

## CHAPTER 113

### PRACTICE OF PUBLIC ACCOUNTANCY

#### SUBCHAPTER 1

#### GENERAL PROVISIONS

##### §12201. Definitions

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings. [PL 1997, c. 265, §1 (AMD).]

**1. Board.** "Board" means the Board of Accountancy established under Title 5, section 12004-A, subsection 1, or its predecessor under prior law.  
[PL 1989, c. 503, Pt. B, §153 (AMD).]

**2. Certificate.** "Certificate" means a certificate as "certified public accountant" issued under prior law, and a certificate as "public accountant" issued under prior law, or a corresponding certificate as a certified public accountant issued after examination under the law of any other state.  
[PL 2009, c. 242, §1 (AMD).]

**3. Commissioner.** "Commissioner" means the Commissioner of Professional and Financial Regulation.  
[PL 1987, c. 489, §2 (NEW).]

**3-A. Attest service.** "Attest service" means providing the following services:

A. Any audit or other engagement to be performed in accordance with the Statements on Auditing Standards, SAS; [PL 1999, c. 245, §1 (NEW).]

B. Any review of a financial statement or compilation of a financial statement to be performed in accordance with the Statement on Standards for Accounting and Review Services, SSARS; [PL 2007, c. 384, §1 (AMD).]

C. Any examination of prospective financial information to be performed in accordance with the Statement on Standards for Attestation Engagements, SSAE; [PL 2007, c. 384, §1 (AMD).]

D. Any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board, established in 15 United States Code, Section 7211 (2007); or [PL 2007, c. 384, §1 (NEW).]

E. [PL 2015, c. 110, §1 (RP).]

F. Any examination, review or agreed upon procedures engagement to be performed in accordance with the Statements on Standards for Attestation Engagements, SSAE, other than an engagement described in paragraph C. [PL 2015, c. 110, §1 (NEW).]

The statements on standards specified in this definition are those developed for general application by recognized national accountancy organizations.

[PL 2015, c. 110, §1 (AMD).]

**4. Department.** "Department" means the Department of Professional and Financial Regulation.  
[PL 1987, c. 489, §2 (NEW).]

**5. Firm.** "Firm" means a sole proprietorship, a corporation, a partnership or any other form of organization.

[PL 1995, c. 34, §1 (AMD).]

**6. Licensee.** "Licensee" means a person who holds a license issued by the board under section 12230 or 12231 or a corresponding provision of prior law, or a firm that holds a license issued by the board under section 12252.

[PL 2009, c. 242, §2 (AMD).]

**6-A. Peer review.** "Peer review" means a study, appraisal or review of one or more aspects of the professional work of a certified public accountancy firm that provides an attest service by a person or persons who are licensed as certified public accountants and who are not affiliated with the certified public accountancy firm being reviewed.

[PL 2015, c. 110, §2 (AMD).]

**7. Permit.**

[PL 2007, c. 402, Pt. Z, §2 (RP).]

**8. Practice of or practicing public accountancy.** "Practice of or practicing public accountancy" means the following combined activities by a person or firm:

A. Representing to the public that the person or the firm is a licensee; and [PL 2015, c. 110, §3 (AMD).]

B. Performing or offering to perform, for a client or potential client, services involving the use of accounting or auditing skills. [PL 1987, c. 489, §2 (NEW).]

Accounting or auditing skills include the issuance of reports, management advisory or consulting services, the preparation of tax returns and the furnishing of advice on tax matters.

[PL 2015, c. 110, §3 (AMD).]

**9. Quality review.** "Quality Review" means a study, appraisal or review of one or more aspects of the professional work of a person or firm in the practice of public accountancy, by a person or persons who hold certificates and who are not affiliated with the person or firm being reviewed.

[PL 1987, c. 489, §2 (NEW).]

**10. Report on financial statements.**

[PL 2015, c. 110, §4 (RP).]

**10-A. Report.** "Report," when used with reference to an attest service, means an opinion or other form of language that states or implies assurance as to the reliability of the attest information and that also includes or is accompanied by a statement or implication that the person or firm issuing it has special knowledge of or competence in accounting or auditing. A statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor or from the language of the report itself. "Report" includes any form of language that disclaims an opinion when such form of language is conventionally understood to imply positive assurances as to the reliability of the attest information or compiled financial statements referred to or special competence on the part of the person or firm issuing such language and includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

[PL 2015, c. 110, §5 (NEW).]

**11. Rule.** "Rule" means any rule or other written directive of general application duly adopted by the board.

[PL 1987, c. 489, §2 (NEW).]

**12. Substantial equivalency.** "Substantial equivalency" means that the education, examination and experience requirements for certified public accountants contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed the education, examination and experience requirements of this State or that an individual certified public accountant's education,

examination and experience qualifications are comparable to or exceed the education, examination and experience requirements of this State.

[PL 2007, c. 384, §2 (AMD).]

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1989, c. 503, §B153 (AMD). PL 1995, c. 34, §1 (AMD). PL 1997, c. 265, §1 (AMD). PL 1999, c. 245, §§1,2 (AMD). PL 1999, c. 619, §1 (AMD). PL 2007, c. 384, §§1, 2 (AMD). PL 2007, c. 402, Pt. Z, §§1-3 (AMD). PL 2009, c. 242, §§1, 2 (AMD). PL 2015, c. 110, §§1-5 (AMD).

#### §12202. Unlicensed persons or firms

Anyone may practice accounting and engage in services which involve accounting or auditing skills, including management advisory or consulting services, the preparation of tax returns and the furnishing of advice on tax matters, provided that no one except a licensee may: [PL 1987, c. 489, §2 (NEW).]

1. Represent or appear to represent that he is a licensee as defined in section 12201, subsection 6; or

[PL 1987, c. 489, §2 (NEW).]

2. Issue a report as defined in section 12201, subsection 10-A, except those persons described in section 12275, subsection 1, paragraphs A and B.

[PL 2015, c. 110, §6 (AMD).]

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 2015, c. 110, §6 (AMD).

#### §12203. Fees

The Director of the Office of Professional and Occupational Regulation may establish by rule fees for purposes authorized under this chapter in amounts that are reasonable and necessary for their respective purposes, except that the fee for any one purpose may not exceed \$100. Rules adopted pursuant to this section are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A. [PL 2007, c. 402, Pt. Z, §4 (NEW); PL 2011, c. 286, Pt. B, §5 (REV).]

#### SECTION HISTORY

PL 2007, c. 402, Pt. Z, §4 (NEW). PL 2011, c. 286, Pt. B, §5 (REV).

