

# State of South Dakota

EIGHTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2009

400Q0157

## HOUSE BILL NO. 1058

Introduced by: The Committee on Commerce at the request of the Department of Labor

1 FOR AN ACT ENTITLED, An Act to revise certain practice privileges for certified public  
2 accountants licensed in other states.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 36-20B-1 be amended to read as follows:

5 36-20B-1. Terms as used in this chapter mean:

- 6 (1) "Board," the South Dakota Board of Accountancy established pursuant to this chapter  
7 or its predecessor;
- 8 (2) "Certificate," a certificate as a certified public accountant issued pursuant to this  
9 chapter or corresponding provisions of prior law, or a corresponding certificate as  
10 certified public accountant issued after examination under the law of any other state;
- 11 (3) "Client," a person or entity that agrees with a licensee to receive any professional  
12 service other than an employer-employee relationship;
- 13 (4) "CPA firm" and "PA firm," a sole proprietorship, a corporation, a partnership, or any  
14 other form of organization permitted by law issued a permit under this chapter;
- 15 (5) "Compilation," providing a service to be performed in accordance with Statements



1 on Standards for Accounting and Review Services (SSARS) that is presenting in the  
2 form of financial statements, information that is the representation of management  
3 (owners) without undertaking to express any assurance on the statements;

4 (6) "Domestic," referring to a jurisdiction of a state;

5 (7) "Foreign," referring to a jurisdiction outside of the United States;

6 (8) "Home office," the location specified by a client as the address to which a service is  
7 directed;

8 ~~(8)~~(9) "License," a certificate issued pursuant to this chapter, a permit issued pursuant to  
9 this chapter, or a registration pursuant to this chapter; or in each case, a certificate,  
10 license, or permit issued under corresponding provisions of prior law;

11 ~~(9)~~(10) "Licensee," the holder of a certificate issued pursuant to this chapter or of a  
12 license issued under prior law, or of a permit issued pursuant to this chapter;  
13 or in each case, a certificate, license, or permit issued under corresponding  
14 provisions of prior law;

15 ~~(10)~~(11) "Manager," manager of a limited liability company;

16 ~~(11)~~(12) "Member," a member of a limited liability company;

17 ~~(12)~~(13) "Peer review," a study, appraisal, or review of one or more aspects of the  
18 professional work of a certificate holder or CPA firm that performs attest or  
19 compilation services, by a qualified person or persons who hold certificates  
20 and who are not affiliated with the certificate holder or CPA firm being  
21 reviewed;

22 ~~(13)~~(14) "Permit," a permit to practice public accountancy issued to a firm pursuant to  
23 this chapter or corresponding provisions of prior law or under corresponding  
24 provisions of the laws of other states;

1 (15) "Practice privilege," the privilege for a person to practice public accountancy;

2 (16) "Principal place of business," the office location designated by the licensee for  
3 purposes of substantial equivalency and reciprocity;

4 ~~(14)~~(17) "Professional," arising out of or related to the specialized knowledge or skills  
5 associated with CPAs or PAs;

6 ~~(15)~~(18) "Public accountant," a person holding a public accountant license issued  
7 pursuant to provisions of prior law;

8 ~~(16)~~(19) "State," any state of the United States, the District of Columbia, Puerto Rico,  
9 the U.S. Virgin Islands, ~~and~~ Guam, and the Commonwealth of the Northern  
10 Mariana Islands;

11 ~~(17)~~(20) "Substantial equivalency," a determination by the board or its designee that the  
12 education, examination, and experience requirements contained in the statutes  
13 and administrative rules of another jurisdiction are comparable to, or exceed  
14 the education, examination, and experience requirements contained in this  
15 chapter or that an individual CPA's education, examination, and experience  
16 qualifications are comparable to or exceed the education, examination, and  
17 experience requirements contained in this chapter. In ascertaining substantial  
18 equivalency, the board or its designee shall take into account the qualifications  
19 without regard to the sequence in which experience, education, or examination  
20 requirements were attained.

