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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- PUBLIC ACCOUNTANCY

Introduced By: Representative Stephen M. Casey

Date Introduced: February 27, 2026

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 5-3.1-3, 5-3.1-4, 5-3.1-5, 5-3.1-7, 5-3.1-8, 5-3.1-9, 5-3.1-11, 5-3.1-  
2 12, 5-3.1-14, 5-3.1-15, 5-3.1-16, 5-3.1-18, 5-3.1-19 and 5-3.1-20 of the General Laws in Chapter  
3 5-3.1 entitled "Public Accountancy" are hereby amended to read as follows:

4 **5-3.1-3. Definitions.**

5 As used in this chapter, unless the context requires otherwise, the following terms are  
6 construed as follows:

7 (1) "Active individual participant" means an individual who is actively engaged in the firm  
8 or its affiliated entities and whose primary occupation consists of providing client services or  
9 participating in the management of the firm.

10 (2) "AICPA" means the American Institute of Certified Public Accountants.

11 (3) "Attest" means providing the following services:

12 (i) Any audit or other engagement to be performed in accordance with the Statements on  
13 Auditing Standards (SAS);

14 (ii) Any review of a financial statement to be performed in accordance with the Statement  
15 on Standards for Accounting and Review Services (SSARS);

16 (iii) Any examination of prospective financial information to be performed in accordance  
17 with the Statements on Standards for Attestation Engagements (SSAE);

18 (iv) Any engagement to be performed in accordance with the standards of the ~~public~~  
19 ~~company accounting oversight board~~ PCAOB;

1 (v) Any examination, review, or agreed-upon procedures engagement to be performed in  
2 accordance with the SSAE, other than an examination described in subsection (1)(iii); and

3 (vi) The statements on standards specified in this definition shall be adopted by reference  
4 by the board pursuant to rulemaking and shall be those developed for general application by  
5 recognized national accountancy organizations, such as the ~~American Institute of Certified Public~~  
6 ~~Accountants~~ [AICPA](#), and the ~~Public Company Accounting Oversight Board~~ [PCAOB](#).

7 ~~(2)~~[\(4\)](#) “Authority” means an authority to practice as a public accountant in this state granted  
8 by the public accountants advisory commission under former § 5-3-6 (P.L. 1962, chapter 228,  
9 Section 1, as amended by P.L. 1970, chapter 272, Section 1).

10 [\(5\) “Baccalaureate degree” means a post-secondary bachelor’s degree awarded by a college](#)  
11 [or university for completion of a course of study.](#)

12 ~~(3)~~[\(6\)](#) “Board” means the board of accountancy, a public authority created by § 5-3.1-4.

13 ~~(4) “Certificate” means a certificate as certified public accountant issued under this chapter~~  
14 ~~or corresponding provisions of prior law, or a corresponding certificate as certified public~~  
15 ~~accountant issued after examination under the law of any other state.~~

16 ~~(5)~~[\(7\)](#) “Certified public accountant” or “CPA” means a person holding a ~~certificate~~ [license](#)  
17 issued under this chapter or corresponding provisions of prior law or under the accountancy act or  
18 similar law of any other state.

19 [\(8\) “CPA Exam” means the Uniform Certified Public Accountant Examination](#)  
20 [administered by the AICPA and NASBA.](#)

21 ~~(6)~~[\(9\)](#) “Compilation” means providing a service to be performed in accordance with the  
22 Statement on Standards for Accounting and Review Services (SSARS), as adopted by the ~~American~~  
23 ~~Institute of Certified Public Accountants~~ [AICPA](#), that is presenting in the form of financial  
24 statements, information that is the representation of management without undertaking to express  
25 any assurance on the statements.

26 ~~(7)~~[\(10\)](#) “Entity” includes a general partnership, limited-liability company, limited-liability  
27 partnership, corporation, sole proprietor, trust, ~~and~~ joint venture [and other professional business](#)  
28 [structures.](#)

29 ~~(8) “Good moral character” for purposes of this section, means lack of a history of~~  
30 ~~dishonest or felonious acts.~~

31 [\(11\) “License” means the license issued under this chapter to a certified public accountant](#)  
32 [and the permit issued under this chapter to a public accountant.](#)

33 ~~(9)~~[\(12\)](#) “Licensee” means the holder of a certificate, [license](#) authority, or permit issued  
34 under this chapter or under the prior laws of this state.

1           ~~(10)~~(13) “Majority” refers to more than fifty percent (50%) ownership in terms of financial  
2 interests and voting rights.

3           (14) “NASBA” means the National Association of State Boards of Accountancy.

4           (15) “PCAOB” means the Public Company Accounting Oversight Board.

5           ~~(11)~~(16) “Peer review” means a study, appraisal, or review of one or more aspects of the  
6 professional work of a practice unit engaged in the practice of public accountancy in this state, by  
7 a licensee or licensees who are not affiliated with the practice unit being reviewed.

8           ~~(12) “Permit” means a permit to practice public accountancy issued under § 5-3.1-7, § 5-~~  
9 ~~3.1-8, or § 5-3.1-9, or under corresponding provisions of prior law, or under corresponding~~  
10 ~~provisions of the law of any other state.~~

11           (17) “Post-baccalaureate degree” means a master’s degree, doctor of philosophy (Ph.D),  
12 juris doctor (J.D.) or other graduate degree awarded by a college or university for completion of a  
13 course of study.

14           ~~(13)~~(18) “Practice of (or practicing) public accounting or accountancy” means the  
15 performance of, or the offering to perform, in an independent posture, for a client or potential client,  
16 one or more kinds of services involving the use of accounting or auditing skills, in connection with  
17 the issuance of reports as defined in subsection ~~(17)~~(23).

18           ~~(14)~~(19) “Practice unit” OR “CPA Firm” means a sole proprietorship, corporation, general  
19 partnership, limited-liability company, limited-liability partnership, or other entity engaged in the  
20 practice of public accounting in this state. For the purpose of this chapter, the office of the auditor  
21 general is considered a practice unit.

22           (20) “Practice unit permit” means a permit issued to a practice unit engaged in the practice  
23 of public accounting in this state.

24           ~~(15)~~(21) “Principal ~~residence~~ place of business” means the ~~state in which a person has the~~  
25 ~~right to register to vote for, or the right to vote in, general elections and in which he or she qualifies~~  
26 ~~to file a resident state income tax return~~ office location designated by the licensee for purposes of  
27 mobility practice privileges and reciprocity.

28           ~~(16)~~(22) “Public accountant” or “PA” means a person holding an authority as a public  
29 accountant issued under the prior laws of this state.

30           ~~(17)~~(23) “Report” means an opinion, report, or other form of language that states or implies  
31 assurance as to the reliability of the attested information or compiled financial statements and that  
32 also includes, or is accompanied by, a statement or implication that the person or practice unit  
33 issuing the financial statements has special knowledge or competence in accounting or auditing. A  
34 statement or implication of special knowledge or competence may arise from use by the issuer of

1 the report of names or titles indicating that the issuer is an accountant or auditor, or from the  
2 language of the report itself. The term “report” includes any form of language that disclaims an  
3 opinion when that language is conventionally understood to imply any positive assurance as to the  
4 reliability of the attested information or compiled financial statements referred to and/or any special  
5 competence on the part of the person or practice unit issuing that language; and it also includes any  
6 other form of language that is conventionally understood to imply that assurance and/or special  
7 knowledge or competence.

8 ~~(18)~~(24) “State” means ~~the states~~ any states of the United States, the District of Columbia,  
9 Puerto Rico, Guam, ~~and~~ the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana  
10 Islands. The term “this state” means the state of Rhode Island.

11 ~~(19)~~(25) “Substantial equivalency” means a determination by the board of accountancy  
12 that the education, examination, and experience requirements contained in the statutes and  
13 administrative rules of another state or foreign jurisdiction are comparable to or exceed the  
14 education, examination, and experience requirements ~~included in this chapter~~ in the Uniform  
15 Accountancy Act or that an individual CPA’s education, examination, and experience  
16 qualifications are comparable to or exceed the education, examination, and experience  
17 requirements contained in ~~this chapter~~ the Uniform Accountancy Act. In ascertaining substantial  
18 equivalency as used in this chapter, the board shall take into account the qualifications without  
19 regard to the sequence in which experience, education, or examination requirements were attained.

20 **5-3.1-4. Board of accountancy.**

21 (a) There is created a board of accountancy in and for the state of Rhode Island, to be  
22 known as the Rhode Island board of accountancy. The board shall consist of five (5) members. All  
23 members shall be appointed by the governor. Membership of the board shall consist of ~~three (3)~~  
24 four (4) members who hold ~~certificates and valid permits~~ active licenses to practice as certified  
25 public accountants in this state and who are in public practice as certified public accountants in this  
26 state, ~~and one member who holds an authority and a valid permit to practice as a public accountant~~  
27 ~~in this state unless the governor shall not be able to find a qualified appointee within the class of~~  
28 ~~public accountants at which time the governor shall appoint a certified public accountant~~. All four  
29 (4) of those members shall have at least ten (10) years’ experience in a full-time practice of public  
30 accountancy. The fifth member shall be from the public sector and shall have professional or  
31 practical experience in the use of accounting services and financial statements as to be qualified to  
32 evaluate whether the qualifications, activities, and professional practice of those persons and firms  
33 regulated under this chapter conform with the standards established to protect the public interest.  
34 The board member from the public sector shall be designated as the public’s member to the board

1 for the term of service appointed. Except as provided, the term of the members of the board shall  
2 be five (5) years. No member of the board shall be associated in the practice of accountancy, either  
3 individually or as a member of a firm, with any other member of the board. The members of the  
4 Rhode Island board of accountancy appointed and serving under prior law on July 1, 1995, shall  
5 serve out the terms for which they were originally appointed as members of the board created by  
6 this section. Vacancies occurring during any term shall be filled by appointment by the governor  
7 for the unexpired term. Upon the expiration of ~~his or her~~ their term of office, a member shall  
8 continue to serve until ~~his or her~~ their successor has been appointed and has assumed office. The  
9 governor shall remove from the board any member whose ~~certificate, authority, or permit~~ license  
10 has been revoked, suspended, or not renewed. No person who has served two (2) consecutive,  
11 complete terms is eligible for reappointment. Serving the remainder of an unexpired term upon  
12 appointment by the governor to fill a vacancy on the board shall not be considered as serving a  
13 complete term.