## SUBCHAPTER 2

### BOARD OF ACCOUNTANCY

#### §12213. Appointment

The Board of Accountancy, as established by Title 5, section 12004-A, subsection 1, within the department consists of 5 members appointed by the Governor. Each member of the board must be a resident of this State. Four members must be holders of licenses issued under section 12230 or 12231 or a corresponding provision of prior law and must have had, as their principal occupation, active practice as certified public accountants for at least the 5 preceding years. One member of the board must be a public member as defined in Title 5, section 12004-A. Appointments are for 3-year terms. Appointments of members must comply with Title 10, section 8009. The Governor may remove a member of the board for cause. [PL 2009, c. 242, §3 (AMD).]

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1989, c. 483, §A52 (AMD). PL 1989, c. 503, §B154 (AMD). PL 1989, c. 878, §A99 (RPR). PL 1993, c. 600, §A264 (AMD). PL 2007, c. 402, Pt. Z, §5 (AMD). PL 2007, c. 621, §11 (AMD). PL 2009, c. 242, §3 (AMD).

#### **§12214. Organization; powers and duties**

**1. Meetings; chair.** The board shall meet at least once a year to conduct its business and to elect a chair, who must be a certified public accountant. Additional meetings must be held as necessary to conduct the business of the board and may be convened at the call of the chair or a majority of the board members.

[PL 2013, c. 246, Pt. B, §21 (AMD).]

#### **2. Compensation.**

[PL 1995, c. 397, §102 (RP).]

#### **3. Receipts and expenses.**

[PL 1995, c. 397, §102 (RP).]

**4. Rules.** The board may, in accordance with procedures established by the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter II, adopt such rules as may be reasonably necessary for the proper performance of its duties and the administration of this chapter, including, but not limited to rules of professional conduct appropriate to establish and to maintain a high standard of integrity and of dignity in the profession of public accountancy and regulations prescribing requirements of continuing education.

[PL 1987, c. 489, §2 (NEW).]

#### **5. Employees.**

[PL 1995, c. 397, §102 (RP).]

#### **6. Register.**

[PL 2007, c. 402, Pt. Z, §7 (RP).]

#### **7. Hearings.**

[PL 2007, c. 402, Pt. Z, §8 (RP).]

#### **8. Contracts.**

[PL 1995, c. 397, §102 (RP).]

#### **9. Fees.**

[PL 2007, c. 402, Pt. Z, §9 (RP).]

#### **10. Budget.**

[PL 1995, c. 397, §102 (RP).]

#### **11. Reports.**

[PL 2007, c. 402, Pt. Z, §10 (RP).]

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1989, c. 483, §A53 (AMD). PL 1995, c. 397, §102 (AMD). PL 1995, c. 502, §H42 (AMD). PL 2007, c. 402, Pt. Z, §§6-10 (AMD). PL 2013, c. 246, Pt. B, §21 (AMD).

### SUBCHAPTER 3

## LICENSURE OF CERTIFIED PUBLIC ACCOUNTANTS

#### **§12227. Licenses; certified public accountants**

Any person who receives from the board a license to practice as a certified public accountant prior to the effective date of this chapter or as provided in this subchapter may be styled and known as a certified public accountant, and no other persons may assume that title or use the abbreviation "CPA" or any other words, letters or figures to indicate that the person using the title is a certified public accountant. [PL 2009, c. 242, §4 (AMD).]

## SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 2009, c. 242, §4 (AMD).

### §12228. Certified public accountants; qualifications

#### 1. Certificate grant.

[PL 2009, c. 242, §5 (RP).]

**1-A. Qualifications for licensure.** A person who meets the good character, education, examination and experience requirements of this section is eligible to apply for licensure as a certified public accountant pursuant to section 12230.

[PL 2009, c. 242, §6 (NEW).]

**2. Good character.** "Good character" for the purposes of this section means lack of a history of dishonest or felonious acts. The board may refuse to grant a certificate on the ground of failure to satisfy this requirement only if there is a substantial connection between the lack of good character of the applicant and the professional responsibilities of a licensee and if the finding by the board of lack of good character is supported by clear and convincing evidence. When an applicant is found to be unqualified for a certificate because of a lack of good character, the board shall furnish the applicant a statement containing the findings of the board, a complete record of the evidence upon which the determination was based and a notice of the applicant's right of appeal under the Maine Administrative Procedure Act, Title 5, chapter 375.

[PL 2007, c. 695, Pt. A, §37 (RPR).]

**3. Education requirement.** The education requirement for a license is as follows:

A. [PL 2005, c. 347, Pt. D, §1 (RP).]

B. At least 150 semester hours of education, including a minimum 4-year baccalaureate or higher degree conferred by a college or university acceptable to the board, the total educational program to include basic courses in accounting and auditing determined to be appropriate under board rules. Rules adopted by the board pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A; and [PL 2007, c. 695, Pt. A, §37 (RPR).]

C. An examination applicant who has successfully completed the basic courses in accounting and auditing required by paragraph B and who expects to complete a minimum 4-year baccalaureate or higher degree required in paragraph B within 120 days following the examination is eligible to take the examination. Grades may not be released, nor may credit for the examination or any part of the examination be given to the applicant unless the degree required in paragraph B is completed within 120 days following the examination or within such time as the board in its sole discretion may determine. [PL 2011, c. 478, §1 (AMD).]

[PL 2011, c. 478, §1 (AMD).]

**4. Examination.** An applicant is required to pass an examination approved by the board to test the applicant's knowledge of the subjects of accounting and auditing and such other related subjects as the board may specify by rule in order to qualify for a certificate. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. The board may make the use of all or any part of the Uniform Certified Public Accountant Examination and the Advisory Grading Service of the American Institute of Certified Public Accountants or any other examination approved by the board and may contract with 3rd parties to perform such administrative services with

respect to the examination as it considers appropriate to assist it in performing its duties under this section.

[PL 2007, c. 695, Pt. A, §37 (RPR).]

**5. Examination; passing.**

[PL 2003, c. 204, Pt. E, §2 (RP).]

**6. Examination; credits.** An applicant must be given credit for any and all parts of an examination passed in another state if that credit would have been given, under then applicable requirements, if the applicant had taken the examination in this State.

[PL 2007, c. 695, Pt. A, §37 (RPR).]

**7. Waiver.** The board may, in particular cases, waive or defer any of the requirements of subsection 6 regarding the circumstances in which the various sections of the examination must be passed upon a showing that, by reason of circumstances beyond the applicant's control, the applicant was unable to meet that requirement.

[PL 2007, c. 695, Pt. A, §37 (RPR).]

**8. Administration fee.**

[PL 2007, c. 402, Pt. Z, §11 (RP).]

