

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 SENATE BILL 817

By: Dugger

4
5
6 AS INTRODUCED

7 An Act relating to the Oklahoma Accountancy Act;
8 amending 59 O.S. 2011, Sections 15.1A, as last
9 amended by Section 1, Chapter 327, O.S.L. 2019, 15.2,
10 as last amended by Section 6, Chapter 116, O.S.L.
11 2020, 15.11, 15.12A, 15.14A, as amended by Section 5,
12 Chapter 327, O.S.L. 2019, 15.15, 15.15A, as amended
13 by Section 1, Chapter 218, O.S.L. 2015, 15.15C,
14 15.25, and 15.37 (59 O.S. Supp. 2020, Sections 15.1A,
15 15.2, 15.14A and 15.15A), which relate to the
16 Oklahoma Accountancy Act; modifying definitions;
17 changing composition of board membership; making act
18 conform to firm mobility provisions; deleting
19 language, adding language; providing statutory
20 references; stating registration requirements;
21 providing an effective date; and declaring an
22 emergency.

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

24 SECTION 1. AMENDATORY 59 O.S. 2011, Section 15.1A, as
25 last amended by Section 1, Chapter 327, O.S.L. 2019 (59 O.S. Supp.
26 2020, Section 15.1A), is amended to read as follows:

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

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

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

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

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

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

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

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

16 c. any ~~engagement~~ examination of prospective financial
17 information to be performed in accordance with the
18 Statements on Standards for Attestation Engagements
19 (SSAE), and

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

23 e. any examination, review or agreed upon procedures
24 engagement to be performed in accordance with

1 Statements on Standards for Attestation Engagements
2 (SSAE), other than the examination described in
3 subparagraph c of paragraph 34 of this section.

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

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

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

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

23 9. "Certificate" means the Oklahoma document issued by the
24 Board to a candidate upon successful completion of the certified

1 public accountant examination designating the holder as a certified
2 public accountant pursuant to the laws of Oklahoma. "Certificate"
3 shall also mean the Oklahoma document issued by reciprocity to an
4 individual who has previously been certified in another
5 jurisdiction;

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

8 11. "Client" means the individual or entity which retains a
9 registrant, an individual granted practice privileges under Section
10 15.12A of this title, or a firm exempt from the permit and
11 registration requirements under Section 15.15C of this title and
12 which also is exempt from the registration requirement of paragraph
13 3 of subsection A of Section 15.15 of this title to perform
14 professional services;

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

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

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

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

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

3 17. "Examination" means ~~the test sections of Auditing and~~
4 ~~Attestation, Business Environment and Concepts, Financial Accounting~~
5 ~~and Reporting, and Regulation or their successors, administered,~~
6 ~~supervised, and graded by, or at the direction of, the Board or~~
7 ~~other jurisdiction that is required for a certificate as a certified~~
8 ~~public accountant or a license as a public accountant~~ all or any
9 part of the Uniform Certified Public Accountant's Examination or
10 tests for competency in auditing, attestation, business environment
11 and concepts, financial accounting and reporting and accounting
12 regulations as approved or designated by the Board;

13 18. "Executive director" means the chief administrative officer
14 of the Board;

15 19. "Financial statements" means statements and footnotes
16 related thereto that undertake to present an actual or anticipated
17 financial position as of a point in time, or results of operations,
18 cash flow, or changes in financial position for a period of time, in
19 conformity with generally accepted accounting principles or another
20 comprehensive basis of accounting. The term does not include
21 incidental financial data included in management advisory service
22 reports to support recommendations to a client; nor does it include
23 tax returns and supporting schedules;

1 20. "Firm" means an entity that is either a sole
2 proprietorship, partnership, professional limited liability company,
3 professional limited liability partnership, limited liability
4 partnership or professional corporation, or any other professional
5 form of organization organized under the laws of the State of
6 Oklahoma or the laws of another jurisdiction and issued a permit in
7 accordance with Section 15.15A of this title or exempt from the
8 permit requirement under Section 15.15C of this title and which also
9 is exempt from the registration requirement of paragraph 3 of
10 subsection A of Section 15.15 of this title, including individual
11 partners or shareholders, that is engaged in accountancy;