14 (b) The board shall elect annually from among its members a chairperson and any other  
15 officers that it deems appropriate. The board shall meet at any times and places that are fixed by  
16 the board and in any event shall meet no less than four (4) times each year. Three (3) members of  
17 the board shall constitute a quorum for the transaction of business. The board shall have a seal  
18 which shall be judicially noticed. The board shall retain or arrange for the retention of all  
19 applications and documents under oath that are filed with the board, and shall maintain a registry  
20 of the names and addresses of all licensees. The board shall keep records of its proceedings, and in  
21 any proceeding in court, civil or criminal, arising out of, or founded upon, any provision of this  
22 chapter, copies of the records certified as correct under the seal of the board are admissible in  
23 evidence.

24 (c) Each member of the board shall be reimbursed for actual and necessary expenses  
25 incurred in the discharge of those duties, but shall not receive compensation for their services on  
26 the board.

27 (d) All fees and monies derived under the provisions of this chapter shall be paid to, and  
28 received by, the general treasurer of the state of Rhode Island, who shall keep the monies in a  
29 restricted receipt account. All monies in the restricted receipt account shall be used to reimburse  
30 the board for expenses incurred in the administration and enforcement of this chapter. ~~The board~~  
31 ~~treasurer is authorized and directed to draw orders upon the general treasurer for payment from the~~  
32 ~~restricted receipt account upon receipt by the board treasurer of vouchers authenticated by the~~  
33 ~~chairperson, vice chairperson, or secretary of the board.~~

34 (e) The board shall maintain on its website an annual report of its activities with the

1 governor and the general assembly of this state. The report shall include, but not be limited to, a  
2 statement of all receipts and disbursements and a listing of all current licensees.

3 (f) The board shall prescribe any rules and regulations not inconsistent with the provisions  
4 of this chapter that it deems consistent with, or required by, the public welfare and policy  
5 established in § 5-3.1-2. Those rules and regulations may include:

6 (1) Rules and regulations of procedure for governing the conduct of matters before the  
7 board;

8 (2) Rules and regulations of professional conduct for establishing and maintaining high  
9 standards of competence and integrity in the profession of public accounting;

10 (3) Rules and regulations governing educational and experience requirements for the  
11 issuance of ~~certificates~~ licenses;

12 (4) Rules and regulations establishing requirements for continuing education to promote  
13 the professional competence of holders of permits, which the board may require those holders to  
14 meet as a condition of their continuing in the practice of public accounting;

15 (5) Rules and regulations governing practice units engaged in the practice of public  
16 accounting, including, but not limited to, rules and regulations concerning the style, name, title,  
17 and affiliation with any other organization, and establishing reasonable standards as to professional  
18 liability insurance;

19 (6) Rules and regulations for reviewing and monitoring professional performance and  
20 conducting peer reviews;

21 (7) Any other rules and regulations that the board deems necessary or appropriate in  
22 exercising its functions under this chapter.

23 (g) The promulgation of any rule, regulation, or amendment to it under subsection (f) of  
24 this section, or under any other provision of this chapter, shall be in accordance with § 42-35-3.

25 (h) The board may employ or utilize any personnel and arrange for or accept any assistance,  
26 legal or otherwise, that it requires for the performance of its duties. It may also establish one or  
27 more advisory committees as it deems necessary in the performance of its duties. The authority and  
28 term of that advisory committee may be permanent or temporary in nature as determined by the  
29 board.

30 (i) In addition to its rulemaking authority, the board has the power to take all action that is  
31 necessary and proper to effectuate the purposes of this chapter, including the power to:

32 (1) Sue and be sued in its official name as an agency of this state;

33 (2) Investigate all complaints and charges of unprofessional conduct, including, but not  
34 limited to, conduct specified under § 5-3.1-12, against any licensee or any applicant for a ~~certificate~~

1 [license](#) or permit, and to hold hearings, in accordance with the provisions of § 5-3.1-14, to  
2 determine whether those complaints and charges are substantiated;

3 (3) Appoint one or more members of the board, legal counsel, and/or an independent  
4 investigator to act on behalf of the board in investigating the conduct of any licensee, or of any  
5 applicant for a ~~certificate~~ [licenses](#) or permit, or, in the alternative, to appoint a probable-cause  
6 committee to investigate that conduct on its behalf, the committee to be comprised of licensees in  
7 good standing, as the board determines; and

8 (4) Issue subpoenas, administer oaths, and summon and examine witnesses in connection  
9 with any investigation conducted under authority of this chapter. If a subpoena is disobeyed, the  
10 board may invoke the aid of any court of competent jurisdiction in this state to require the  
11 attendance and testimony of witnesses and the production of documentary evidence.

12 (j) The board and its members and agents are immune from personal liability for actions  
13 taken in good faith in the discharge of the board's responsibilities, and the state of Rhode Island  
14 shall indemnify the board and those members and agents for, and hold them harmless from, any  
15 and all costs, damages, and reasonable attorney's fees arising from, or related in any way, to claims  
16 or actions against them as to matters to which the immunity applies.

17 (k) The board shall adopt rules and regulations to implement ~~substantial equivalency~~  
18 [individual mobility practice privileges](#) as set forth in ~~§ 5-3.1-7(g)~~ [§ 5-3.1-5\(f\)](#).

19 **5-3.1-5. ~~Certified public accountants~~ General requirements for certified public**  
20 **accountants licensure.**

21 (a) [Application for a CPA license, initial or reciprocal, shall be made as instructed by the](#)  
22 [board and include payment of the required fee, as determined by the board by rule or regulation.](#)  
23 ~~Upon application for a certificate and payment of the required fee, the board shall issue a certificate~~  
24 ~~to any person who:~~

25 [\(b\) To be eligible for initial licensure as a CPA in this state, an applicant shall satisfy all](#)  
26 [applicable requirements of this chapter, and demonstrate eligibility for CPA licensure through one](#)  
27 [of the following pathways:](#)

28 ~~(1) Is of good moral character;~~

29 ~~(2) Has a principal residence in Rhode Island as defined in § 5-3.1-3 or a primary place of~~  
30 ~~employment in Rhode Island;~~

31 [\(1\) A post-baccalaureate degree, conferred by a college or university acceptable to the](#)  
32 [board, the total educational program to include an accounting concentration or equivalent and](#)  
33 [courses in any related subjects that the board determines to be appropriate; evidence of passing](#)  
34 [scores on the CPA exam; and one year of experience in providing any type of service or advice](#)

1 involving the use of accounting, attest, management advisory, financial advisory, tax, or consulting  
2 skills, all of which were verified by a licensee, meeting requirements prescribed by the board by  
3 rule.

4 ~~(3)~~(2) ~~Has received a~~ A baccalaureate degree and completion of an additional thirty (30)  
5 semester credit hours both conferred by ~~from~~ a college or university acceptable to the board, the  
6 total educational program of which includes an accounting concentration or its equivalent and  
7 courses in any related subjects that the board determines to be appropriate; evidence of passing  
8 scores on the CPA exam; and one year of experience in providing any type of service or advice  
9 involving the use of accounting, attest, management advisory, financial advisory, tax, or consulting  
10 skills, all of which were verified by a licensee, meeting requirements prescribed by the board by  
11 rule.

12 (3) A baccalaureate degree conferred by a college or university acceptable to the board, the  
13 total educational program of which includes an accounting concentration or its equivalent and  
14 courses in any related subjects that the board determines to be appropriate; evidence of passing  
15 scores on the CPA exam; and two (2) years of experience in providing any type of service or advice  
16 involving the use of accounting, attest, management advisory, financial advisory, tax, or consulting  
17 skills, all of which were verified by a licensee, meeting requirements prescribed by the board by  
18 rule.

19 ~~provided, the education requirement for a certificate shall be at least one hundred fifty (150)~~  
20 ~~semester hours of college education, including a baccalaureate or higher degree conferred by a~~  
21 ~~college or university acceptable to the board, the total educational program of which includes an~~  
22 ~~accounting concentration or equivalent as determined by board rule to be appropriate; provided,~~  
23 ~~that a candidate who has not met the one hundred fifty hour (150) education requirement may sit~~  
24 ~~for an examination if the candidate has, at the time of the examination, completed not less than one~~  
25 ~~hundred twenty (120) semester hours of education, provided that such candidate who successfully~~  
26 ~~passes the examination will not be eligible to receive a certificate until the applicant completes the~~  
27 ~~one hundred fifty hour (150) education requirement and the experience requirement;~~

28 ~~(4) Has passed examinations in accounting and auditing and any related subjects that the~~  
29 ~~board deems appropriate and specifies by rule;~~

30 ~~(5) Has one year of experience in providing any type of service or advice involving the use~~  
31 ~~of accounting, attest, management advisory, financial advisory, tax, or consulting skills, all of~~  
32 ~~which were verified by a licensee, meeting requirements prescribed by the board by rule. This~~  
33 ~~experience would be acceptable if it was gained through employment in government, industry,~~  
34 ~~academia, or public practice. After December 31, 1999, the person must also have completed one~~

1 ~~hundred fifty (150) hours or received a master's or doctorate degree in accounting, business~~  
2 ~~administration, or other related curriculum from a college or university recognized by the board;~~  
3 ~~and have satisfactorily completed any number of semester hours in accounting, auditing, and other~~  
4 ~~business courses that are prescribed by board rules and regulations; and~~

5 ~~(6) If an out-of-state individual:~~

6 ~~(i) Has passed all parts of the uniform certified public accountant examination in another~~  
7 ~~jurisdiction, but has not received a certificate or similar certification in that jurisdiction;~~

8 ~~(ii) Has established a principal residence in Rhode Island or a primary place of employment~~  
9 ~~in Rhode Island preparatory to seeking a certificate from this state;~~

10 ~~(iii) Has complied with the longer of:~~

11 ~~(A) The experience requirement in the jurisdiction in which the uniform examination was~~  
12 ~~taken; or~~