21 Section 2. That § 36-20B-2 be amended to read as follows:

22 36-20B-2. For the purposes of this chapter, attest means providing the following financial  
23 statement services:

24 (1) Any audit or other engagement to be performed in accordance with the Statements

1 on Auditing Standards (SAS);

2 (2) Any review of a financial statement to be performed in accordance with the  
3 Statements on Standards for Accounting and Review Services (SSARS);

4 (3) Any examination of prospective financial information to be performed in accordance  
5 with the Statements on Standards for Attestation Engagements (SSAE); and

6 (4) Any engagement to be performed in accordance with the Auditing Standards of the  
7 Public Company Auditing Oversight Board (PCAOB); and

8 (5) The issuance of any report prescribed by the Statements on Auditing Standards  
9 (SAS), the Statements on Standards for Accounting and Review Services (SSARS),  
10 or the Statements on Standards for Attestation Engagements (SSAE) on any services  
11 to which those statements on standards apply, indicating that the service was  
12 performed in accordance with standards established by the American Institute of  
13 Certified Public Accountants (AICPA).

14 The statements on standards specified in this definition shall be adopted by reference by the  
15 board, by rule promulgated pursuant to chapter 1-26, and shall be those developed for general  
16 application by recognized national accountancy organizations.

17 Section 3. That § 36-20B-26 be amended to read as follows:

18 36-20B-26. ~~A~~ Before establishing a principal place of business in this state, a certificate  
19 holder licensed by another state, ~~before establishing a principal place of business in this state,~~  
20 shall request the issuance of a certificate from the board. The board shall issue a certificate to  
21 any applicant who obtains from the board of the other state verification that such applicant's  
22 qualifications are substantially equivalent to the CPA licensure requirements of this chapter.

23 Section 4. That § 36-20B-32 be amended to read as follows:

24 36-20B-32. The board shall grant or renew a permit to practice as a CPA firm or PA firm

1 to an entity that makes application and demonstrates its qualifications in accordance with this  
2 chapter ~~or to a CPA firm originally licensed in another state that establishes an office in this~~  
3 ~~state. A firm with multiple locations shall obtain a permit for each location. A firm must hold~~  
4 ~~a permit issued under this section in order to provide attest services as defined in this chapter~~  
5 ~~or to use the title, CPAs, CPA firm, PAs, or PA firm.~~

6 A permit shall be initially issued and renewed for periods of not more than one year.  
7 However, a permit expires on the date as established by the board, by rule promulgated pursuant  
8 to chapter 1-26 following issuance or renewal. An application for a permit shall be made in such  
9 form, and in the case of an application for renewal, between such dates as the board may, by rule  
10 promulgated pursuant to chapter 1-26, specify. If the applicant seeks the opportunity to show  
11 that issuance or renewal of a permit was mistakenly denied or if the board is not able to  
12 determine whether it should be granted or denied, the board may issue to the applicant a  
13 provisional permit, which expires ninety days after its issuance, or when the board determines  
14 whether to issue or renew the permit for which the application was made, whichever occurs  
15 first.

16 Section 5. That chapter 36-20B be amended by adding thereto a NEW SECTION to read as  
17 follows:

18 For the purposes of this chapter, the following firms are required to hold a permit:

- 19 (1) Any firm with an office in this state performing attest services as defined in  
20 § 36-20B-2;
- 21 (2) Any firm with an office in this state that uses the title CPAs, CPA firm, PAs, or PA  
22 firm; or
- 23 (3) Any firm that does not have an office in this state but performs attest services  
24 described in subdivisions 36-20B-2(1), (3) or (4) for a client who resides in this state

1 or whose home office is located in this state.

2 Section 6. That chapter 36-20B be amended by adding thereto a NEW SECTION to read as  
3 follows:

4 A firm which does not have an office in this state may perform services described in  
5 subdivision 36-20B-1(5) or subdivision 36-20B-2(2) for a client residing in or having a home  
6 office in this state and may use the title CPAs, CPA firm, PAs, or PA firm without a permit  
7 issued under this chapter only if:

- 8 (1) The firm has the qualifications described in §§ 36-20B-33 and 36-20B-36; and
- 9 (2) The firm performs the services through an individual with practice privileges under  
10 the provisions of § 36-20B-66 or 36-20B-67.