12 21. "Holding out" means any representation by an individual
13 that he or she holds a certificate or license and a valid permit, or
14 by an entity that it holds a valid permit. Any such representation
15 is presumed to invite the public to rely upon the professional
16 skills implied by the certificate or license and valid permit in
17 connection with the services or products offered;

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

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

22 24. "Individual" means a human being;

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

1 26. "License" means the Oklahoma document issued by the Board
2 to a candidate upon successful completion of the public accountant
3 examination designating the holder as a public accountant pursuant
4 to the laws of Oklahoma. "License" shall also mean the Oklahoma
5 document issued by the Board by reciprocity to a public accountant
6 who has previously been licensed by examination in another
7 jurisdiction;

8 27. "Management advisory services", also known as "management
9 consulting services", "management services", "business advisory
10 services" or other similar designation, hereinafter collectively
11 referred to as "MAS", means the function of providing advice and/or
12 technical assistance, performed in accordance with standards for MAS
13 engagements and MAS consultations such as those issued by the
14 American Institute of Certified Public Accountants, where the
15 primary purpose is to help the client improve the use of its
16 capabilities and resources to achieve its objectives including but
17 not limited to:

- 18 a. counseling management in analysis, planning,
19 organizing, operating, risk management and controlling
20 functions,
- 21 b. conducting special studies, preparing recommendations,
22 proposing plans and programs, and providing advice and
23 technical assistance in their implementation,

- 1 c. reviewing and suggesting improvement of policies,
2 procedures, systems, methods, and organization
3 relationships, and
4 d. introducing new ideas, concepts, and methods to
5 management.

6 MAS shall not include recommendations and comments prepared as a
7 direct result of observations made while performing an audit,
8 review, or compilation of financial statements or while providing
9 tax services, including tax consultations;

10 28. "NASBA" means the National Association of State Boards of
11 Accountancy;

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

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

19 31. "PCAOB" means the Public Company Accounting Oversight
20 Board;

21 32. "Peer Review" means a review performed pursuant to a set of
22 peer review rules established by the Board. The term "peer review"
23 also encompasses the term "quality review";

1 33. "Permit" means the written authority granted annually by
2 the Board to individuals or firms to practice public accounting in
3 Oklahoma, which is issued pursuant to the Oklahoma Accountancy Act;

4 34. a. "Practice of public accounting", also known as
5 "practice public accounting", "practice" and "practice
6 accounting", refers to the activities of a registrant,
7 an individual granted practice privileges under
8 Section 15.12A of this title, or a firm exempt from
9 the permit and registration requirements under Section
10 15.15C of this title in reference to accountancy. An
11 individual or firm shall be deemed to be engaged in
12 the practice of public accounting if the individual or
13 firm holds itself out to the public in any manner as
14 one skilled in the knowledge, science, and practice of
15 accounting and auditing, taxation and management
16 advisory services and is qualified to render such
17 professional services as a certified public accountant
18 or public accountant, and performs the following:

- 19 (1) maintains an office for the transaction of
20 business as a certified public accountant or
21 public accountant,
22 (2) offers to prospective clients to perform or who
23 does perform on behalf of clients professional
24 services that involve or require an audit,

1 verification, investigation, certification,
2 presentation~~7~~ or review of financial transactions
3 and accounting records or an attestation
4 concerning any other written assertion,

5 (3) prepares or certifies for clients reports on
6 audits or investigations of books or records of
7 account, balance sheets~~7~~ and other financial,
8 accounting and related schedules, exhibits,
9 statements~~7~~ or reports which are to be used for
10 publication or for the purpose of obtaining
11 credit, or for filing with a court of law or with
12 any governmental agency, or for any other
13 purpose,

14 (4) generally or incidentally to the work described
15 herein, renders professional services to clients
16 in any or all matters relating to accounting
17 procedure and to the recording, presentation~~7~~ or
18 certification of financial information or data,

19 (5) keeps books~~7~~ or prepares trial balances,
20 financial statements~~7~~ or reports, all as a part
21 of bookkeeping services for clients,

22 (6) prepares or signs as the tax preparer, tax
23 returns for clients, consults with clients on tax
24 matters, conducts studies for clients on tax
25

1 matters and prepares reports for clients on tax
2 matters, unless the services are uncompensated
3 and are limited solely to the registrant's, or
4 the registrant's spouse's lineal and collateral
5 heirs,

6 (7) prepares personal financial or investment plans
7 or provides to clients products or services of
8 others in implementation of personal financial or
9 investment plans, or

10 (8) provides management advisory services to clients.