**9. Out-of-state examination.** An applicant who has been given credit for any or all parts of an examination passed in another state as provided in subsection 6 must pay the fee as set under section 12203.

[PL 2007, c. 695, Pt. A, §37 (RPR).]

**10. Experience.** For initial issuance of a license under section 12230, an applicant must demonstrate 2 years of experience under the direction of a certified public accountant licensed by any state or territory of the United States or equivalent direction, as determined by the board, by a licensed professional in another country and must meet the other requirements prescribed by the board by rule. The applicant's experience must include the use of accounting or auditing skills, including the issuance of reports, and at least one of the following: the provision of management advisory, financial advisory or consulting services; the preparation of tax returns; the furnishing of advice on tax matters; or equivalent activities defined by the board by rule. Board rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. To the extent the applicant's experience is as a revenue agent or in a similar position engaged in the examination of personal and corporate income tax returns for the Bureau of Revenue Services, the applicant receives credit at the rate of 50% toward the experience required by this subsection. To the extent the applicant's experience is as an examiner engaged in financial examinations for the Bureau of Insurance, the applicant receives credit under this subsection if that experience meets the following standards:

A. Examinations are performed in conformity with the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board; [PL 2007, c. 695, Pt. A, §37 (RPR).]

B. Working papers prepared by the examiners are in conformity with generally accepted auditing standards and are subject to a review by a supervisor who is a certified public accountant; [PL 2019, c. 656, §1 (AMD).]

C. Written reports of examination are prepared in conformity with the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board. All examiners working on the examinations must participate in the preparation of the report; [PL 2007, c. 695, Pt. A, §37 (RPR).]

D. Reports of examination are prepared in accordance with statutory accounting principles. All examiners working on the examinations must participate in the preparation of the financial statements and corresponding note disclosures; and [PL 2007, c. 695, Pt. A, §37 (RPR).]

E. All examiners assigned to an examination must participate in the planning of the examination and the planning phase conforms to the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board and generally accepted auditing standards. [PL 2007, c. 695, Pt. A, §37 (RPR).]

To the extent the applicant's experience is as an auditor engaged in audits for the Office of the State Auditor, the applicant receives credit under this subsection if working papers prepared by the auditor are in conformity with generally accepted auditing standards and are subject to a review by a supervisor who is a certified public accountant.

[PL 2019, c. 656, §1 (AMD).]

**11. Board discretion.** The members of the board have the full and sole responsibility for the determination of the qualifications of applicants for the license of "certified public accountant." Only persons recommended by the board may be granted the license of "certified public accountant."

[PL 2009, c. 242, §9 (AMD).]

**12. Substantial equivalency.**

[PL 2007, c. 384, §5 (RP).]

**13. Foreign designation.**

[PL 2007, c. 384, §6 (RP).]

**14. Action by foreign jurisdiction.**

[PL 2007, c. 384, §7 (RP).]

**15. Authority.**

[PL 2007, c. 384, §8 (RP).]

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1989, c. 450, §49 (AMD). PL 1993, c. 634, §C1 (AMD). PL 1995, c. 353, §§23,24 (AMD). PL 1997, c. 265, §§2-6 (AMD). PL 1997, c. 526, §14 (AMD). PL 1999, c. 224, §1 (AMD). PL 1999, c. 245, §§3-5 (AMD). RR 2003, c. 1, §33 (COR). PL 2003, c. 204, §§E1-3 (AMD). PL 2003, c. 688, Pt. A, §53 (AMD). PL 2003, c. 688, §C21 (AMD). PL 2005, c. 347, §§D1-3 (AMD). PL 2007, c. 384, §§3-8 (AMD). PL 2007, c. 402, Pt. Z, §11 (AMD). PL 2007, c. 695, Pt. A, §37 (RPR). PL 2009, c. 242, §§5-9 (AMD). PL 2011, c. 478, §1 (AMD). PL 2015, c. 110, §7 (AMD). PL 2019, c. 656, §1 (AMD).

#### §12229. Licensees offering or rendering services in another state

(REPEALED)

#### SECTION HISTORY

PL 1999, c. 245, §6 (NEW). PL 2007, c. 402, Pt. Z, §12 (AMD). PL 2009, c. 242, §10 (RP).

#### §12230. Application for licensure

**1. Licensure.** The board shall issue a license as a certified public accountant to a person who submits the application required by the board, pays the fee as set under section 12203 and meets the qualifications set forth in section 12228.

[PL 2009, c. 242, §11 (NEW).]

**2. Timeliness of application.** A person who applies for an initial license more than 4 years after the person met the qualifications for licensure set forth in section 12228 must demonstrate completion of 40 hours of continuing professional education that meets the requirements of section 12333 during the year preceding application.

[PL 2009, c. 242, §11 (NEW).]

#### SECTION HISTORY

PL 2009, c. 242, §11 (NEW).

**§12231. Application for licensure on the basis of an out-of-state license or certificate**

**1. Substantial equivalency.** The holder of a license or certificate issued by another state who establishes that holder's principal place of business in this State shall request the issuance of a license from the board prior to establishing such principal place of business. The board shall issue a license to a person who obtains from a national association of state boards of accountancy verification that the individual's certified public accountancy qualifications are substantially equivalent to the certified public accountant licensure requirements of the American Institute of Certified Public Accountants, National Association of State Boards of Accountancy Uniform Accountancy Act.

[PL 2009, c. 242, §12 (NEW).]

**2. Nonsubstantial equivalency.** For applicants who cannot meet the substantial equivalency requirements of subsection 1, the board shall issue a license to an applicant who holds a certificate or license as a certified public accountant issued by another state and who submits the application required by the board, pays the fee as set under section 12203 and meets the following requirements:

- A. The applicant meets all current requirements in this State for issuance of a license at the time the application is made; [PL 2009, c. 242, §12 (NEW).]
- B. At the time of the issuance of the applicant's certificate in the other state, the applicant met all the requirements then applicable in this State; [PL 2009, c. 242, §12 (NEW).]
- C. The applicant was eligible to take and passed the examination required for issuance of the certificate with grades that would have been passing grades at the time in this State; and [PL 2009, c. 242, §12 (NEW).]
- D. If the applicant is applying for a first-time license more than 4 years after the person obtained a certificate in the other state, the applicant:
  - (1) Completed 40 hours of continuing professional education that meets the requirements of section 12233 during the 12 months preceding application; or
  - (2) Has 4 years of experience in the practice of public accountancy, or its equivalent, that meets requirements prescribed by the board by rule after passing the examination upon which the certificate is based and within the 10 years preceding the submission of the application. [PL 2009, c. 242, §12 (NEW).]

