qualifications are comparable to or exceed
15 the education, examination and experience requirements
16 contained in the Oklahoma Accountancy Act and rules of
17 the Board.

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

22 SECTION 2. AMENDATORY 59 O.S. 2021, Section 15.11, is
23 amended to read as follows:

24

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

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

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

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

16 D. No entity shall assume or use the title or designation
17 ~~"Public Accountant"~~ "public accountant" or any other title,
18 designation, words, letters, abbreviation, sign, card, or device
19 tending to indicate or represent that such entity is composed of
20 public accountants, unless such entity is registered as a firm of
21 public accountants and holds a valid permit issued pursuant to the
22 provisions of the Oklahoma Accountancy Act. All offices in this
23 state for the practice of public accounting by such entity shall be
24

1 maintained and registered as required by the Oklahoma Accountancy
2 Act.

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

20 F. No individual or entity not holding a valid permit, not
21 granted practice privileges under Section 15.12A of this title, or
22 not exempt from the permit requirement under Section 15.15C of this
23 title, which also meets the requirements of paragraph 3 of
24 subsection A of Section 15.15 of this title, shall hold oneself or

1 itself out to the public as an ~~"Accountant"~~ "accountant" or
2 ~~"Auditor"~~ "auditor" by use of either or both of such words on any
3 sign, card, letterhead, or in any advertisement or directory,
4 without specifically indicating that such individual or entity does
5 not hold such a permit. The provisions of this subsection shall not
6 be construed to prohibit any officer, employee, partner or principal
7 of any entity from describing oneself by the position, title or
8 office one holds in such organization; nor shall this subsection
9 prohibit any act of public official or public employee in the
10 performance of the duties as such.

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

22 SECTION 3. AMENDATORY 59 O.S. 2021, Section 15.12A, is
23 amended to read as follows:

24

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

20 2. An individual whose principal place of business is not in
21 this state who holds a valid certificate or license as a ~~Certified~~
22 ~~Public Accountant~~ certified public accountant or ~~Public Accountant~~
23 public accountant from any jurisdiction which the Oklahoma
24 Accountancy Board's designee has not verified to be in substantial

1 equivalence to the ~~Certified Public Accountant~~ certified public
2 accountant licensure requirements of the AICPA/NASBA Uniform
3 Accountancy Act shall be presumed to have qualifications
4 substantially equivalent to this state's requirements and shall have
5 all the privileges of certificate and license holders of this state
6 without the need to obtain a certificate, license or permit required
7 under Sections 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title.
8 Any individual who passed the Uniform CPA Examination and holds a
9 valid certificate or license issued by any other state prior to
10 January 1, 2012, may be exempt from the education requirement of the
11 Uniform Accountancy Act for purposes of this paragraph. An
12 individual who offers or renders professional services, whether in
13 person, or by mail, telephone or electronic means, under this
14 section, shall be granted practice privileges in this state and no
15 notice, fee or submission shall be provided by any such individual.
16 Such an individual shall be subject to the requirements in paragraph
17 3 of this subsection.

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

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

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

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

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

13 4. A certified public accounting or public accounting firm that
14 ~~is licensed and has its primary place of business in another state,~~
15 ~~does not have an office in this state and does not provide the~~
16 ~~professional services described in subparagraphs a, b, and c of~~
17 ~~paragraph 5 of this subsection for a client whose home office is in~~
18 ~~this state, may practice not subject to the requirements of~~
19 paragraph 1 or 2 of subsection A of Section 15.15 of this title may
20 perform services described in subsection 12 of Section 15.1A of this
21 title and other nonattest professional services while using the
22 title "CPA" or "CPA firm" in this state without a firm license,
23 permit, or notice to the Board if the firm's practice in this state
24 is performed by an individual who is licensed in Oklahoma or who has

1 been granted practice privileges under paragraph 1 or 2 of this
2 subsection, and the firm can lawfully do so in the where the
3 individuals with practice privileges have their principal place of
4 business.

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

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

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

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

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

18 whose attest services described in paragraph 5 of Section 15.1A of
19 this title may only do so through a firm which meets the
20 requirements of paragraph 3 of subsection A of Section 15.15 of this
21 title for exemption from the registration requirements or which has
22 obtained a registration under Section 15.15 of this title and a
23 permit issued under Section 15.15A of this title.
24

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

8 SECTION 4. AMENDATORY 59 O.S. 2021, Section 15.14A, is
9 amended to read as follows:

10 Section 15.14A. A. Before any individual may practice public
11 accounting or hold himself or herself out as being engaged in the
12 practice of public accounting as a certified public accountant or
13 public accountant in this state, such person shall obtain a permit
14 from the Oklahoma Accountancy Board, unless such person is granted
15 practice privileges under Section 15.12A of this title. Any
16 individual, corporation or partnership or any other entity who
17 provides any of the services defined hereinabove as the "practice of
18 public accounting" without holding a license and permit, or without
19 holding a certificate and permit, shall be assessed a fine not to
20 exceed Ten Thousand Dollars (\$10,000.00) for each separate offense,
21 unless such person is granted practice privileges under Section
22 15.12A of this title, or such entity is exempt from the permit and
23 registration requirements of Section 15.15C of this title or exempt

24

1 from the registration requirements of paragraph 3 of subsection A of
2 Section 15.15 of this title.

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

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

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

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

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

15 C. All such individuals shall, upon application and compliance
16 with the rules establishing qualifications for obtaining a permit
17 and payment of the fees, be granted an annual permit to practice
18 public accounting in this state. All permits issued shall be
19 renewed on the last day of the individual's birth month in
20 conjunction with the registrant's certificate or license renewal.
21 The Board may issue interim permits upon payment of the same fees
22 required for annual permits.