11 b. Except for an individual granted practice privileges
12 under Section 15.12A of this title or a firm exempt
13 from the permit and registration requirements under
14 Section 15.15C of this title, an individual or firm
15 not holding a certificate, license or permit shall not
16 be deemed to be engaged in the practice of public
17 accounting if the individual or firm does not hold
18 itself out, solicit, or advertise for clients using
19 the certified public accountant or public accountant
20 designation and engages only in the following
21 services:

22 (1) keeps books, or prepares trial balances,
23 financial statements, or reports; provided, such
24 instruments do not use the terms "audit",

1 "audited", "exam", "examined", "review" or
2 "reviewed" or are not exhibited as having been
3 prepared by a certified public accountant or
4 public accountant. Except for an individual
5 granted practice privileges under Section 15.12A
6 of this title or a firm exempt from the permit
7 and registration requirements under Section
8 15.15C of this title, nonregistrants may use the
9 following disclaimer language in connection with
10 financial statements and be in compliance with
11 the Oklahoma Accountancy Act: "I (we) have not
12 audited, examined or reviewed the accompanying
13 financial statements and accordingly do not
14 express an opinion or any other form of assurance
15 on them.",

16 (2) prepares or signs as the tax preparer, tax
17 returns for clients, consults with clients on tax
18 matters, conducts studies for clients on tax
19 matters and prepares reports for clients on tax
20 matters,

21 (3) prepares personal financial or investment plans
22 or provides to clients products or services of
23 others in implementation of personal financial or
24 investment plans, or
25

1 (4) provides management advisory services to clients.

2 c. Only permit holders, individuals granted practice
3 privileges under Section 15.12A of this title, or
4 firms exempt from the permit and registration
5 requirements under Section 15.15C of this title and
6 who also meet the requirements of paragraph 3 of
7 subsection A of Section 15.15 of this title may render
8 or offer to render any attest service, as defined
9 herein, or issue a report on financial statements
10 which purport to be in compliance with the Statements
11 on Standards for Accounting and Review Services
12 (SSARS). This restriction shall not prohibit any act
13 of a public official or public employee in the
14 performance of that person's duties. This restriction
15 shall not be construed to prohibit the performance by
16 any unlicensed individual of other services as set out
17 in subparagraph b of this paragraph.

18 d. A person is not deemed to be practicing public
19 accounting within the meaning of this section solely
20 by displaying an Oklahoma CPA certificate or a PA
21 license in an office, identifying himself or herself
22 as a CPA or PA on letterhead or business cards, or
23 identifying himself or herself as a CPA or PA.
24 However, the designation of CPA or PA on such

1 letterheads, business cards, public signs,
2 advertisements, publications directed to clients or
3 potential clients, financial or tax documents of a
4 client, performance of any attest service or issuance
5 of a report constitutes the practice of public
6 accounting and requires a permit, practice privileges
7 under Section 15.12A of this title, or an exemption
8 from the permit and registration requirements under
9 Section 15.15C of this title;

10 35. "Preissuance review" means a review performed pursuant to a
11 set of procedures that include review of engagement document,
12 report, and clients' financial statements in order to permit the
13 reviewer to assess compliance with all applicable professional
14 standards;

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

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

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

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

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

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

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

10 43. "Report", when used with reference to any attest or
11 compilation service, means an opinion, report or other form of
12 language that states or implies assurance as to the reliability of
13 the attested information or compiled financial statements, and that
14 also includes or is accompanied by any statement or implication that
15 the person or firm issuing it has special knowledge or competence in
16 accounting or auditing. Such a statement or implication of special
17 knowledge or competence may arise from use by the issuer of the
18 report of names or titles indicating that the person or firm is an
19 accountant or auditor, or from the language of the report itself.
20 The term "report" includes any form of language which disclaims an
21 opinion when such form of language is conventionally understood to
22 imply any positive assurance as to the reliability of the attested
23 information or compiled financial statements referred to and/or
24 special competence on the part of the person or firm issuing such