13 ~~(B) The Rhode Island experience requirement;~~

14 ~~(iv) Has complied with the educational requirements under subsection (a)(3); and~~

15 ~~(v) Has satisfactorily complied with any other requirements that the board by rule or~~  
16 ~~regulation reasonably determines to be appropriate.~~

17 ~~(b) The board, in its discretion, may accept the educational credits of any person who is a~~  
18 ~~candidate for a certificate if it is satisfied, by appropriate means of evaluation, that the credits are~~  
19 ~~an acceptable substitute for the credit requirements of subsection (a)(3). The board, in its discretion,~~  
20 ~~may waive the residency or primary place of employment requirements relating to the issuance of~~  
21 ~~a certificate as stated in subsections (a)(2) and (a)(6).~~

22 ~~The examinations described in subsection (a)(4) are held by the board and shall take place as often~~  
23 ~~as the board determines to be desirable, but in any event not less frequently than once each year.~~

24 ~~The board shall prescribe by rule the procedures to be followed in applying for and conducting the~~  
25 ~~examinations and the methods to be used in grading the examinations and determining a passing~~  
26 ~~grade.~~

27 ~~(c) Examination requirement~~

28 ~~(1) In situations where a candidate is enrolled in a dual degree program, and the~~  
29 ~~baccalaureate degree is conferred at or after the completion of the master's degree, the candidate is~~  
30 ~~eligible to sit for the CPA exam upon completion of the baccalaureate degree requirements~~  
31 ~~including the accounting concentration or equivalent and courses in any related subjects that the~~  
32 ~~board determines to be appropriate. However, that candidate will not be eligible to receive a license~~  
33 ~~until they pass the CPA exam and complete all applicable education and experience requirements~~  
34 ~~set forth in this section.~~

1 (2) The board may make use of any or all parts of the ~~uniform certified public accountant~~  
2 ~~examination~~ CPA Exam and advisory grading service provided by the ~~American Institute of~~  
3 ~~Certified Public Accountants~~ AICPA and NASBA, and may contract with third parties to perform  
4 any administrative services with respect to the examinations that the board deems appropriate to  
5 assist it in performing its duties under this section. The board shall prescribe by rule the methods  
6 of applying for and conducting the examination, the required content of the exam, which sections  
7 are required, the setting and payment of fees, methods for grading and determining a passing grade,  
8 and penalties for anyone found to have cheated on any part of a CPA exam.

9 ~~(d) The board may, by rule or regulation, provide for the granting of credit to a candidate~~  
10 ~~for the satisfactory completion by the candidate of an examination, in any one or more of the~~  
11 ~~subjects referred to in subsection (a)(4), that is given by the licensing authority in any other state.~~  
12 ~~Any rules and regulations shall include the requirement that any examination approved as a basis~~  
13 ~~for the granting of credit is, in the judgment of the board at the time of the granting of the credit, at~~  
14 ~~least as thorough as the most recent examination given by the board in the subject or subjects tested.~~  
15 ~~The board may also, by rule or regulation, prescribe terms and conditions under which a candidate~~  
16 ~~who passes the examination in one or more of the subjects referred to in subsection (a)(4) may be~~  
17 ~~reexamined in the remaining subjects, with credit given for the subjects previously passed. It also~~  
18 ~~may provide by rule or regulation for a reasonable waiting period for a candidate's reexamination~~  
19 ~~in a subject previously failed. Subject to the preceding and to any other rules and regulations that~~  
20 ~~the board may adopt governing reexaminations, a candidate is entitled to any number of~~  
21 ~~reexaminations. Except as the board may provide by a rule or regulation in order to prevent what it~~  
22 ~~determines to be undue hardship to candidates, a candidate granted credit for satisfactory~~  
23 ~~examination in any one or more of the subjects referred to in subsection (a)(4) shall have met the~~  
24 ~~educational requirement of subsection (a)(3) or (a)(5) of this section in effect on the date of the~~  
25 ~~examination by which the candidate successfully completes the examination under subsection~~  
26 ~~(a)(4).~~

27 ~~(e) The board shall charge each candidate for a certificate a fee for the initial examination~~  
28 ~~under subsection (a), for reexamination under subsection (d) for each subject in which the candidate~~  
29 ~~is reexamined, and for evaluation of a candidate's educational qualifications under subsection (b).~~  
30 ~~The applicable fee shall be paid by the candidate at the time of application for the examination,~~  
31 ~~reexamination, or evaluation. Fees for examination, reexamination, and evaluation of educational~~  
32 ~~qualifications shall be determined by the board and prescribed in the rules and regulations issued~~  
33 ~~by the board. The liability of the board to a candidate taking an examination or reexamination is~~  
34 ~~limited to the amount of the fee received for the examination.~~

1           ~~(f) Persons who on July 1, 1995, hold a certificate issued under the laws of this state prior~~  
2 ~~to that date are not required to obtain an additional certificate under this chapter, but are subject to~~  
3 ~~all the provisions of this chapter; the certificate previously issued is, for all purposes, considered a~~  
4 ~~certificate issued under this chapter and subject to the provisions of this chapter. Reinstatement~~  
5 ~~power is vested in the board as to those certificates suspended or revoked prior to July 1, 1995, and~~  
6 ~~the holder of those certificates may have them reissued upon application for reissuance in~~  
7 ~~accordance with § 5-3.1-15. Persons holding certificates on July 1, 1995, who are estopped from~~  
8 ~~obtaining a permit under government employment restrictions may apply for a permit under § 5-~~  
9 ~~3.1-7 within one year following termination of that employment, and upon obtaining the permit~~  
10 ~~may engage in the practice of public accounting in this state as a certified public accountant subject~~  
11 ~~to the provisions of this chapter.~~

12           ~~(g)(1)(d) The board shall, upon application for a certificate and payment of a fee to be~~  
13 ~~determined by the board and promulgated by rule or regulation, issue a certificate to a holder of a~~  
14 ~~certificate issued by another state, provided that:~~ Reciprocal licensure: A CPA who holds a valid  
15 license in good standing issued by another state and who desires to practice in this state may qualify  
16 for reciprocity as follows:

17           (1) Meeting the individual mobility practice privilege requirements set forth in subsection  
18 (f) of this section; or

19           (2) If the applicant does not qualify for reciprocity under subsection (f) of this section, the  
20 applicant must submit an application that includes evidence of:

21           (i) Passing the CPA exam;

22           (ii) After passing the CPA exam and within ten (10) years immediately preceding the  
23 application, having at least four (4) years of experience in providing any type of service or advice  
24 involving the use of accounting, attest, management advisory, financial advisory, tax, or consulting  
25 skills, all of which were verified by a licensee, meeting requirements prescribed by the board by  
26 rule; and

27           (iii) If the applicant's license in another state was issued more than four (4) years prior to  
28 the application for issuance of a license under this section, evidence that the applicant has fulfilled  
29 the requirements of continuing professional education that would have been applicable under § 5-  
30 3.1-7.

31           (3) A CPA licensed by another state who established their principal place of business in  
32 this state shall apply for a CPA license in this state prior to establishing such principal place of  
33 business.

34           ~~(i) The applicant meets all current requirements in this state at the time application is made;~~

1 and

2 ~~(ii) At the time of the issuance of the applicant's certificate in the other state, the applicant~~  
3 ~~met all requirements then applicable in this state unless reciprocity is allowed under the substantial~~  
4 ~~equivalency standard in § 5-3.1-7.~~

5 ~~(2) If the holder of a certificate issued by another state meets all current requirements in~~  
6 ~~this state except the educational or experience requirements of this state as prescribed in this~~  
7 ~~section, or passed the examination under different credit provisions then applicable in this state, the~~  
8 ~~board shall issue a certificate to the applicant upon application for the certificate and upon payment~~  
9 ~~of the required fee, provided that:~~

10 ~~(i) The applicant has four (4) years of experience of the type described in subsection (a)(5)~~  
11 ~~or meets comparable requirements prescribed by the board by rule within the ten (10) years~~  
12 ~~immediately prior to the application; or~~

13 ~~(ii) The applicant has five (5) years of experience in the practice of public accountancy~~  
14 ~~over a longer or earlier period and has completed fifteen (15) current semester hours of accounting,~~  
15 ~~auditing, and any other related subject that the board specifies by rule, at an accredited institution,~~  
16 ~~and has one year of current experience in the practice of public accountancy.~~

17 ~~(h)(4)~~ An applicant for issuance of a ~~certificate under this section~~ license by reciprocity  
18 shall list in the application all other states in which the applicant has applied for or holds a ~~certificate~~  
19 license. Each applicant for or holder of a ~~certificate~~ license issued under this section shall, within  
20 thirty (30) days of the occurrence of that event, notify the board, in writing, of the issuance, denial,  
21 revocation, or suspension of a ~~certificate~~ license by any other state, or of the commencement of a  
22 disciplinary or enforcement action against the applicant or holder by any other state.

23 (e) Submission of an application for a license by any person who is not a resident of this  
24 state, constitutes the appointment of the secretary of state as an agent for the applicant for service  
25 of process in any action or proceeding arising out of any transaction or operation connected with  
26 or incidental to the practice of public accounting in this state by the applicant.

27 (f) Individual mobility practice privilege:

28 (1) Notwithstanding any other provision of law, an individual who holds a valid license in  
29 good standing as a CPA from any state and whose principal place of business is not in this state,  
30 who offers or renders professional services in this state, whether in person, by mail, telephone, or  
31 electronic means, shall be granted practice privileges in this state and no notice, fee, or other  
32 submission shall be required from any such individual, provided that:

33 (i) At the time of initial licensure, such individual was required to show evidence of having  
34 met the requirements of one of the three (3) pathways set forth in subsection (b) of this section; or

1 (ii) Such individual held an active license as a CPA in good standing from any state as of  
2 December 31, 2024, and as of such date, had practice privileges in this state.