[PL 2009, c. 242, §12 (NEW).]

**SECTION HISTORY**

PL 2009, c. 242, §12 (NEW).

**§12232. Practice without license on the basis of substantial equivalency**

**1. Substantial equivalency.** An individual whose principal place of business is outside the State is presumed to have qualifications substantially equivalent to the State's requirements and has all the privileges of licensees of the State and may provide professional services in the State without the requirement to obtain a license under this section or to otherwise notify or register with the board or pay any fee if the individual:

- A. Holds a valid license as a certified public accountant from a state that the board has verified to be in substantial equivalence with the certified public accountant licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants; or [PL 2009, c. 242, §13 (NEW).]
- B. Holds a valid license as a certified public accountant from a state that is not in substantial equivalence with the certified public accountant licensure requirements under paragraph A, but the board determines that the individual's certified public accountant qualifications are substantially



equivalent to the certified public accountant licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants. For purposes of this subsection, the board may exempt an individual who passed the Uniform Certified Public Accountant Examination and holds a valid license issued by any other state prior to January 1, 2012 from the education requirement in section 12228, subsection 3, paragraph B. [PL 2009, c. 242, §13 (NEW).]

In determining substantial equivalence, the board may consult determinations and verifications from a national qualification appraisal service of a national association of state boards of accountancy. [PL 2009, c. 242, §13 (NEW).]

**2. No notice or other submission required.** Notwithstanding any other provision of law, an individual who qualifies for licensure under this section may offer or render professional services in this State, whether in person or by mail, telephone or electronic means, and no notice or other submission may be required of any such individual. Such an individual is subject to subsection 3. [PL 2009, c. 242, §13 (NEW).]

**3. Conditions.** An individual licensee of another state exercising the practice privilege afforded under this section and the firm that employs that individual must consent, as a condition of the grant of the practice privilege:

A. To the personal and subject matter jurisdiction and disciplinary authority of the board; [PL 2009, c. 242, §13 (NEW).]

B. To comply with the provisions of this chapter and the board's rules; and [PL 2013, c. 217, Pt. K, §2 (AMD).]

C. To the stipulation that, in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in the State individually and on behalf of a firm. [PL 2013, c. 217, Pt. K, §3 (AMD).]

D. [PL 2013, c. 217, Pt. K, §4 (RP).]

[PL 2013, c. 217, Pt. K, §§2-4 (AMD).]

**4. Additional services.** An individual who qualifies for the practice privilege under this section may perform any of the services listed in section 12201, subsection 3-A for any entity with its home office in the State as long as the individual does so through a firm that has obtained a license issued under section 12252 or is exempt from the licensure requirement pursuant to section 12252, subsection 1, paragraph A, subparagraph (3) or section 12252, subsection 1, paragraph B.

A. [PL 2021, c. 68, §1 (RP).]

B. [PL 2021, c. 68, §1 (RP).]

C. [PL 2021, c. 68, §1 (RP).]

[PL 2021, c. 68, §1 (AMD).]

#### SECTION HISTORY

PL 2009, c. 242, §13 (NEW). PL 2013, c. 217, Pt. K, §§2-4 (AMD). PL 2021, c. 68, §1 (AMD).

#### §12233. Continuing education requirements for renewal

An applicant for renewal of a public accountant or certified public accountant license must show that requirements of continuing professional education have been fulfilled. The board shall establish by rule the number of hours of continuing professional education required for renewal, which may be no more than 40 hours and no less than 20 hours annually. That education must consist of the general kinds and in subjects that are specified by the board by rule. The board may provide by rule that fulfillment of continuing professional education requirements of other states is accepted in lieu of the requirements of this subsection. The board may also provide by rule for prorated continuing professional education

requirements to be met by applicants whose initial licenses were issued less than one year prior to the renewal date. The board may prescribe by rule lesser continuing education requirements to be met by applicants for license renewal whose licenses lapsed prior to their applications for renewal. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. [PL 2009, c. 242, §14 (NEW).]

The board, in its discretion, may renew a license despite failure to furnish evidence of satisfaction of requirements of continuing professional education only upon condition that the applicant follow a particular program or schedule of continuing professional education. In issuing rules and individual orders regarding the requirements of continuing professional education, the board in its discretion may use and rely upon guidelines and pronouncements of recognized educational and professional organizations; may prescribe the content, duration and organization of courses; may take into account any impediments to interstate practice of public accountancy that result from differences between the requirements and those of other states; and may provide for relaxation or suspension of the requirements for applicants who certify that they do not intend to engage in the practice of public accountancy. [PL 2009, c. 242, §14 (NEW).]

#### SECTION HISTORY

PL 2009, c. 242, §14 (NEW).

#### **§12234. Expiration; renewal**

**1. Licensing period.** A license expires on the date set by the Commissioner of Professional and Financial Regulation pursuant to Title 10, section 8003, subsection 4 for the licensing period for which the license was issued. A license may be renewed upon receipt of an application for renewal and payment of the renewal fee as set under section 12203.

[PL 2009, c. 242, §15 (NEW).]

**2. Late renewals.** Licenses may be renewed up to 90 days after the date of expiration upon payment of a late fee in addition to the renewal fee as set under section 12203. Any person who submits an application for renewal more than 90 days after the expiration date is subject to all requirements governing new applicants under this chapter, in addition to fulfilling any continuing education requirements the board considers necessary under section 12233. The board in its discretion, giving due consideration to the protection of the public, may waive any requirements if that renewal application is made within 2 years from the date of that expiration.

[PL 2009, c. 242, §15 (NEW).]

**3. Excused from license fee.** Any licensee whose employment by any government agency prohibits or precludes the practice of public accountancy in this State, by application to the board, may be excused from paying the annual license fee during the period of that employment.

[PL 2009, c. 242, §15 (NEW).]

#### SECTION HISTORY

PL 2009, c. 242, §15 (NEW).

### SUBCHAPTER 4

#### LICENSURE OF PUBLIC ACCOUNTANTS

#### **§12239. Licenses issued under prior law; public accountants**

Any person who received from the board a license to practice as a public accountant under prior law may be styled and known as a public accountant, and no other persons may assume to use the

abbreviation "PA" or any other words, letters or figures to indicate that the person using the abbreviation is the public accountant. [PL 2009, c. 242, §16 (AMD).]

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 2009, c. 242, §16 (AMD).