1 language; and it includes any other form of language that is
2 conventionally understood to imply such assurance and/or such
3 special knowledge or competence. This definition is not intended to
4 include a report prepared by a person not holding a certificate or
5 license or not granted practice privileges under Section 15.12A of
6 this title. However, such report shall not refer to "audit",
7 "audited", "exam", "examined", "review" or "reviewed", nor use the
8 language "in accordance with standards established by the American
9 Institute of Certified Public Accountants" or successor of said
10 entity, or governmental agency approved by the Board, except for the
11 Internal Revenue Service. Except for an individual granted practice
12 privileges under Section 15.12A of this title or a firm exempt from
13 the permit and registration requirements under Section 15.15C of
14 this title, nonregistrants may use the following disclaimer language
15 in connection with financial statements not to be in violation of
16 the Oklahoma Accountancy Act: "I (we) have not audited, examined,
17 or reviewed the accompanying financial statements and accordingly do
18 not express an opinion or any other form of assurance on them.";

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

1 45. "Review", when used with reference to financial statements,
2 means a registrant or an individual granted practice privileges
3 under Section 15.12A of this title, that also meets the requirements
4 of paragraph 3 of subsection A of Section 15.15 of this title or a
5 firm exempt from the permit and registration requirements under
6 Section 15.15C of this title performing inquiry and analytical
7 procedures that provide the registrant with a reasonable basis for
8 expressing limited assurance that there are no material
9 modifications that should be made to the statements in order for
10 them to be in conformity with generally accepted accounting
11 principles or, if applicable, with another comprehensive basis of
12 accounting; and

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

- 15 a. the education, examination and experience requirements
16 contained in the statutes and administrative rules of
17 another jurisdiction are comparable to, or exceed, the
18 education, examination and experience requirements
19 contained in the AICPA/NASBA Uniform Accountancy Act,
20 or
- 21 b. that an individual certified public accountant's or
22 public accountant's education, examination and
23 experience qualifications are comparable to or exceed
24 the education, examination and experience requirements

1 contained in the Oklahoma Accountancy Act and rules of
2 the Board.

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

7 SECTION 2. AMENDATORY 59 O.S. 2011, Section 15.2, as
8 last amended by Section 6, Chapter 116, O.S.L. 2020 (59 O.S. Supp.
9 2020, Section 15.2), is amended to read as follows:

10 Section 15.2. A. There is hereby re-created, to continue until
11 July 1, 2023, in accordance with the provisions of the Oklahoma
12 Sunset Law, the Oklahoma Accountancy Board. The Oklahoma
13 Accountancy Board shall have the responsibility for administering
14 and enforcing the Oklahoma Accountancy Act. The Oklahoma
15 Accountancy Board shall be composed of seven (7) members, who shall
16 have professional or practical experience in the use of accounting
17 services and financial matters, so as to be qualified to make
18 judgments about the qualifications and conduct of persons and firms
19 subject to regulation under the Oklahoma Accountancy Act to be
20 appointed by the Governor and confirmed by the Senate. The number
21 of registrant members shall not be more than six, not including a
22 firm, who shall serve terms of five (5) years. No member who has
23 served two successive complete terms shall be eligible for
24 reappointment, but an appointment to fill an unexpired term shall

1 not be considered a complete term for this purpose. The public
2 member shall serve coterminously with the Governor appointing the
3 public member.

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

17 ~~C.~~ Five members shall be certified public accountants holding
18 certificates and four shall hold permits issued pursuant to the
19 provisions of the Oklahoma Accountancy Act, at least four of whom
20 shall have been engaged in the practice of public accounting as a
21 certified public accountant continuously for not less than five (5)
22 out of the last fifteen (15) years immediately preceding their
23 appointments. A list of qualified persons shall be compiled and
24 submitted to the Governor by the Oklahoma Society of Certified

1 Public Accountants from time to time as appointments of the
2 certified public accountant Board members are required. A list of
3 three names shall be submitted for each single appointment from
4 which the Governor may make the appointment.

5 ~~D. One member~~ C. Two members shall be a public ~~member~~ members
6 who ~~is~~ are not a certified public ~~accountant~~ accountants or licensed
7 public ~~accountant~~ accountants. The public ~~member~~ members shall be
8 appointed by the Governor to a term coterminous with the Governor.
9 The public ~~member~~ members shall serve at the pleasure of the
10 Governor.