3 (2) Any individual licensee of another state exercising the privilege afforded under this  
4 subsection and the CPA firm that employs that licensee hereby simultaneously consent, as a  
5 condition of the granting of this privilege:

6 (i) To the personal and subject-matter jurisdiction and disciplinary authority of the board;

7 (ii) To comply with this chapter and the board's rules;

8 (iii) That, in the event the license from the state of the individual's principal place of  
9 business is no longer valid, the individual will cease offering or rendering professional services in  
10 this state individually and on behalf of a CPA firm; and

11 (iv) To the appointment of the board that issued their license as their agent upon whom  
12 process may be served in any action or proceeding by this board against the licensee.

13 (3) A licensee of this state offering or rendering services or using their CPA title in another  
14 state shall be subject to disciplinary action in this state for an act committed in another state for  
15 which the licensee would be subject to discipline for an act committed in the other state.

16 (4) An individual who has been granted practice privileges under this subsection who  
17 performs any attest and/or compilation service as defined in § 5-3.1-3 may only do so through a  
18 CPA Firm which meets the requirements of § 5-3.1-9.

19 (5) The board may rely on the NASBA National Qualification Appraisal Service to  
20 determine which other jurisdictions licensees' or individuals may be eligible for individual mobility  
21 practice privilege in this state.

22 ~~(g)~~ In accordance with § 28-5.1-14, The the board may refuse to grant a ~~certificate on~~  
23 ~~the grounds of failure to satisfy the good moral character requirement only~~ license based upon a  
24 history of dishonest or felonious acts, or disciplinary actions by another state or federal agency if  
25 there is a substantial connection between the ~~lack of good moral character of the applicant~~ prior  
26 criminal or administrative disciplinary history of the applicant and the professional responsibilities  
27 of a licensee as determined by the board, and if the finding by the board of lack of good moral  
28 ~~character is supported by clear and convincing evidence.~~ When an applicant is found to be  
29 unqualified for a ~~certificate because of lack of good moral character~~ license under this section, the  
30 board shall furnish the applicant a statement containing the findings of the board, a complete record  
31 of the evidence upon which the determination was based, and a notice of the applicant's right ~~of~~  
32 appeal to request a hearing on the refusal to grant a license.

33 **5-3.1-7. Permits for public accountants and certified public accountants License term,**  
34 **fees, continuing education requirements, and renewals.**

1           (a) ~~Annual permits to engage in the practice of public accounting in this state shall be issued~~  
2 ~~by the board, upon application for the permit and payment of the required fee, to certified public~~  
3 ~~accountants qualified under § 5-3.1-5 or eligible under the substantial equivalency standard set out~~  
4 ~~in subsection (g), and to public accountants qualified under § 5-3.1-6. Effective January 1, 2009,~~  
5 ~~all permits~~ All licenses issued by the board shall be valid for a period of three (3) years and shall  
6 expire upon the last day of June of the year in which the permit license is scheduled to expire. ~~To~~  
7 ~~transition existing licensees to a three-year (3) licensing cycle, the board shall have the authority~~  
8 ~~and discretion in 2008 to issue permits under this section that are valid for one, two (2), or three (3)~~  
9 ~~years. All such permits issued during 2008 shall expire upon the last day of June of the year in~~  
10 ~~which the permit is scheduled to expire. The board's authority to issue permits valid for one or two~~  
11 ~~(2) years shall cease as of December 31, 2008.~~

12           (b) ~~A certified public accountant who holds a permit issued by another state and who~~  
13 ~~desires to practice in this state shall apply for a permit in this state if that person does not qualify~~  
14 ~~for reciprocity under the substantial equivalency standard set out in subsection (g). Upon the date~~  
15 ~~of filing the completed application with the board, the applicant is deemed qualified to practice,~~  
16 ~~and may practice, public accounting in this state pending board review of the application; provided,~~  
17 ~~that the applicant meets all other applicable requirements under this chapter. Submission of the~~  
18 ~~application constitutes the appointment of the secretary of state as an agent for the applicant for~~  
19 ~~service of process in any action or proceeding arising out of any transaction or operation connected~~  
20 ~~with or incidental to the practice of public accounting in this state by the applicant.~~

21           ~~(e)~~(b) Applications for renewal of a permit license under this section shall be submitted to  
22 the board, ~~by February 15 of the year in which the permit is scheduled to expire~~ in accordance with  
23 the board's instructions and regulations, and shall be accompanied by evidence that the applicant  
24 has satisfied the continuing professional education requirements promulgated by board regulation.  
25 That evidence shall be in a form that the board requires. Failure to furnish that evidence constitutes  
26 grounds for refusal to renew the permit license unless the board in its discretion determines that the  
27 failure was due to reasonable cause or excusable neglect.

28           ~~(d)~~(c) Applications for renewal of a permit license under this section shall also identify any  
29 practice unit with which the applicant is affiliated. In the event the practice unit fails to comply  
30 with § 5-3.1-9 or § 5-3.1-10, the board may refuse to renew the applicant's individual permit license  
31 if the board determines that the applicant was personally and substantially responsible for the  
32 failure of the practice unit to meet the requirements of §§ 5-3.1-9 and 5-3.1-10.

33           ~~(e)~~(d) All applicants for a permit license under this ~~section~~ chapter shall list in the  
34 application all other states in which the applicant has applied for or holds a permit license to

1 practice. Each applicant for, or holder of, a permit license issued under this ~~section~~ chapter, ~~or and~~  
2 any individual who has entered the state under the provisions of ~~substantial equivalency~~ individual  
3 mobility practice privileges pursuant to § 5-3.1-5(f), shall, within thirty (30) days of the occurrence  
4 of the event, notify the board in writing:

5 (1) Of the issuance, denial, revocation, or suspension of any certificate, license, degree, or  
6 permit by any other state; or

7 (2) Of the commencement of any disciplinary or enforcement action against the applicant,  
8 holder, or individual by any other state.

9 ~~(f)~~(e) Fees for the issuance and renewal of ~~permits~~ licenses under this section shall be  
10 established from time to time by the board. In no case shall the three-year (3) renewal fee be less  
11 than three hundred seventy-five dollars (\$375). The required fee shall be paid by the applicant at  
12 the time the application is filed with the board.

13 ~~(g) Substantial equivalency.~~

14 ~~(1) An individual having a valid certificate or license as a certified public accountant from~~  
15 ~~any state whose licensure requirements are determined to be substantially equivalent with the~~  
16 ~~conditions of this section shall have all the privileges of certificate holders and licensees of this~~  
17 ~~state without the need to obtain a certificate or permit from this state under this section as long as~~  
18 ~~the conditions of this section are met. The individual must have one year or more of experience.~~  
19 ~~This experience shall include providing any type of service or advice involving the use of~~  
20 ~~accounting, attest, management advisory, financial advisory, tax, or consulting skills all of which~~  
21 ~~was verified by a licensee, meeting requirements prescribed by the board by rule. This experience~~  
22 ~~is acceptable if it was gained through employment in government, industry, academia, or public~~  
23 ~~practice. Notwithstanding any other provision of law, an individual who offers or renders~~  
24 ~~professional services, whether in person, by mail, telephone, or electronic means, under this section~~  
25 ~~shall be granted practice privileges in this state and no notice or other submission shall be provided~~  
26 ~~by any such individual. Such an individual shall be subject to the requirements in subsection (g)(3).~~  
27 ~~If this individual is responsible for supervising attest services and signs or authorizes another~~  
28 ~~licensee to sign the accountant's report on the financial statements on behalf of the firm, this~~  
29 ~~individual shall meet the experience requirements set out in the professional standards for such~~  
30 ~~services. If this individual is responsible for signing or authorizing another licensee to sign the~~  
31 ~~accountant's report on the financial statements on behalf of the firm, this individual shall meet the~~  
32 ~~experience requirements set out in the professional standards for such services. The board may use~~  
33 ~~the NASBA National Qualification Appraisal Service to determine which other states have~~  
34 ~~substantial equivalence with this chapter.~~

1 ~~(2) An individual who holds a valid certificate or license as a certified public accountant~~  
2 ~~from any state that the NASBA National Qualification Appraisal Service has not verified to be in~~  
3 ~~substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform~~  
4 ~~Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's~~  
5 ~~requirements and shall have all the privileges of certificate holders and licenses of this state without~~  
6 ~~the need to obtain a certificate or permit under this section if such individual obtains from the~~  
7 ~~NASBA National Qualification Appraisal Service verification that such individual's CPA~~  
8 ~~qualifications are substantially equivalent to the CPA licensure requirements of the~~  
9 ~~AICPA/NASBA Uniform Accountancy Act. Any individual who passed the Uniform CPA~~  
10 ~~Examination and holds a valid license issued by any other state prior to January 1, 2012, may be~~  
11 ~~exempt from the education requirement in § 5-3.1-5(a)(3) for purposes of this section.~~

12 ~~(3) Any individual licensee of another state exercising the privilege afforded under this~~  
13 ~~section and the CPA firm that employs that licensee hereby simultaneously consents, as a condition~~  
14 ~~of the granting of this privilege:~~

15 ~~(i) To the personal and subject matter jurisdiction and disciplinary authority of the board;~~

16 ~~(ii) To comply with this chapter and the board's rules;~~

17 ~~(iii) That, in the event the certificate or license from the state of the individual's principal~~  
18 ~~place of business is no longer valid, the individual will cease offering or rendering professional~~  
19 ~~services in this state individually and on behalf of a CPA firm; and~~

20 ~~(iv) To the appointment of the board that issued their license as their agent upon whom~~  
21 ~~process may be served in any action or proceeding by this board against the licensee.~~

22 ~~(4) A licensee of this state offering or rendering services or using their CPA title in another~~  
23 ~~state shall be subject to disciplinary action in this state for an act committed in another state for~~  
24 ~~which the licensee would be subject to discipline for an act committed in the other state.~~

25 ~~**5-3.1-8. Permits for accountants licensed by foreign countries**~~ **Licenses for**  
26 **accountants licensed by foreign countries.**

27 (a) ~~An annual limited permit to engage in the practice of public accounting in this state~~ [A](#)  
28 [CPA license](#) may be issued by the board, upon application for the ~~permit~~ [license](#) and payment of  
29 the required fee, to any person who is the holder of a ~~certificate, license, or degree from a foreign~~  
30 ~~country constituting a recognized qualification for the practice of public accounting in that country~~  
31 [substantially equivalent foreign designation](#), provided that:

32 [\(1\) The board determines that the foreign designation:](#)

33 [\(i\) Was duly issued by a foreign authority that regulates the practice of public accountancy,](#)  
34 [and the foreign designation has not expired or been revoked or suspended;](#)

1 (ii) Entitles the holder to issue reports upon financial statements; and  
2 (iii) Was issued upon the basis of education, examination and experience requirements as  
3 established by the foreign authority or by law;

4 (2) The applicant:

5 (i) Received the designation, based on educational and examination standards substantially  
6 equivalent to those in effect in this state, at the time the foreign designation was granted;

7 (ii) Completed an experience requirement, substantially equivalent to the requirement set  
8 out in § 5-3.1-5, in the jurisdiction which granted the foreign designation or has completed four (4)  
9 years of professional experience in this state; or meets equivalent requirements prescribed by the  
10 board by rule, within the ten (10) years immediately preceding the application; and

11 (iii) Passed a uniform qualifying examination in national standards and an examination on  
12 the laws, regulations and code of ethical conduct in effect in this state as prescribed by the board  
13 by rule.