#### **§12240. Public Accountants**

**(REPEALED)**

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1989, c. 450, §50 (AMD). PL 1995, c. 353, §25 (AMD). PL 1997, c. 526, §14 (AMD). PL 1999, c. 245, §7 (AMD). PL 2003, c. 204, §§E4,5 (AMD). PL 2007, c. 402, Pt. Z, §§13, 14 (AMD). PL 2009, c. 242, §17 (RP).

#### **§12241. Reciprocity**

**(REPEALED)**

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 2007, c. 402, Pt. Z, §15 (AMD). PL 2009, c. 242, §18 (RP).

#### **§12242. Discontinuance of initial licensure as public accountant; renewal of existing licenses**

No new public accountant licenses may be issued by the board on or after the effective date of this section. Holders of existing public accountant licenses may renew their licenses in the same manner as set forth in section 12233 for certified public accountants. Public accountant licenses expire in the same manner as set forth in section 12234 for certified public accountants. [PL 2009, c. 242, §19 (NEW).]

#### SECTION HISTORY

PL 2009, c. 242, §19 (NEW).

## SUBCHAPTER 5

### LICENSURE OF ACCOUNTING FIRMS

#### **§12251. License; individual**

**(REPEALED)**

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1989, c. 483, §A54 (AMD). PL 1999, c. 245, §§8-11 (AMD). PL 2005, c. 347, §D4 (AMD). PL 2007, c. 384, §§9, 10 (AMD). PL 2007, c. 402, Pt. Z, §16 (AMD). PL 2009, c. 242, §20 (RP).

#### **§12252. Licenses; accounting firms**

**1. Licensure.** The board shall grant or renew a license to accounting firms that submit the application required by the board, pay the fee as set under section 12203 and demonstrate their qualifications in accordance with this section.

A. A firm must hold a license issued under this section if it:

- (1) Has an office in this State performing any of the services described in section 12201, subsection 3-A, paragraphs A to D;
- (2) Has an office in this State that uses the title "CPA" or "CPA firm"; or

(3) Does not have an office in this State but performs any of the services described in section 12201, subsection 3-A, paragraph A, C or D for a client having its home office in this State unless:

- (a) It qualifies for a firm license pursuant to subsections 3 and 8 and it performs such services through an individual with practice privileges under section 12232; or
- (b) It meets the requirements of section 12253. [PL 2021, c. 68, §2 (AMD).]

B. A firm that does not have an office in this State may perform services described in section 12201, subsection 3-A, paragraph B or F for a client having its home office in this State and may use the title "CPA" or "CPA firm" without a license issued under this section only if:

- (1) It qualifies for a firm license pursuant to subsections 3 and 8 and it performs such services through an individual with practice privileges under section 12232; or
- (3) It meets the requirements of section 12253. [PL 2021, c. 68, §2 (AMD).]

C. A firm that is not subject to the requirements of paragraphs A and B may perform professional services other than those described in section 12201, subsection 3-A while using the title "CPA" or "CPA firm" in this State without a license issued under this section only if the firm meets the requirements of section 12253 or:

- (1) Performs such services through an individual with practice privileges under section 12232; and
- (2) Has legal authority to perform such services in the state of that individual's principal place of business. [PL 2021, c. 68, §2 (AMD).]

[PL 2021, c. 68, §2 (AMD).]

**2. Duration.** A license expires on the date set by the Commissioner of Professional and Financial Regulation pursuant to Title 10, section 8003, subsection 4 for the licensing period for which the license was issued. A license may be renewed upon receipt of an application for renewal and payment of the renewal fee as set under section 12203.

Licenses may be renewed up to 90 days after the date of expiration upon payment of a late fee in addition to the renewal fee as set under section 12203. Any firm that submits an application for renewal more than 90 days after the expiration date is subject to all requirements governing new applicants under this chapter. The board in its discretion, giving due consideration to the protection of the public, may waive any requirements if that renewal application is made within 2 years from the date of that expiration.

[PL 2009, c. 242, §21 (AMD).]

**3. Firm licenses.** The following provisions apply to the issuance of firm licenses.

A. An applicant for initial issuance or renewal of a license under this section shall show that a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members or managers, belongs to certified public accountants or public accountants who are licensed in a state and that all partners, officers, shareholders, members or managers whose principal place of business is in this State and who perform professional services in this State hold valid individual licenses issued by the board. Firms may include nonlicensee owners in accordance with paragraph B. [PL 2009, c. 242, §21 (AMD).]

B. A certified public accountancy firm or public accountancy firm may include nonlicensee owners as long as:

- (1) All nonlicensee owners are individuals who actively participate in the certified public accountancy firm or public accountancy firm or an affiliated entity;
- (2) The firm complies with such other requirements as the board may impose by rule; and

(3) The firm designates an individual who is a licensee of this State or, in the case of a firm that must have a license pursuant to subsection 1, paragraph A, subparagraph (3), designates an individual who is a licensee of another state who meets the requirements set out in section 12232, subsection 1 who is responsible for the proper licensure of the firm and identifies that individual who is a licensee to the board. [PL 2015, c. 110, §9 (AMD).]

[PL 2015, c. 110, §9 (AMD).]

**4. Office licensed.** An applicant for initial issuance or renewal of a license under this section shall license each office of the firm within this State with the board, pay the fee as set under section 12203 and show that each such office is under the charge of a person holding a valid license issued under section 12230 or 12231 or a corresponding provision of prior law or the laws of another state.

[PL 2009, c. 242, §21 (AMD).]

**5. Fees.**

[PL 2007, c. 402, Pt. Z, §17 (RP).]

**6. Change in composition.** A licensed firm shall notify the board in writing, within 30 days after its occurrence, of any change in the identities of partners, officers or shareholders who work regularly within this State, any change in the number or location of offices within this State or any change in the identity of the persons in charge of those offices.

[PL 2009, c. 242, §21 (AMD).]

**7. Adjudicatory hearing.**

[PL 2007, c. 402, Pt. Z, §17 (RP).]

**8. Peer review for certified public accountancy firms.** As a condition to the granting or renewal of licenses to certified public accountancy firms, each applicant that provides an attest service other than compilations must successfully participate in an approved peer review program. Participation in such a program is governed by the following.

A. A peer review must be completed within 18 months after the initial granting of the license. The firm must undergo a peer review every 3 years for as long as it provides an attest service other than compilations. [PL 2015, c. 110, §10 (AMD).]

B. A certified public accountancy firm that does not provide an attest service other than compilations is not required to undergo a peer review if the firm annually confirms in writing to the board that it does not provide an attest service other than compilations. A certified public accountancy firm that subsequently provides an attest service other than compilations must undergo a peer review within 18 months after the fiscal year end of the first attest services engagement other than compilations that it accepts. [PL 2015, c. 110, §10 (AMD).]