23

24

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

4 E. The Board shall charge a fee for each individual permit not
5 to exceed Two Hundred Dollars (\$200.00).

6 SECTION 5. AMENDATORY 59 O.S. 2021, Section 15.15, is
7 amended to read as follows:

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

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

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

22 3. Any firm that does not have an office in this state but
23 ~~performs services~~ offers or renders attest services as described in
24 ~~subparagraph a, c, or d of paragraph 5 of Section 15.1A of this~~

1 ~~title for a client having its home office in this state~~ paragraph 5
2 of Section 15.1A of this title, unless the firm meets each of the
3 following requirements:

- 4 a. complies with the qualifications described in
5 paragraphs 1 and 3 of subsection F of Section 15.15A
6 of this title,
- 7 b. complies with the qualifications described in Section
8 15.30 of this title,
- 9 c. performs such services through an individual with
10 practice privileges under Section 15.12A of this
11 title, and
- 12 d. can lawfully do so in the state where the individuals
13 with practice privileges have their practice of
14 business.

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

19 C. Interim registrations shall be at full rates.

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

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

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

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

13 SECTION 6. AMENDATORY 59 O.S. 2021, Section 15.15A, is
14 amended to read as follows:

15 Section 15.15A. A. The Oklahoma Accountancy Board, upon
16 application, shall issue a permit to practice public accounting to
17 each firm seeking to provide professional services to the public in
18 this state except that a firm not required to register with the
19 Board under paragraph 4 of subsection A of Section 15.12A of this
20 title and a firm exempt from the registration requirements under
21 paragraph 3 of subsection A of Section 15.15 of this title shall
22 also not be required to obtain a permit under this section.
23 Renewals of firm permits shall be applied for during the month of
24 May of each year.

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

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

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

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

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

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

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

19 2. Changes in the structure of the firm;

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

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

22 and

23

24

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

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

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

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

15 3. The date the dissolution became effective.

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

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

23 1. Except as authorized in Section 15.15B of this title, a
24 simple majority of the ownership of the firm, in terms of financial

1 interests and voting rights, belongs to partners or shareholders
2 engaged in the practice of public accounting in the United States
3 and holding a certificate as a certified public accountant in one or
4 more jurisdictions. Although firms may include non-certificate
5 holder owners, the firm and its ownership must comply with rules
6 promulgated by the Board; and

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

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

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

17 1. Except as authorized in Section 15.15B of this title, a
18 simple majority of the ownership of the firm, in terms of financial
19 interests and voting rights, belongs to partners or shareholders
20 engaged in the practice of public accounting in the United States
21 and holding a license as a public accountant in one or more
22 jurisdictions. Although firms may include nonlicense holder owners,
23 the firm and its ownership must comply with rules promulgated by the
24 Board; and

1 2. Each designated manager of an office in this state has
2 received an Oklahoma license and permit to practice as a public
3 accountant or certificate and permit to practice as a certified
4 public accountant; and

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

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

13 I. Any individual licensee who signs or authorizes someone to
14 sign the accountant's report on the financial statements on behalf
15 of the firm shall meet the competency requirements of the prior
16 subsection.

17 SECTION 7. AMENDATORY 59 O.S. 2021, Section 15.15C, is
18 amended to read as follows:

19 Section 15.15C. It shall not be a violation of the Oklahoma
20 Accountancy Act for a firm which is not registered under Section
21 15.15 of ~~Title 59 of the Oklahoma Statutes~~ this title and does not
22 hold a valid permit under Section 15.15A of ~~Title 59 of the Oklahoma~~
23 ~~Statutes~~ this title and which does not have an office in this state
24 to provide its professional services in this state so long as it

1 complies with the requirements of paragraph 4 of subsection A of
2 Section 15.12A of ~~Title 59 of the Oklahoma Statutes~~ this title or
3 meets the requirements of paragraph 3 of subsection A of Section
4 15.15 this title, whichever is applicable.

5 SECTION 8. AMENDATORY 59 O.S. 2021, Section 15.25, is
6 amended to read as follows:

7 Section 15.25. Any individual or entity who:

8 1. Represents himself, herself or itself as having received a
9 certificate, license, or permit and otherwise presents himself,
10 herself or itself to the public as having specialized knowledge or
11 skills associated with CPAs and PAs without having received such
12 certificate, license, or permit; or

13 2. Continues to use such title or designation after such
14 certificate, license, or permit has been recalled, revoked,
15 surrendered, canceled, or suspended or refuses to surrender such
16 certificate, license, or permit; or

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

21 4. Otherwise violates any of the provisions of the Oklahoma
22 Accountancy Act;
23 upon conviction shall be deemed guilty of a misdemeanor.
24

1 Provided, however, that an individual granted practice
2 privileges under Section 15.12A of this title or a firm exempt from
3 the permit and registration requirements under Section 15.15C of
4 this title or paragraph 3 of subsection A of Section 15.15 of this
5 title may hold out as a CPA or a firm of CPAs, respectively, without
6 violation of this section.

7 SECTION 9. AMENDATORY 59 O.S. 2021, Section 15.37, is
8 amended to read as follows:

9 Section 15.37. No ordinance, trust or other legal instrument
10 shall provide for any audit services to be performed other than by a
11 registrant holding a valid permit or an individual granted practice
12 privileges under Section 15.12A of this title or a firm exempt from
13 the registration requirement under paragraph 3 of subsection A of
14 Section 15.15 of this title.

15 SECTION 10. This act shall become effective November 1, 2023.

16 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
17 February 13, 2023 - DO PASS

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