14 (3) In making its determination regarding compliance with this section, the board may rely  
15 on the recommendations of the International Qualifications Appraisal Board jointly established by  
16 NASBA and AICPA to evaluate whether a foreign designation is substantially equivalent to the  
17 credentialing standards used in the United States.

18 ~~(1) The board determines that the requirements for obtaining the certificate, license, or~~  
19 ~~degree are substantially equivalent to those prescribed under this chapter for obtaining a certificate~~  
20 ~~in this state; (2) The certificate, license, or degree at the time of application is then in full force and~~  
21 ~~effect; and (3) The applicant meets all other requirements under this section.~~

22 (4) In the event the board determines that the requirements for obtaining the certificate,  
23 license, or degree are not substantially equivalent to those prescribed in this chapter for obtaining  
24 a certificate in this state, the board may require, as a condition to granting a permit under this  
25 section, that the applicant pass the written examinations required of candidates license, the  
26 applicant shall be required to satisfy all requirements for initial licensure for a certificate under §  
27 5-3.1-5(a)(4) § 5-3.1-5.

28 (b) Any permit license issued under this section shall be issued in the name of the applicant  
29 followed by the recognized accounting designation by which he or she is known in the country  
30 where licensed, translated into the English language, followed by the name of the country. Annual  
31 limited permits to engage in the practice of public accounting qualify the holder to practice public  
32 accounting in this state solely as to matters concerning residents, governments, and corporations or  
33 other business entities, including the divisions, subsidiaries, or any affiliates of the business entity,  
34 of the foreign country in which the holder is licensed to practice public accounting. A person who

1 ~~is issued a permit under this section, when engaging in the practice of public accounting in this~~  
2 ~~state, shall only use the title under which he or she is generally known in his or her own country,~~  
3 ~~translated into the English language and indicating after the title the name of the country from~~  
4 ~~which he or she received his or her certificate, license, or degree.~~

5 ~~(b) All annual limited permits issued under this section shall expire on the last day of June~~  
6 ~~of each year and may be renewed for a period of one year in accordance with subsection (c) of this~~  
7 ~~section. in accordance with this chapter and shall be issued subject to the same terms and conditions,~~  
8 ~~fees, renewal and continuing education requirements set forth in § 5-3.1-7.~~

9 ~~(c) Submission of the application for original issuance or renewal of an annual limited~~  
10 ~~permit a license constitutes the appointment of the secretary of state as an agent for the applicant~~  
11 ~~for service of process in any action or proceeding arising out of any transaction or operation~~  
12 ~~connected with or incidental to the practice of public accounting in this state by the applicant.~~

13 ~~(e) Applications for renewal of an annual limited permit are submitted to the board by~~  
14 ~~February 15 of each year and shall be accompanied by evidence of satisfaction of the continuing~~  
15 ~~professional education requirements promulgated by board regulation. The evidence shall be in any~~  
16 ~~form that the board requires. Failure to furnish the evidence constitutes grounds for refusal to renew~~  
17 ~~the permit unless the board in its discretion determines that the failure was due to reasonable cause~~  
18 ~~or excusable neglect. Notwithstanding the preceding, the board, in its discretion, may waive the~~  
19 ~~above continuing education requirements if:~~

20 ~~(1) The licensing authority of the foreign country in which the holder of the annual limited~~  
21 ~~permit is licensed has established requirements for continuing education for practitioners of public~~  
22 ~~accounting;~~

23 ~~(2) The applicant has filed with the board an affidavit stating that he or she is in compliance~~  
24 ~~with those continuing education requirements at the time of the application for renewal; and~~

25 ~~(3) The board determines that the continuing education requirements are substantially~~  
26 ~~equivalent to those promulgated by the board under this chapter.~~

27 ~~(d) An application for a permit license under this section shall list all other jurisdictions,~~  
28 ~~foreign and domestic in which the applicant has applied for or holds a designation, certificate,~~  
29 ~~license, or degree to practice public accountancy or a permit to practice. Each applicant for or~~  
30 ~~holder of a permit license under this section shall, within thirty (30) days of the occurrence of the~~  
31 ~~event, notify the board in writing:~~

32 ~~(1) Of the issuance, denial, revocation, or suspension of the certificate, license, degree, or~~  
33 ~~permit; or~~

34 ~~(2) Of the commencement of any disciplinary or enforcement action against the applicant~~

1 or holder by any jurisdiction.

2 (e) An applicant under this section shall ~~also list in the application the address of every~~  
3 ~~office established or maintained in this state for the limited practice of public accounting. All of~~  
4 ~~those offices shall be under the direct supervision of an accountant licensed either by this state or~~  
5 ~~by a foreign country who holds an annual limited permit to practice issued under this section, and~~  
6 ~~shall be designated by the name and title of the accountant. If applicable, the title is translated into~~  
7 ~~the English language and followed by the name of the foreign country where the accountant is~~  
8 ~~licensed. All applicants for or holders of a permit under this section shall notify the board, in~~  
9 ~~writing, within thirty (30) days of the occurrence of the event:~~

10 (1) ~~Of any change in the number or location of offices within this state required to be listed~~  
11 ~~in the application; and~~

12 (2) ~~Of any change in the identities of the persons supervising those offices.~~

13 comply with the practice unit requirements, as applicable, set forth in §§ 5-3.1-9 and 5-3.1-10.

14 (f) The board shall charge a fee to each person who makes application for original issuance  
15 or renewal of a permit license under this section. The fee shall be paid in U.S. currency at the time  
16 the application is made. Fees charged under this section shall be established by the board.

17 **5-3.1-9. Permits for practice units.**

18 (a) Permits to engage in the practice of public accounting in this state as a practice unit  
19 shall be issued by the board, upon application therefore and payment of the required fee, to an entity  
20 that demonstrates its qualifications in accordance with this chapter. ~~or to certified public accounting~~  
21 ~~firms originally licensed in another state that establish an office in this state. A practice unit must~~  
22 ~~hold a permit issued under this section in order to provide attest and compilation services as defined~~  
23 ~~or to use the title “CPAs” or “CPA firm.”~~

24 (b) The following entities must hold a permit issued under this section:

25 (1) Any firm with an office in this state performing attest or compilation services as defined  
26 in § 5-3.1-3;

27 (2) Any firm with an office in this state that uses the title “CPA” or “CPA Firm”; or

28 (3) Any firm that does not have an office in this state but offers or renders attest or  
29 compilation services, as defined in § 5-3.1-3, for clients in this state.

30 (c) A firm which is not subject to the requirements of subsection (b) of this section may  
31 perform non-attest and non-compilation professional services while using the title “CPA” or “CPA  
32 Firm” in this state without a permit issued under this section only if:

33 (1) It performs such services through an individual with individual mobility practice  
34 privileges under § 5-3.1-5(f); and

1 [\(2\) It can lawfully do so in the state where said individuals with individual mobility practice](#)  
2 [privileges have their principal place of business.](#)

3 [\(d\)](#) An applicant entity for initial issuance or renewal of a permit to practice under this  
4 section shall be required to ~~register~~ [identify](#) each office of the firm within this state with the board  
5 and to show that all attest and compilation services as defined in this chapter rendered in this state  
6 are under the charge of a person holding a valid ~~certificate~~ [license](#) issued under this chapter, or the  
7 corresponding provision of prior law or some other state.

8 ~~(b)~~[\(e\)](#) An entity shall satisfy the following requirements:

9 (1) For corporations, general partnerships, joint ventures, limited-liability partnerships, and  
10 limited-liability companies [and any entity not structured as a sole proprietorship](#):

11 (i) The principal purpose and business of the ~~partnership~~ [entity](#) must be to furnish public  
12 accounting services to the public not inconsistent with this chapter and the rules and regulations of  
13 the board;

14 (ii) A majority of the ownership of the entity, in terms of financial interests and voting  
15 rights of all partners, shareholders, or members, belongs to holders of a ~~certificate who shall hold~~  
16 ~~a certificate and a permit~~ [CPA license](#) from some state, and such partners, shareholders, or  
17 members, whose principal place of business is in this state and who perform professional services  
18 in this state, hold a valid ~~permit~~ [license](#) issued under this chapter or are public accountants  
19 registered under ~~§ 5-3.1-7~~ [this chapter](#). Although firms may include non-licensee owners, the firm  
20 and its ownership and all parties must comply with rules promulgated by the board. For firms of  
21 public accountants, a majority of the ownership of the firm, in terms of financial interests and voting  
22 rights, must belong to holders of [public accountant](#) permits [and CPA licenses](#) under [this chapter](#). ~~§~~  
23 ~~5-3.1-7, and provided, that any~~ [Any](#) such entity, as defined by this subsection, may include non-  
24 licensee owners, provided that:

25 (A) The entity designates a licensee of this state who is responsible for the proper  
26 registration of the firm and identifies that individual to the board;

27 (B) All non-licensee owners are active individual participants in the entity [or its affiliated](#)  
28 [entities](#);

29 (C) The entity complies with other requirements as the board may impose by rule;

30 (D) Any individual licensee who is responsible for supervising attest and compilation  
31 services and signs or authorizes another licensee to sign the accountant's report on the financial  
32 statements on behalf of the firm, shall meet the experience requirements as set out in professional  
33 standards for such services;

34 (E) Any individual licensee who signs or authorizes another licensee to sign the

1 accountant's report on the financial statements on behalf of the firm shall meet the experience  
2 requirement as set out in professional standards for these services;

3 (iii) At least one partner, shareholder, or member must be a certified public accountant or  
4 a public accountant holding ~~a certificate or authority under this chapter and a permit~~ [license](#) to  
5 practice in this state under ~~§ 5-3.1-7~~ [this chapter](#); and

6 (iv) The address of every office of the entity located in this state must be listed in the  
7 application for the permit.