The board is authorized to adopt rules to carry out the intent of this subsection. Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

[PL 2015, c. 110, §10 (AMD).]

**SECTION HISTORY**

PL 1987, c. 489, §2 (NEW). PL 1999, c. 200, §1 (AMD). PL 1999, c. 619, §§2,3 (AMD). PL 2001, c. 260, §F2 (AMD). PL 2003, c. 344, §D22 (AMD). PL 2005, c. 347, §D5 (AMD). PL 2007, c. 384, §§11-13 (AMD). PL 2007, c. 402, Pt. Z, §17 (AMD). PL 2007, c. 695, Pt. A, §38 (RPR). PL 2009, c. 242, §21 (AMD). PL 2015, c. 110, §§8-10 (AMD). PL 2021, c. 68, §2 (AMD).

**§12253. Accountancy firm practice without license on the basis of substantial equivalency**

**1. Substantial equivalency.** A firm with a principal place of business outside the State is presumed to have qualifications substantially equivalent to the State's requirements and has all the privileges of licensees of the State and may provide professional services in the State without the

requirement to obtain a license under this section or to otherwise notify or register with the board or pay any fee if the firm:

A. Holds a valid license as a certified public accountancy firm from a state that the board has verified to be in substantial equivalence with the certified public accountancy firm licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants; or [PL 2021, c. 68, §3 (NEW).]

B. Holds a valid license as a certified public accountancy firm from a state that is not in substantial equivalence with the certified public accountancy firm requirements under paragraph A, but the board determines that the certified public accountancy firm's qualifications are substantially equivalent to the certified public accountancy firm licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants. [PL 2021, c. 68, §3 (NEW).]

In determining substantial equivalence, the board may consult determinations and verifications from a national qualification appraisal service of a national association of state boards of accountancy. [PL 2021, c. 68, §3 (NEW).]

**2. No notice or other submission required.** Notwithstanding any provision of law to the contrary, a firm that is eligible to practice in this State without a license in accordance with the requirements of this section may offer or render professional services in this State, whether in person or by mail, telephone or electronic means, without providing notice or making any submission to the board. Such a firm is subject to subsection 3. [PL 2021, c. 68, §3 (NEW).]

**3. Conditions.** A licensee of another state exercising the practice privilege afforded under this section must consent, as a condition of the grant of the practice privilege:

A. To the personal and subject matter jurisdiction and disciplinary authority of the board; [PL 2021, c. 68, §3 (NEW).]

B. To comply with the provisions of this chapter and the board's rules; and [PL 2021, c. 68, §3 (NEW).]

C. To the stipulation that, in the event the license from the state of the firm's principal place of business is no longer valid, the firm will cease offering or rendering professional services in the State. [PL 2021, c. 68, §3 (NEW).]

[PL 2021, c. 68, §3 (NEW).]

#### SECTION HISTORY

PL 2021, c. 68, §3 (NEW).

### SUBCHAPTER 6

#### APPOINTMENT OF COMMISSIONER AS AGENT

##### §12263. Appointment of commissioner as agent

(REPEALED)

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 2007, c. 402, Pt. Z, §18 (AMD). PL 2009, c. 242, §22 (AMD). PL 2013, c. 217, Pt. K, §5 (RP).

### SUBCHAPTER 7

## ENFORCEMENT AGAINST LICENSEES

### §12273. Revocation or suspension

**(REPEALED)**

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1999, c. 547, §B78 (AMD). PL 1999, c. 547, §B80 (AFF). PL 2007, c. 402, Pt. Z, §19 (RP).

### §12273-A. Denial or refusal to renew license; disciplinary action

In addition to the grounds enumerated in Title 10, section 8003, subsection 5-A, paragraph A, the board may deny a license, refuse to renew a license or impose the disciplinary sanctions authorized by Title 10, section 8003, subsection 5-A for: [PL 2007, c. 402, Pt. Z, §20 (NEW).]

**1. Loss of authority in other state.** Cancellation, revocation, suspension or refusal to renew authority to engage in the practice of public accountancy in any other state for any cause; [PL 2007, c. 402, Pt. Z, §20 (NEW).]

**2. Failure to maintain compliance.** Failure, on the part of an applicant or a licensee to maintain compliance with the requirements for issuance or renewal of that license or to report the changes to the board required by section 12252, subsection 6; [PL 2009, c. 242, §23 (AMD).]

**3. Revocation or suspension of right to practice.** Revocation or suspension of the right to practice before any state or federal agency; [PL 2007, c. 402, Pt. Z, §20 (NEW).]

**4. Dishonesty, fraud, gross negligence, failure to file.** Dishonesty, fraud or gross negligence in the practice of public accountancy or in the filing or failure to file the licensee's own income tax returns; [PL 2007, c. 402, Pt. Z, §20 (NEW).]

**5. Fraud.** Performance of any fraudulent act while holding a license issued under this chapter or a certificate or license issued under prior law; and [PL 2009, c. 242, §24 (AMD).]

**6. Adverse conduct.** Any conduct reflecting adversely upon the licensee's fitness to engage in the practice of public accountancy. [PL 2007, c. 402, Pt. Z, §20 (NEW).]

#### SECTION HISTORY

PL 2007, c. 402, Pt. Z, §20 (NEW). PL 2009, c. 242, §§23, 24 (AMD).

### §12274. Enforcement procedures; investigations

#### 1. Board; action.

[PL 2007, c. 402, Pt. Z, §21 (RP).]

**2. Review.** The board may review the publicly available professional work of licensees on a general and random basis, without any requirement of a formal complaint or suspicion of impropriety on the part of any particular licensee. If, as a result of such review, the board discovers reasonable grounds for a more specific investigation, the board may proceed under section 12273-A or Title 10, section 8003-A.

[PL 2009, c. 242, §25 (AMD).]

**3. Discipline.** In any case when the board renders a decision imposing discipline against a licensee, the board shall examine its records to determine whether the licensee holds a certificate or a license in

any other state; and, if so, the board shall notify the board of accountancy of that other state of its decision by mail within 45 days of rendering the decision. The board may also furnish information relating to proceedings resulting in disciplinary action to other public authorities and to private professional organizations having a disciplinary interest in the licensee.

[PL 2009, c. 242, §26 (AMD).]

**4. Board; consideration.** The board shall consider applications upon suspension, revocation or refusal to renew according to this subsection.

A. In any case when the board has suspended or revoked a license or refused to renew a license, the person or firm affected may apply in writing to the board for relief. For good cause shown, the board may modify the suspension or reissue the license. [PL 2009, c. 242, §27 (AMD).]