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

15 SECTION 3. AMENDATORY 59 O.S. 2011, Section 15.11, is
16 amended to read as follows:

17 Section 15.11. A. No individual, other than as described in
18 subparagraph d of paragraph 34 of Section 15.1A of this title, shall
19 assume or use the title or designation "Certified Public Accountant"
20 or the abbreviation "C.P.A." or any other title, designation, words,
21 letters, abbreviation, sign, card, or device tending to indicate or
22 represent that such individual is a certified public accountant,
23 unless such individual has received a certificate as a certified
24 public accountant and holds a valid permit issued pursuant to the

1 provisions of the Oklahoma Accountancy Act or is granted practice
2 privileges under Section 15.15C of this title that also meets the
3 requirements of paragraph 3 of subsection A of Section 15.15 of this
4 title. All offices in this state for the practice of public
5 accounting by such individual shall be maintained and registered as
6 required by the Oklahoma Accountancy Act.

7 B. No entity shall assume or use the title or designation
8 "Certified Public Accountant" or the abbreviation "C.P.A." or any
9 other title, designation, words, letters, abbreviation, sign, card
10 or device tending to indicate or represent that such entity is
11 composed of certified public accountants unless such entity is
12 registered as a firm of certified public accountants and holds a
13 valid permit issued pursuant to the provisions of the Oklahoma
14 Accountancy Act or is exempt from the registration and permit
15 requirements under Section 15.15C of this title. All offices in
16 this state for the practice of public accounting by such entity
17 shall be maintained and registered as required by the Oklahoma
18 Accountancy Act.

19 C. No individual, other than as described in subparagraph d of
20 paragraph 34 of Section 15.1A of this title, shall assume or use the
21 title or designation "Public Accountant" or the abbreviation "P.A."
22 or any other title, designation, words, letters, abbreviation, sign,
23 card, or device tending to indicate or represent that such
24 individual is a public accountant, unless such individual is

1 licensed as a public accountant, or is a certified public accountant
2 and holds a valid permit issued pursuant to the provisions of the
3 Oklahoma Accountancy Act. All offices in this state for the
4 practice of public accounting by such individual shall be maintained
5 and registered as required by the Oklahoma Accountancy Act.

6 D. No entity shall assume or use the title or designation
7 "Public Accountant" or any other title, designation, words, letters,
8 abbreviation, sign, card, or device tending to indicate or represent
9 that such entity is composed of public accountants, unless such
10 entity is registered as a firm of public accountants and holds a
11 valid permit issued pursuant to the provisions of the Oklahoma
12 Accountancy Act. All offices in this state for the practice of
13 public accounting by such entity shall be maintained and registered
14 as required by the Oklahoma Accountancy Act.

15 E. No individual or entity shall assume or use the title or
16 designation "Certified Accountant", "Chartered Accountant",
17 "Enrolled Accountant", "Licensed Accountant", "Registered
18 Accountant" or any other title or designation which could be
19 confused with "Certified Public Accountant" or "Public Accountant",
20 or any of the abbreviations "CA", "EA", except as it relates to the
21 term "enrolled agent" as defined by the Internal Revenue Service,
22 "RA" or "LA", or similar abbreviations which could be confused with
23 "CPA" or "PA"; provided, however, that anyone who holds a valid
24 permit and whose offices in this state for the practice of public

1 accounting are maintained and registered as required by the Oklahoma
2 Accountancy Act or is granted practice privileges under Section
3 15.12A of this title may hold oneself out to the public as an
4 "Accountant" or "Auditor".

5 F. No individual or entity not holding a valid permit, not
6 granted practice privileges under Section 15.12A of this title, or
7 not exempt from the permit requirement under Section 15.15C of this
8 title that also meets the requirements of paragraph 3 of subsection
9 A of Section 15.15 of this title shall hold oneself or itself out to
10 the public as an "Accountant" or "Auditor" by use of either or both
11 of such words on any sign, card, letterhead, or in any advertisement
12 or directory, without specifically indicating that such individual
13 or entity does not hold such a permit. The provisions of this
14 subsection shall not be construed to prohibit any officer, employee,
15 partner or principal of any entity from describing oneself by the
16 position, title or office one holds in such organization; nor shall
17 this subsection prohibit any act of public official or public
18 employee in the performance of the duties as such.