8 (2) For a sole proprietorship:

9 (i) The principal purpose and business of the sole proprietorship must be to furnish public  
10 accounting services to the public not inconsistent with this chapter and the rules and regulations of  
11 the board;

12 (ii) The sole proprietor must be a certified public accountant or a public accountant holding  
13 a ~~certificate or authority~~ [license](#) under this chapter ~~and a permit to practice in this state under § 5-~~  
14 ~~3.1-7~~;

15 (iii) The address of every office of the sole proprietorship located in this state must be listed  
16 in the application for the permit;

17 (iv) Any individual licensee who is responsible for supervising attest and compilation  
18 services and signs or authorizes another licensee to sign the accountant's report on the financial  
19 statements on behalf of the sole proprietor shall meet the experience requirements as set out in  
20 professional standards for these services; and

21 (v) Any individual licensee who signs or authorizes another licensee to sign the  
22 accountant's report on the financial statements on behalf of the firm shall meet the experience  
23 requirement as set out in professional standards for these services.

24 ~~(e)~~(f) Application for a permit under this section must be made upon the affidavit of the  
25 partner, shareholder, member, or sole proprietor who holds a ~~permit~~ [license](#) to practice in this state  
26 under ~~§ 5-3.1-7~~ [this chapter](#) as a certified public accountant or a public accountant. All applications  
27 for a permit under this section must include, in addition to any other information required by this  
28 chapter or by rule or regulation of the board to be stated in the application, a list of all other states  
29 in which the entity has applied for or holds a permit. Upon receipt of the application, the board  
30 shall determine whether the entity is eligible for a permit. In the event the board determines the  
31 entity is ineligible for a permit under this section, that determination shall be stated in writing and  
32 delivered to the applicant at the address that is stated in the application.

33 ~~(d)~~(g) All applicants for, or holders of, a permit under this section shall notify the board in  
34 writing within thirty (30) days of the occurrence of the event:

1 (1) Of any change in the identities of the partners, officers, directors, or shareholders who  
2 are personally engaged in this state in the practice of public accounting;

3 (2) Of any change in the number or location of offices within this state required to be listed  
4 in the application pursuant to this section;

5 (3) Of any change in the identities of the persons supervising the offices;

6 (4) Of any issuance, denial, revocation, or suspension of a permit by any other state. The  
7 board may prescribe fees that are to be paid by the applicants or holders upon the notification; and

8 (5) Of a reduction below a majority of the ownership in the entity in terms of financial  
9 interests and voting rights.

10 ~~(e)(h)~~ All permits issued by the board under this section ~~subsequent to January 1, 2009,~~  
11 shall be valid for a period of three (3) years and shall expire on the last day of June of the year in  
12 which the permit is scheduled to expire unless the permit is renewed in accordance with the  
13 provisions of this section. ~~To transition existing licensees to a three year (3) licensing cycle, the~~  
14 ~~board shall have the authority and discretion in 2008 to issue permits under this section that are~~  
15 ~~valid for one, two (2), or three (3) years. All permits issued during 2008 shall expire upon the last~~  
16 ~~day of June of the year in which the permit is scheduled to expire. The board's authority to issue~~  
17 ~~permits valid for one or two (2) years shall cease as of December 31, 2008.~~

18 ~~Effective January 1, 2009, permits issued pursuant to this section may be renewed for a~~  
19 ~~period of three (3) years, and the renewed permit shall expire on the last day of June of the year in~~  
20 ~~which the renewed permit is scheduled to expire, unless the renewed permit is again renewed by~~  
21 ~~its holder.~~ All applications for renewal of permits under this section shall be submitted to the board  
22 by ~~February 15~~ June 30 of the year in which a permit or renewed permit is scheduled to expire. All  
23 applicants for permit renewal shall satisfy the peer-review requirements prescribed in § 5-3.1-10.

24 ~~(f)(i)~~ Fees to be paid upon application for initial issuance or renewal of a permit under this  
25 section shall be established, from time to time, by the board. Fees shall be paid at the time the  
26 application is filed with the board.

27 ~~(g)(j)~~ An annual permit to engage in the practice of public accounting in this state shall be  
28 issued by the board, upon application for it and payment of the required fee, to the office of the  
29 auditor general, provided the office is in compliance with § 5-3.1-10.

30 ~~(h)(k)~~ An entity that falls out of compliance with the provisions of this section due to  
31 changes in firm ownership or personnel, after receiving or renewing a permit, shall take corrective  
32 action to bring the firm into compliance as quickly as possible. The board may grant a reasonable  
33 period of time for a firm to take the corrective action. Failure to bring the firm into compliance  
34 within a reasonable period as defined by the board will result in the suspension or revocation of the

1 permit.

2 (l) CPA firm mobility. Exercise of individual mobility practice privileges under § 5-3.1-  
3 5(f) by an eligible CPA will not require the practice unit that the individual is associated with to  
4 obtain a Rhode Island practice unit permit, so long as the practice unit complies with all applicable  
5 provisions in this section and further provided that:

6 (1) The CPA firm shall be deemed to have consented to the personal and subject matter  
7 jurisdiction and disciplinary authority of the board;

8 (2) The CPA firm must comply with all applicable provisions of this chapter and the board's  
9 rules;

10 (3) In the event the practice unit permit or its equivalent issued by the jurisdiction of the  
11 CPA firm's principal place of business is no longer valid, the CPA firm will cease offering or  
12 rendering professional services in this state;

13 (4) The CPA firm shall be deemed to have consented to the appointment of the board of  
14 the jurisdiction of the CPA firm's principal place of business as its agent upon whom process may  
15 be served in any action or proceeding by this board against the firm; and

16 (5) The CPA firm must obtain a Rhode Island practice unit permit before establishing any  
17 physical office in this state and/or offering attest or compilation services.

18 **5-3.1-11. Hearing on denial by board.**

19 Any person or practice unit aggrieved by a decision of the board not to: (1) issue a  
20 ~~certificate under § 5-3.1-5~~ license, (2) issue a practice unit permit ~~to practice under § 5-3.1-7, § 5-~~  
21 ~~3.1-8, or § 5-3.1-9~~, or (3) renew license or practice unit any permit, as the case may be, may request  
22 a hearing before the board on the denial. The request shall be in the form of a written petition,  
23 containing any information that the board by rule or regulation requires, and shall be submitted to  
24 the board within ten (10) days of the board's written decision denying the ~~certificate, permit, or~~  
25 ~~renewal~~ license or practice unit permit.

26 **5-3.1-12. ~~Revocation or suspension of certificate, authority, or permit~~ Revocation or**  
27 **suspension of license or practice unit.**

28 (a) After notice and a hearing as provided in § 5-3.1-14, the board may:

29 (1) Suspend or revoke any ~~certificate~~ license issued under ~~§ 5-3.1-5~~, this chapter or any  
30 predecessor provision, and any authority as a public accountant issued under the prior laws of this  
31 state;

32 (2) Revoke or suspend any practice unit permit issued under ~~§ 5-3.1-7, § 5-3.1-8, § 5-3.1-~~  
33 ~~9~~ this chapter, or their predecessor provisions; and

34 (3) Reprimand or censure in writing; limit the scope of practice; impose an administrative

1 ~~fine~~ penalty upon, not to exceed one thousand dollars (\$1,000); or place on probation, all with or  
2 without terms, conditions, or limitations, a licensee, for any of the causes specified in subsection  
3 (b).

4 (b) The board may take action specified in subsection (a) for any one or more of the  
5 following causes:

6 (1) Fraud or deceit in obtaining a ~~certificate~~ license or practice unit permit under this  
7 chapter;

8 (2) Dishonesty, fraud, or gross negligence in the practice of public accounting or in the  
9 filing, or failing to file, the licensee's own income tax returns;

10 (3) Violation of any of the provisions of this chapter;

11 (4) Violation of any rules and regulations, including, but not limited to, any rules of  
12 professional conduct promulgated by the board under the authority granted by this chapter;

13 (5) Conviction of, or pleading guilty or nolo contendere to, a crime or an act constituting a  
14 crime of forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion,  
15 conspiracy to defraud, misappropriation of funds, tax evasion, or any other similar offense, in a  
16 court of competent jurisdiction of this or any other state or in federal court;

17 (6) Cancellation, revocation, or suspension of, or refusal to renew, the licensee's ~~certificate~~  
18 license or practice unit permit from another state by the other state for any cause other than failure  
19 to pay a fee or to meet the requirements of continuing education in that other state;

20 (7) Suspension or revocation of the right to practice public accounting before any state or  
21 federal agency;

22 (8) As to accountants licensed by foreign countries, cancellation, revocation, suspension,  
23 or refusal to renew the person's certificate, license, or degree evidencing ~~his or her~~ their  
24 qualification to practice public accounting by the foreign country issuing the certificate, license, or  
25 degree, the certificate, license, or degree having qualified the accountant for issuance of ~~an annual~~  
26 ~~limited permit to practice~~ a license under § 5-3.1-8;

27 (9) Failure to furnish the board, or any persons acting on behalf of the board, any  
28 information that is legally requested by the board;

29 (10) Any conduct reflecting adversely upon the licensee's fitness to engage in the practice  
30 of public accountancy; and

31 (11) Any other conduct discreditable to the public accounting profession.