B. The board shall by rule specify the manner in which those applications must be made, the times within which they must be made and the circumstances in which hearings will be held. [PL 2007, c. 402, Pt. Z, §23 (AMD).]

C. Before reissuing or terminating the suspension of a license under this section, and as a condition for reissuance or termination of suspension, the board may require the applicant to show successful completion of specified continuing professional education. The board may make the reinstatement of a license conditional and subject to satisfactory completion of a quality review conducted in such fashion as the board may specify. [PL 2009, c. 242, §28 (AMD).]

[PL 2009, c. 242, §§27, 28 (AMD).]

#### SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 1999, c. 547, §B74 (AMD). PL 1999, c. 547, §B80 (AFF). PL 2007, c. 402, Pt. Z, §§21-23 (AMD). PL 2007, c. 695, Pt. B, §15 (AMD). PL 2007, c. 695, Pt. C, §18 (AMD). PL 2009, c. 242, §§25-28 (AMD).

#### §12275. Unlawful acts

**1. Issuance of reports.** A person or firm not holding a valid license issued under this chapter may not issue a report, including reviews and compilations, on financial statements or on any attest service of any other person, firm, organization or governmental unit. This prohibition does not apply to the following:

A. An officer, partner or employee of any firm or organization affixing that person's signature to any statement or report in reference to the financial affairs of that firm or organization with any wording designating the position, title or office that that person holds in the organization; [PL 2007, c. 402, Pt. Z, §24 (AMD).]

B. Any act of a public official or employee in the performance of that person's duties as such; or [PL 2007, c. 402, Pt. Z, §24 (AMD).]

C. The performance by any person of other services involving the use of accounting skills, including management advisory or consulting services, the preparation of tax returns, the furnishing of advice on tax matters and the preparation of financial statements without the issuance of reports. [PL 1987, c. 489, §2 (NEW).]

[PL 2015, c. 110, §11 (AMD).]

**2. Misuse of title; individual; certified public accountants.** No person not licensed as a certified public accountant under this chapter may use or assume the title of "certified public accountant," the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that the person is a certified public accountant.

[PL 2009, c. 242, §30 (AMD).]



**3. Use of title.** A firm may not assume or use the title or designation "certified public accountant," the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that the firm is composed of certified public accountants, unless:

A. The firm holds a valid license issued under section 12252; and [PL 2007, c. 402, Pt. Z, §24 (AMD).]

B. A simple majority of all partners, officers, shareholders, members or managers of the firm are certified public accountants licensed in a state. [PL 2009, c. 242, §31 (AMD).]  
[PL 2009, c. 242, §31 (AMD).]

**4. Misuse of title; public accountant.** No person may assume or use the title or designation "public accountant," the abbreviation "PA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that the person is a public accountant unless that person holds a valid public accountant license issued under former section 12251.  
[PL 2009, c. 242, §32 (AMD).]

**5. Misuse of title; firm; public accountant.** No firm not holding a valid license issued under section 12252 may assume or use the title or designation "public accountant," the abbreviation "PA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that the firm is composed of public accountants.  
[PL 2007, c. 402, Pt. Z, §24 (AMD).]

**6. Similar titles prohibited.** No person or firm not holding a valid license issued under this chapter may assume or use the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant" or any other title or designation likely to be confused with the titles "certified public accountant," "public accountant" or use any of the abbreviations "CA," "LA," "RA," "AA" or similar abbreviations likely to be confused with the abbreviations "CPA" or "PA," provided that a holder of a certificate who does not also hold a license may use the titles pertaining to that certificate in any manner not prohibited by rules adopted by the board under section 12214, subsection 4.  
[PL 2009, c. 242, §33 (AMD).]

**7. Similar designation prohibited.** No person or firm not holding a valid license issued under this chapter may assume or use any title or designation that includes the words "auditor" or "auditing" in connection with any other language, including the language of a report, that implies that the person or firm holds such a license or has special competence as an auditor, except that this subsection does not prohibit any officer, partner or employee of any firm or organization from affixing that person's signature to any statement in reference to the financial affairs of that firm or organization with any wording designating the position, title or office that that person holds in the firm or organization or prohibit any act of a public official or employee in the performance of that person's duties.  
[PL 2009, c. 242, §34 (AMD).]

**8. Unauthorized practice.** No person holding a certificate may engage in the practice of public accountancy, unless that person also holds a valid license issued under this chapter.  
[PL 2009, c. 242, §35 (AMD).]

**9. Form of firm.** No person or firm holding a license may engage in the practice of public accountancy using a professional or firm name or designation that is misleading about the legal form of the firm, about the persons who are partners, officers or shareholders of the firm or about any other matter, except that the names of one or more former partners or shareholders may be included in the name of a firm or its successor.  
[PL 2007, c. 402, Pt. Z, §24 (AMD).]

**10. Foreign practice.** Subsections 1 to 11 do not apply to a person or firm holding a certificate, designation, degree or license granted in a foreign country entitling the holder to engage in the practice

of public accountancy or its equivalent in that country, whose activities in this State are limited to the provision of professional services to persons or firms who are residents of, governments of or business entities of the country in which that person holds that entitlement, who issues no reports with respect to the attest service information of any other persons, firms or governmental units in this State, and who does not use in this State any title or designation other than the one under which that person practices in that country, followed by a translation of that title or designation into the English language, if it is in a different language and by the name of that country.

[PL 2015, c. 110, §12 (AMD).]

**11. Employees.** Nothing in this chapter prohibits any person, not a certified public accountant or public accountant, from serving as an employee of, or an assistant to, a certified public accountant, public accountant, a firm of certified public accountants or of public accountants holding a license issued under this chapter, provided that the employee or assistant may not issue any accounting or financial statements over the employee's or assistant's name.

[PL 2009, c. 242, §36 (AMD).]

**12. Commissions; referral fees.** A licensee, when performing for a client an attest service, may not receive a commission or a referral fee:

- A. For recommending or referring to a client any product or service; [PL 1999, c. 245, §12 (NEW).]
- B. For recommending or referring any product or service to be supplied by a client; or [PL 1999, c. 245, §12 (NEW).]
- C. As a consequence of a decision by a client to purchase or supply a particular product or service. [PL 1999, c. 245, §12 (NEW).]

Notwithstanding paragraphs A, B and C, a licensee may receive a commission or a referral fee if the licensee's compilation report discloses in writing a lack of independence.

This prohibition applies during the period in which the licensee is engaged to perform any of the attest services and the period covered by any historical financial statements involved in the attest services.