19 G. Any individual or entity who is registered with the Board
20 but does not hold a valid permit issued pursuant to the Oklahoma
21 Accountancy Act may not issue a report on financial statements of
22 any other person, firm, organization recognized by the State of
23 Oklahoma, or governmental unit. This prohibition does not apply to
24 an officer, partner, or employee of any firm or organization

1 affixing a signature to any statement or report in reference to the
2 financial affairs of such firm or organization with any wording
3 designating the position, title, or office that is held therein; nor
4 prohibit any act of a public official or employee in the performance
5 of the duties as such.

6 SECTION 4. AMENDATORY 59 O.S. 2011, Section 15.12A, is
7 amended to read as follows:

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

1 2. An individual whose principal place of business is not in
2 this state who holds a valid certificate or license as a Certified
3 Public Accountant or Public Accountant from any jurisdiction which
4 the Oklahoma Accountancy Board's designee has not verified to be in
5 substantial equivalence to the Certified Public Accountant licensure
6 requirements of the AICPA/NASBA Uniform Accountancy Act shall be
7 presumed to have qualifications substantially equivalent to this
8 state's requirements and shall have all the privileges of
9 certificate and license holders of this state without the need to
10 obtain a certificate, license or permit required under Sections
11 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. Any individual
12 who passed the Uniform CPA Examination and holds a valid certificate
13 or license issued by any other state prior to January 1, 2012, may
14 be exempt from the education requirement of the Uniform Accountancy
15 Act for purposes of this paragraph. An individual who offers or
16 renders professional services, whether in person, or by mail,
17 telephone or electronic means, under this section, shall be granted
18 practice privileges in this state and no notice, fee or submission
19 shall be provided by any such individual. Such an individual shall
20 be subject to the requirements in paragraph 3 of this subsection.

21 3. An individual certificate holder or license holder of
22 another jurisdiction exercising the privilege afforded under this
23 section, and any firm which employs that certificate holder or
24

1 license holder hereby simultaneously consent, as a condition of the
2 granting of this privilege:

- 3 a. to the personal and subject matter jurisdiction and
4 disciplinary authority of the Board,
- 5 b. to comply with the Oklahoma Accountancy Act and the
6 Board's rules,
- 7 c. that in the event the certificate holder or license
8 holder from the jurisdiction of the individual's
9 principal place of business is no longer valid, the
10 individual will cease offering or rendering
11 professional services in this state individually or on
12 behalf of a firm, and
- 13 d. to the appointment of the state board which issued the
14 certificate or license as the agent upon whom process
15 may be served in any action or proceeding by the Board
16 against the certificate or license holder.

17 4. A certified public accounting or public accounting firm that
18 ~~is licensed and has its primary place of business in another state,~~
19 ~~does not have an office in this state and does not provide the~~
20 ~~professional services described in subparagraphs a, b, and c of~~
21 ~~paragraph 5 of this subsection for a client whose home office is in~~
22 ~~this state,~~ is not subject to the requirements of paragraph 1 or 2
23 of subsection A of Section 15.15 of this title may practice perform
24 services described in subsection 12 of Section 15.1A of this title

1 and other nonattest professional services while using the title
2 "CPA" or "CPA firm" in this state without a firm license, permit, or
3 notice to the Board if the firm's practice in this state is
4 performed by an individual who is licensed in Oklahoma or who has
5 been granted practice privileges under paragraph 1 or 2 of this
6 subsection, and the firm can lawfully do so in the state where the
7 individuals with practice privileges have their principal place of
8 business.

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

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

22 attest services described in subsection 5 of Section 15.1A of this
23 title may only do so through a firm which meets the requirements of
24 paragraph 3 of subsection A of Section 15.15 of this title for

1 exemption from the registration requirements or which has obtained a
2 registration under Section 15.15 and a permit issued under Section
3 15.15A of this title.