32 **5-3.1-14. Initiation of proceedings — Hearings before board — Appeals — Notice to**  
33 **other states.**

34 (a) The board may initiate proceedings under this chapter against a licensee either on its

1 own motion, on the complaint of any person, upon the finding of probable cause by a probable-  
2 cause committee appointed by the board pursuant to § 5-3.1-4, or upon receiving notification from  
3 another state board of accountancy of its decision to:

4 (1) Revoke, suspend, or refuse to renew the practice privileges granted in that state to the  
5 licensee; or

6 (2) Censure in writing, limit the scope of practice, impose an administrative ~~fine~~ [penalty](#)  
7 upon, or place on probation the licensee.

8 (b) A written notice stating the nature of the charge or charges against the licensee and the  
9 time and place of the hearing before the board on the charges shall be served on the licensee not  
10 less than twenty (20) days prior to the date of the hearing either personally or by mailing a copy of  
11 the notice by certified mail, return receipt requested, to the address of the licensee last known to  
12 the board.

13 (c) If, after being served with the notice of hearing as provided for in this section, the  
14 licensee fails to appear at the hearing and to defend against the stated charges, the board may  
15 proceed to hear evidence against the licensee and may enter an order that is justified by the  
16 evidence. That order is final unless the licensee petitions for a review of it as provided in this  
17 chapter; provided, that within thirty (30) days from the date of any order, upon a showing of good  
18 cause for failing to appear and defend, the board may reopen the proceedings and may permit the  
19 licensee to submit evidence in his, her, or its behalf.

20 (d)(1) At any hearing under this section, the licensee may:

- 21 (i) Appear in person or be represented by counsel;
- 22 (ii) Produce evidence and witnesses on his, her, or its behalf;
- 23 (iii) Cross-examine witnesses; and
- 24 (iv) Examine any evidence that is produced.

25 (2) A partnership may be represented before the board by counsel or by any partner. A  
26 corporation may be represented before the board by counsel or by any shareholder or member of  
27 the corporation. A sole proprietorship may be represented before the board by counsel or by the  
28 sole proprietor. The licensee is entitled, on written application to the board, to the issuance of  
29 subpoenas to compel the attendance of witnesses on the licensee's behalf.

30 (e) The board or any member of the board may issue subpoenas to compel the attendance  
31 of witnesses and the production of documents, and may administer oaths, take testimony, hear  
32 proofs, and receive exhibits in evidence in connection with or upon a hearing under this chapter. In  
33 case of disobedience to a subpoena, the board may petition the superior court to require the  
34 attendance and testimony of witnesses and the production of documentary evidence.

1 (f) The board shall not be bound by strict rules of procedure or by the laws of evidence in  
2 the conduct of its proceedings, but any determination of the board shall be based upon sufficient  
3 legal evidence to sustain the determination.

4 ~~(g) A stenographic record of all hearings under this section shall be kept and a transcript~~  
5 ~~filed with the board.~~

6 (h) At all hearings, the attorney general of this state, or any other legal counsel that is  
7 assigned or employed, shall appear and represent the board.

8 (i) The decision of the board shall be made by vote in accordance with rules and regulations  
9 established under § 5-3.1-4.

10 (j) Any appeal from the decision of the board, by a person or persons adversely affected by  
11 the decision, shall be governed by § 42-35-15.

12 (k) On rendering a decision to: (1) Revoke or suspend a ~~certificate~~ license issued under the  
13 laws of this state; (2) Revoke or suspend an authority as a public accountant issued under the prior  
14 laws of this state; (3) Revoke, suspend, or refuse to renew a permit issued under the laws of this  
15 state; or (4) Censure in writing, limit the scope of practice of, impose an administrative ~~fine~~ penalty  
16 upon, or place on probation a licensee, the board shall examine its records to determine whether  
17 the licensee holds a ~~certificate~~ license or a permit to practice in any other state. If the board  
18 determines that the licensee in fact holds a ~~certificate~~ license or permit, the board shall immediately  
19 notify the board of accountancy of the other state ~~by mail~~ of its decision under this section, and  
20 shall include in the notice an indication as to whether or not the licensee has appealed that decision.  
21 In the alternative, the board may report such disciplinary actions to a multistate enforcement  
22 information network.

23 ~~(k)~~ The board may, in its discretion, order any licensee against whom proceedings have  
24 been initiated under § 5-3.1-12 or § 5-3.1-13 to reimburse the board for any fees, expenses, and  
25 costs incurred by the board in connection with those proceedings, including attorney's fees. Those  
26 fees shall be paid within thirty (30) days from the date they are assessed and may be reviewed in  
27 accordance with § 42-35-15.

### 28 **5-3.1-15. Reinstatement.**

29 (a) Upon application in writing or after hearing pursuant to notice, the board may:

30 (1) Reissue a ~~certificate~~ license to a certified public accountant whose ~~certificate~~ license  
31 has been revoked or suspended;

32 (2) Reissue an authority to a public accountant whose authority has been revoked or  
33 suspended; and

34 (3) Modify the suspension of or reissue any practice unit permit that has been revoked or

1 suspended or that the board has previously refused to renew.

2 (b) The board shall specify by rule the manner in which applications under this section are  
3 made; the time within which they are made; and the circumstances in which hearings will be held  
4 on the applications.

5 **5-3.1-16. Acts declared unlawful.**

6 (a) Except as permitted by the board pursuant to § 5-3.1-18(b), no person shall hold ~~himself~~  
7 ~~or herself~~ themselves out to the public as a certified public accountant or assume or use the designation  
8 “certified public accountant” or “CPA” or any other title, designation, words, letters, abbreviation,  
9 sign, card, or device tending to indicate that the person is a certified public accountant or CPA,  
10 unless that person has been issued a permit to practice under ~~§ 5-3.1-7~~ this chapter or exercising  
11 individual mobility practice privileges under § 5-3.1-5(f).

12 (b) No entity shall provide attest or compilation services or assume or use the designation  
13 “certified public accountants” or “CPAs” or any other title, designation, words, letters,  
14 abbreviation, sign, card, or device tending to indicate that the practice unit is composed of certified  
15 public accountants or CPAs, unless:

16 (1) The practice unit holds a permit to practice or qualifies for firm mobility under § 5-3.1-  
17 9; and

18 (2) Ownership of the firm is in accord with this chapter and rules promulgated by the board.

19 (c) No person shall hold ~~himself or herself~~ themselves out to the public as a public accountant,  
20 or assume or use the designation “public accountant” or “PA” or any other title, designation, words,  
21 letters, abbreviation, sign, card, or device tending to indicate that the person is a public accountant  
22 or PA, unless that person holds an authority as a public accountant and a permit to practice in this  
23 state issued under ~~§ 5-3.1-7~~ § 5-3.1-6. This subsection does not apply to those persons qualified  
24 under subsection (a) of this section to hold themselves out to the public as certified public  
25 accountants and to use the designation “certified public accountant” or “CPA.”

26 (d) No entity shall provide attest or compilation services or assume or use the designation  
27 “public accountants” or “PAs” or any other title, designation, words, letters, abbreviation, sign,  
28 card, or device tending to indicate that the practice unit is composed of public accountants or PAs,  
29 unless the practice unit holds a permit to practice under § 5-3.1-9.

30 (e) No person or entity not holding a valid permit shall assume or use the title or designation  
31 “certified accountant,” “chartered accountant,” “enrolled accountant,” “licensed accountant,”  
32 “registered accountant,” “accredited accountant,” or any other title or designation likely to be  
33 confused with “certified public accountant” or “public accountant,” any of the abbreviations “CA,”  
34 “RA,” “LA,” “AA,” or similar abbreviation likely to be confused with “CPA” or “PA”; provided,

1 that anyone who holds a ~~permit to practice~~ license under ~~§ 5-3.1-7~~ this chapter may hold ~~himself~~  
2 ~~or herself~~ themselves out to the public as an “accountant” or “auditor.” The title “Enrolled Agent” or  
3 the abbreviation “EA” may only be used by those individuals so designated by the Internal Revenue  
4 Service. In addition, the board may at its discretion allow titles or abbreviations to be used that do  
5 not mislead the public and for which appropriate certification or accreditation by a national  
6 organization can be demonstrated.

7 (f) No person or entity shall prepare or attempt to prepare, or sign, affix, or associate the  
8 person’s or entity’s name or any trade name used by ~~him, her,~~ the person or ~~it~~ entity in the person’s  
9 or entity’s business or profession or practice unit to any attest or compilation reports unless the  
10 individual holds a ~~permit to practice~~ license issued under ~~§ 5-3.1-7 or § 5-3.1-8~~ this chapter, or is  
11 exercising individual mobility practice privileges under § 5-3.1-5(f) and unless the practice unit  
12 holds a permit to practice or qualifies for firm mobility under § 5-3.1-9.

13 (g) ~~No~~ Unless authorized by this chapter no person or entity not holding a license or permit  
14 to practice under this chapter shall hold ~~himself, herself,~~ themselves, or ~~itself~~ the entity out to the  
15 public as an “accountant” or “auditor,” whether or not the term is accompanied by any other  
16 description or designation, on any sign, card, or letterhead, or in any advertisement or directory.

17 (h) No person or entity holding a permit shall assume or use a professional or firm name  
18 or designation that is misleading about the legal form of the firm, or the persons who are partners,  
19 officers, members, managers, or shareholders of the firm, or about any other matter; provided,  
20 however, that names of one or more former partners, members, managers, or shareholders may be  
21 included in the name of a firm or its successor.

22 (i) No person or entity shall hold ~~himself, herself, or itself~~ themselves or the entity out to  
23 the public as being qualified for the practice of public accounting unless ~~the person or entity holds~~  
24 ~~a permit to practice~~ authorized under this chapter.

25 (j) The provisions of subsections (a), (c), and (e) of this section do not prohibit any  
26 accountant licensed by a foreign country who holds ~~an annual limited permit~~ a license to engage in  
27 the practice of public accounting under § 5-3.1-8 from using the accounting designation by which  
28 ~~he or she is~~ they are known in ~~his or her~~ their own country, translated into the English language,  
29 followed by the name of the country from which ~~his or her~~ their certificate, license, or degree was  
30 issued, as required by § 5-3.1-8.