A licensee who is not prohibited by this section from receiving a commission or a referral fee shall disclose in writing to any person or entity to whom the licensee recommends or refers a product or service to which the commission or referral fee relates the fact that the licensee has been paid or expects to be paid a commission or referral fee.

[PL 2015, c. 110, §13 (AMD).]

**13. Contingency fees.** A licensee or a licensee's firm may not:

- A. When involved in providing for a client an attest service:
  - (1) Perform for a contingent fee any services for a client; or
  - (2) Receive a contingency fee from a client; or [PL 2015, c. 110, §13 (AMD).]
- B. Prepare an original or amended tax return or claim for a tax refund for a contingent fee. [PL 1999, c. 245, §12 (NEW).]

Notwithstanding paragraph A, a licensee when providing an attest service may receive a contingency fee if the licensee's compilation report discloses in writing a lack of independence.

The prohibitions apply during the period in which the licensee is engaged to perform any of the services listed in this section and the period covered by any historical financial statements involved in any of the listed services.

As used in this subsection a "contingent fee" or "contingency fee" means a fee established for the performance of any service pursuant to an arrangement in which no fee is charged unless a specified

finding or result is attained or in which the amount of the fee is otherwise dependent upon the finding or result of the service. For purposes of this subsection, fees are not regarded as being contingent if fixed by courts or other public authorities or, in tax matters, if determined based on the results of judicial proceedings or the findings of governmental agencies. A licensee's fees may vary depending on the complexity of services rendered.

[PL 2015, c. 110, §13 (AMD).]

**14. Substantial equivalency.** For purposes of this section:

A. An individual practicing as a certified public accountant without a license on the basis of substantial equivalency pursuant to section 12232 and complying with the restrictions on the scope of such a practice is equivalent to an individual licensed as a certified public accountant under section 12230 or 12231 or a corresponding provision of prior law, and each reference in this section to a licensed certified public accountant is deemed to include, on an equal basis, such an individual; [PL 2009, c. 242, §37 (AMD).]

B. A firm in compliance with section 12252, subsection 1 must, for the purposes of this section, be deemed to hold a valid license issued under section 12252; and [PL 2009, c. 242, §37 (AMD).]

C. Notwithstanding any other provision of this section, it is not a violation of this section for a firm that does not hold a valid license under section 12252 and that does not maintain an office in this State to use the title "CPA" or "Certified Public Accountants" as part of the firm's name and to provide professional services in this State, and licensees and individuals with practice privileges may provide services on behalf of such a firm if the firm complies with the requirements of section 12252, subsection 1, paragraph A, subparagraph (3) or section 12252, subsection 1, paragraph B or C, whichever is applicable. An individual or firm authorized under this paragraph to use practice privileges in this State shall comply with the requirements otherwise applicable to licensees under this section. [PL 2021, c. 68, §4 (AMD).]

[PL 2021, c. 68, §4 (AMD).]

**SECTION HISTORY**

PL 1987, c. 489, §2 (NEW). PL 1999, c. 200, §2 (AMD). PL 1999, c. 245, §12 (AMD). PL 1999, c. 619, §4 (AMD). PL 2007, c. 384, §14 (AMD). PL 2007, c. 402, Pt. Z, §24 (AMD). PL 2009, c. 242, §§29-37 (AMD). PL 2015, c. 110, §§11-14 (AMD). PL 2021, c. 68, §4 (AMD).

**§12276. Injunction**

**(REPEALED)**

**SECTION HISTORY**

PL 1987, c. 489, §2 (NEW). PL 1999, c. 547, §B78 (AMD). PL 1999, c. 547, §B80 (AFF). PL 2007, c. 402, Pt. Z, §25 (RP).

**§12277. Unlicensed practice**

A person who violates section 12275 is subject to the provisions of Title 10, section 8003-C. [PL 2007, c. 402, Pt. Z, §26 (RPR).]

**SECTION HISTORY**

PL 1987, c. 489, §2 (NEW). PL 2007, c. 402, Pt. Z, §26 (RPR).

**§12278. Single act evidence of practice**

In any action brought under section 12273-A or 12277 or Title 10, section 8003, subsection 5-A, evidence from the commission of a single act prohibited by this chapter is sufficient to justify a penalty, injunction, restraining order or conviction, respectively, without evidence of a general course of conduct. [PL 2007, c. 695, Pt. B, §16 (AMD).]

## SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 2007, c. 695, Pt. B, §16 (AMD).

**§12279. Confidential communications**

Except by permission of the client engaging a licensee under this chapter, or the heirs, successors or personal representatives of that client, a licensee or any partner, officer, shareholder or employee of a licensee may not voluntarily disclose information communicated to the licensee, or any partner, officer, shareholder or employee of the licensee, by the client relating to, and in connection with, services rendered to the client by the licensee in the practice of public accountancy. That information must be considered confidential as long as nothing may be construed as prohibiting the disclosure of information required to be disclosed by the standards of the public accounting profession in reporting on the examination of financial statements or as prohibiting disclosures in court proceedings, investigations or proceedings under section 12273-A or Title 10, section 8003, subsection 5-A, in ethical investigations conducted by private professional organizations or in the course of quality reviews. [PL 2007, c. 695, Pt. B, §17 (AMD).]

## SECTION HISTORY

PL 1987, c. 489, §2 (NEW). PL 2007, c. 695, Pt. B, §17 (AMD).

**§12280. Licensee's working papers; client's records**

**1. Records; property of licensee.** All statements, records, schedules, working papers and memoranda made by a licensee or a partner, shareholder, officer, director or employee of a licensee, incident to, or in the course of, rendering services to a client in the practice of public accountancy, except the reports submitted by the licensee to the client and except for records that are part of the client's records, shall be and remain the property of the licensee in the absence of an express agreement between the licensee and the client to the contrary. No statement, record, schedule, working paper or memorandum may be sold, transferred or bequeathed, without the consent of the client or his personal representative or assignee, to anyone other than one or more surviving partners or stockholders or new partners or stockholders of the licensee or any combined or merged firm or successor in interest to the licensee.

[PL 1987, c. 489, §2 (NEW).]

**2. Licensee to furnish items to client.** A licensee shall furnish to his client or former client upon request and reasonable notice:

A. A copy of the licensee's working papers, to the extent that the working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client; and [PL 1987, c. 489, §2 (NEW).]

B. Any accounting or other records belonging to, or obtained from or on behalf of, the client that the licensee removed from the client's premises or received for the client's account. The licensee may make and retain copies of those documents of the client when they form the basis for work done by him. [PL 1987, c. 489, §2 (NEW).]

[PL 1987, c. 489, §2 (NEW).]

## SECTION HISTORY

PL 1987, c. 489, §2 (NEW).

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