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

11 SECTION 5. AMENDATORY 59 O.S. 2011, Section 15.14A, as
12 last amended by Section 5, Chapter 327, O.S.L. 2019 (59 O.S. Supp.
13 2020, Section 15.14A), is amended to read as follows:

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

1 unless such person is granted practice privileges under Section
2 15.12A of this title, or such entity is exempt from the permit and
3 registration requirements of Section 15.15C of this title or is
4 exempt from the registration requirements of paragraph 3 of
5 subsection A of Section 15.15 of this title.

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

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

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

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

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

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

1 The Board may issue interim permits upon payment of the same fees
2 required for annual permits.

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

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

8 SECTION 6. AMENDATORY 59 O.S. 2011, Section 15.15, is
9 amended to read as follows:

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

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

22 2. Any firm with an office in this state that uses the title
23 "CPA", "PA", "CPA firm" or "PA firm"; or
24

1 3. Any firm that does not have an office in this state but
2 ~~performs~~ offers or renders attest services as described in
3 ~~subparagraph a, c, or d of paragraph 5 of Section 15.1A of this~~
4 ~~title for a client having its home office in this state~~ subsection 5
5 of Section 15.1A of this title, unless it meets each of the
6 following requirements:

- 7 a. it complies with the qualifications described in
8 paragraphs 1 and 3 of subsection F of Section 15.15A
9 of this title,
- 10 b. it complies with the qualifications described in
11 Section 15.10 of this title,
- 12 c. it performs such services through an individual with
13 practice privileges under Section 15.12A of this
14 title, and
- 15 d. it can lawfully do so in the state where the
16 individuals with practice privileges have their
17 practice of business.

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

22 C. Interim registrations shall be at full rates.

23 D. Upon failure of a firm to pay registration fees on or before
24 the last day of June, the Board shall notify the firm in writing by

1 certified mail to the last known address of the firm, as reflected
2 in the records of the Board, of the firm's failure to comply with
3 the Oklahoma Accountancy Act.

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

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

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

16 SECTION 7. AMENDATORY 59 O.S. 2011, Section 15.15A, as
17 last amended by Section 1, Chapter 218, O.S.L. 2015 (59 O.S. Supp.
18 2020, Section 15.15A), is amended to read as follows:

19 Section 15.15A. A. The Oklahoma Accountancy Board, upon
20 application, shall issue a permit to practice public accounting to
21 each firm seeking to provide professional services to the public in
22 this state except that a firm not required to register with the
23 Board under paragraph 4 of subsection A of Section 15.12A of this
24 title and a firm exempt from the registration requirements under

1 paragraph 3 of subsection A of Section 15.15 of this title shall
2 also not be required to obtain a permit under this section.
3 Renewals of firm permits shall be applied for during the month of
4 May of each year.

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

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

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

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

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

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

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

23 2. Changes in the structure of the firm;

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

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

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

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

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

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

17 3. The date the dissolution became effective.

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

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

25

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

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

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

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

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

1 the firm and its ownership must comply with rules promulgated by the
2 Board; and

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

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

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

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

19 SECTION 8. AMENDATORY 59 O.S. 2011, Section 15.15C, is
20 amended to read as follows:

21 Section 15.15C. It shall not be a violation of the Oklahoma
22 Accountancy Act for a firm which is not registered under Section
23 15.15 of Title 59 of the Oklahoma Statutes and does not hold a valid
24 permit under Section 15.15A of ~~Title 59 of the Oklahoma Statutes~~

1 this title and which does not have an office in this state to
2 provide its professional services in this state so long as it
3 complies with the requirements of paragraph 4 of subsection A of
4 Section 15.12A of ~~Title 59 of the Oklahoma Statutes~~ this title or
5 meets the requirements of paragraph 3 of subsection A of Section
6 15.15 of this title, whichever is applicable.

7 SECTION 9. AMENDATORY 59 O.S. 2011, Section 15.25, is
8 amended to read as follows:

9 Section 15.25. Any individual or entity who:

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

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

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

23 4. Otherwise violates any of the provisions of the Oklahoma
24 Accountancy Act;

1 upon conviction shall be deemed guilty of a misdemeanor.

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

8 SECTION 10. AMENDATORY 59 O.S. 2011, Section 15.37, is
9 amended to read as follows:

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

16 SECTION 11. This act shall become effective July 1, 2021.

17 SECTION 12. It being immediately necessary for the preservation
18 of the public peace, health or safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

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