31 (k) Any person or practice unit found to have violated any provision of this section by a  
32 court of competent jurisdiction is liable to the board for reasonable attorney’s fees in connection  
33 with the proceeding in which the finding was made.

34 (l)(1) A licensee, practice unit, or affiliated entity shall not directly or indirectly for a

1 commission, recommend or refer to a client any product or service, or for a commission,  
2 recommend or refer any product or service to be supplied by a client, or receive a commission,  
3 when the licensee, practice unit, or affiliated entity also performs for that client any attest or  
4 compilation services or reports. This prohibition applies during the period in which the licensee or  
5 practice unit or affiliated entity is engaged to perform any services listed above and the period  
6 covered by any historical financial statements involved in such listed services.

7 (2) A licensee, practice unit, or affiliated entity who or that is not prohibited by this section  
8 from performing services for or receiving a commission, and who is paid or expects to be paid a  
9 commission, shall disclose that fact to any person or entity to whom the licensee, practice unit, or  
10 affiliated entity recommends or refers a product or service to which the commission relates. The  
11 disclosure must be made in writing contemporaneously with or prior to the referral or  
12 recommendation.

13 (3) Any licensee, practice unit, or affiliated entity who or that accepts a referral fee for  
14 recommending or referring any service of a licensee to any person or entity or who pays a referral  
15 fee to obtain a client shall disclose the acceptance or payment to the client. The disclosure must be  
16 made, in writing, contemporaneously with or prior to the referral or recommendation.

17 (4) For purposes of this subsection (l), an “affiliated entity” is defined as an entity in which  
18 the licensee, and/or any member and/or employee of the practice unit, has more than an aggregate  
19 twenty percent (20%) direct or indirect financial interest.

20 (5) A licensee or practice unit in public practice who or that is not prohibited by this section  
21 from performing service for or receiving a commission shall comply with all applicable federal and  
22 state securities laws, rules promulgated thereunder, and registration requirements.

23 (m)(1) A licensee, practice unit, or affiliated entity shall not: perform for a contingent fee  
24 any professional services for, or receive such a fee from, a client for whom the licensee or practice  
25 unit performs any attest or compilation services or reports; or prepare an original or amended tax  
26 return or claim for a tax refund for a contingent fee for any client.

27 (2) The prohibitions in subsection (l)(1) apply during the period in which the licensee is  
28 engaged to perform any of the services listed above and the period covered by any historical  
29 financial statements involved in any such listed services.

30 (3) Except as stated in the next sentence, a “contingent fee” is a fee established for the  
31 performance of any service pursuant to an arrangement in which no fee will be charged unless a  
32 specified finding or result is attained, or in which the amount of the fee is otherwise dependent  
33 upon the finding or result of such service. Solely for purposes of this section, fees are not regarded  
34 as being contingent if fixed by courts or other public authorities, or, in tax matters, if determined

1 based on the results of judicial proceedings or the findings of governmental agencies. A licensee's  
2 fees may vary depending, for example, on the complexity of services rendered.

3 (4) For purposes of this subsection (m), an "affiliated entity" is defined as any entity in  
4 which the licensee, or any member or employee of the practice unit, has more than an aggregate  
5 twenty percent (20%) direct or indirect financial interest.

6 (5) Any licensee who receives a contingent fee pursuant to this section shall comply with  
7 all applicable federal and state securities laws, rules promulgated thereunder, ~~and~~ registration  
8 requirements, [and the code of professional conduct adopted by this board by rule.](#)

9 **5-3.1-18. Exceptions — Acts not prohibited.**

10 (a) Nothing contained in this chapter shall be construed as prohibiting any person not a  
11 certified public accountant or public accountant from serving as an employee of or an assistant to  
12 a licensee; provided, that the employee or assistant shall not issue any accounting or financial  
13 statement or report over ~~his or her~~ [their](#) name.

14 (b) Nothing contained in this chapter shall be construed as prohibiting any person who is  
15 the holder of a ~~certificate or permit~~ [license](#) issued by this state or any other state that has not been  
16 revoked or suspended by the board or board of accountancy of the other state from assuming or  
17 using the designation "certified public accountant" or "CPA" or any other title, designation, words,  
18 letters, sign, card, or device tending to indicate that the person is a certified public accountant;  
19 provided, that the provisions of this subsection shall not be construed to authorize the use of those  
20 designations in connection with the practice of public accounting in this state unless the person  
21 using the designations holds a ~~permit to practice~~ [license](#) issued by the board.

22 (c) Nothing contained in this chapter or in any other law of this state shall be construed as  
23 prohibiting a licensee or any employee of a licensee from disclosing any information in confidence  
24 to other licensees engaged in conducting peer reviews, or any of their employees or agents, in  
25 connection with peer reviews that are conducted under the auspices of a recognized professional  
26 association or under this chapter.

27 (d) Nothing contained in this chapter or in any other law of this state shall be construed as  
28 prohibiting a licensee or any employee of a licensee from disclosing any information in confidence  
29 to any employee, representative, officer, or committee member of a recognized professional  
30 association or to the board or any of its employees or committees in connection with a professional  
31 ethics investigation held under the auspices of the professional association or the board.

32 (e) The provisions of § 5-3.1-16(f) and (g) do not prohibit any officer, employee, partner,  
33 or principal of any entity from affixing ~~his or her~~ [their](#) signature to any statement or report in  
34 reference to the affairs of that entity with any wording designating the position, title, or office that

1 ~~he or she holds~~ they hold in that entity, or from describing ~~himself or herself~~ themselves by the  
2 position, title, or office that ~~he or she holds~~ they hold in the entity; nor do those provisions prohibit  
3 any act of a public official or a public employee in the performance of ~~his or her~~ their duties as a  
4 public official or public employee.

5 (f) Nothing contained in this chapter shall be construed as prohibiting any person or entity  
6 not holding a permit under this chapter from offering or rendering to the public bookkeeping  
7 services, including devising and installing systems; recording and presentation of financial  
8 information or data; preparing financial statements or similar services; preparation of tax returns;  
9 or the furnishing of advice on tax matters; provided, that no person or entity shall perform a report  
10 on any attest or compilation services nor shall any person or entity attempt to prepare or prepare a  
11 report in any manner having the appearance or import of any attest or compilation report  
12 enumerated in this subsection so as to mislead the public.

13 **5-3.1-19. Injunction against unlawful acts Cease and desist authority – Injunction**  
14 **against unlawful acts.**

15 (a) If the board has reason to believe that any person, firm, corporation, or association is  
16 conducting any activities requiring licensure under this chapter without obtaining a license or  
17 practice unit permit, or who after the denial, suspension, or revocation of a license or practice unit  
18 permit conducts any activities requiring licensure under this chapter, the board may issue its order  
19 to that person, firm, corporation, or association commanding them to appear before the board at a  
20 hearing to be held not sooner than ten (10) days nor later than twenty (20) days after issuance of  
21 that order to show cause why the board should not issue an order to that person to cease and desist  
22 from the violation of the provisions of this chapter.

23 (1) The order to show cause may be served on any person, firm, corporation, or association  
24 named in the order in the same manner that a summons in a civil action may be served, or by  
25 mailing a copy of the order, certified mail, return receipt requested, to that person at any address at  
26 which the person has done business or at which they live. If upon that hearing the board is satisfied  
27 that the person is in fact violating any provision of this chapter, then the board may order that  
28 person, in writing, to cease and desist from that violation.

29 (2) All hearings shall be governed in accordance with chapter 35 of title 42 (“administrative  
30 procedures”). If that person fails to comply with an order of the board after being afforded a hearing,  
31 the superior court in Providence has jurisdiction upon complaint of the board to restrain and enjoin  
32 that person from violating this chapter.

33 (b) Whenever, in the judgment of the board, any person or entity has engaged, or is about  
34 to engage, in any acts or practices that constitute, or will constitute, a violation of this chapter, the

1 board may make application to the superior court for an order enjoining those acts or practices.  
2 Upon a showing by the board that the person or entity has engaged, or is about to engage, in any of  
3 those acts or practices, an injunction, restraining order, or any other order that may be appropriate  
4 shall be granted by the court without bond. In any instance of the granting of an injunction or order  
5 by the superior court under this section, the court shall award the board reasonable attorney's fees.

6 **5-3.1-20. Penalty for violations.**

7 (a) Administrative penalties:

8 (1) After notice and hearing as provided in § 5-3.1-14, the board is authorized to impose  
9 an administrative penalty not exceeding one thousand dollars (\$1,000) for each violation of this  
10 chapter or the board's rules and regulations by a licensee or practice unit.

11 (2) Unregistered activity: If a person or business entity practices or offers to practice public  
12 accounting in this state in violation of this chapter, the board, after notice and hearing in accordance  
13 with this chapter and chapter 35 of title 42, may issue an order imposing an administrative penalty  
14 not exceeding two thousand five hundred dollars (\$2,500) for each violation.

15 (3) When assessing penalties, the board shall set the amount after taking into account  
16 factors including, but not limited to the seriousness of the violation; the economic benefit resulting  
17 from the violation; the history of violations; and other matters the board considers appropriate.

18 ~~(a)~~(b) Criminal penalties. Any person or entity who or that violates any provision of this  
19 chapter shall be guilty of a misdemeanor, and upon conviction, shall be subject to:

20 (1) In the case of an individual, a fine of not more than one thousand dollars (\$1,000), or  
21 imprisonment for not more than one year, or both; or

22 (2) In the case of an entity, a fine of not more than five thousand dollars (\$5,000).

23 ~~(b)~~(c) Whenever the board has reason to believe that any person or entity is liable to  
24 punishment under this section, it may certify the facts to the attorney general of this state who may,  
25 in ~~his or her~~ their discretion, cause appropriate proceedings to be brought.

26 SECTION 2. This act shall take effect upon passage.

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LC005945  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO BUSINESSES AND PROFESSIONS -- PUBLIC ACCOUNTANCY

\*\*\*

- 1           This act would update the state's public accountancy act for consistency with the 9th
- 2 edition of the Uniform Accountancy Act, as issued by NASBA and AICPA in July 2025.
- 3           This act would take effect upon passage.

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LC005945  
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