11 Section 7. That chapter 36-20B be amended by adding thereto a NEW SECTION to read as  
12 follows:

13 A firm that does not have an office in this state and is not subject to the requirements  
14 pursuant to subdivision (3) of section 5 of this Act or section 6 of this Act may perform other  
15 professional services while using the title CPAs, CPA firm, PAs, or PA firm in this state without  
16 a permit issued under this chapter only if:

- 17 (1) The firm performs the services through an individual with practice privileges under  
18 the provisions of § 36-20B-66 or 36-20B-67; and
- 19 (2) The firm can lawfully do so in the state where the individual with practice privileges  
20 has a principal place of business.

21 Section 8. That § 36-20B-33 be amended to read as follows:

22 36-20B-33. An applicant for initial issuance or renewal of a permit to practice under this  
23 chapter shall comply with the following:

- 24 (1) Notwithstanding any other provision of law, a majority of the owners of the firm, in

1 terms of financial interests and voting rights, are holders of a certificate and are  
2 licensed in some state, and such owners whose principal place of business is in this  
3 state and who perform professional services in this state hold a valid certificate  
4 issued under this chapter or the corresponding provision of prior law or are public  
5 accountants registered under this chapter. Firms may include nonlicensee owners.  
6 However, such firms ~~must~~ shall be controlled by the majority vote of owners who are  
7 holders of a certificate and who are licensed in some state, and such control may not  
8 be relinquished by contract, such as through veto rights held by owners of less than  
9 a majority of the owners. The firm and its ownership shall comply with rules  
10 promulgated by the board pursuant to chapter 1-26. For firms of public accountants,  
11 at least a majority of the owners of the firm ~~must~~ shall be holders of registrations  
12 under this chapter. An individual who has practice privileges under the provisions of  
13 § 36-20B-66 or 36-20B-67 who performs services for which a firm permit is required  
14 pursuant to section 27 of this Act is not required to obtain a certificate from this state  
15 pursuant to § 36-20B-13;

16 (2) Any CPA or PA firm as defined in this chapter may include nonlicensee owners if  
17 the firm designates a licensee of this state, or, in the case of a firm which is required  
18 to obtain a permit pursuant to section 27 of this Act, a licensee of another state who  
19 meets the requirements set forth in § 36-20B-66 or 36-20B-67, who is responsible for  
20 the proper registration of the firm and identifies non-license owners to the board;

21 (3) All nonlicensee owners are active individual participants in the CPA or PA firm or  
22 an affiliated entity;

23 (4) The firm complies with such other requirements as the board may establish by rule  
24 promulgated pursuant to chapter 1-26;

1 (5) Any individual licensee or individual with practice privileges under the provisions  
2 of § 36-20B-66 or 36-20B-67 who is responsible for supervising attest or compilation  
3 services and signs or authorizes another individual to sign the accountant's report on  
4 the financial statements on behalf of the firm shall meet the experience requirements  
5 set out in the professional standards for such services; and

6 (6) Any individual licensee or individual with practice privileges under the provisions  
7 of § 36-20B-66 or 36-20B-67 who signs or authorizes an individual to sign the  
8 accountant's report on the financial statements on behalf of the firm shall meet the  
9 experience requirement of this chapter.

10 An applicant for initial issuance or renewal of a permit to practice shall register each office  
11 of the firm within this state with the board and show that all attest and compilation services  
12 rendered in this state are under the charge of a person holding a valid certificate issued under  
13 this chapter or the corresponding provision of prior law or some other state.

14 Section 9. That § 36-20B-40 be amended to read as follows:

15 36-20B-40. The board may, in accordance with chapter 1-26, revoke any certificate, license,  
16 or permit issued pursuant to this chapter or corresponding provisions of prior law or revoke or  
17 limit practice privileges under this chapter the provisions of § 36-20B-66 or 36-20B-67; suspend  
18 any such certificate, license, or permit, or refuse to renew any such certificate, license, or permit  
19 for a period of not more than five years; reprimand, censure, or limit the scope of practice of any  
20 licensee; impose an administrative fine not exceeding one thousand dollars, or place any  
21 licensee on probation, all with or without terms, conditions, and limitations, for any one or more  
22 of the following reasons:

23 (1) Fraud or deceit in obtaining a certificate or permit;

24 (2) Cancellation, revocation, suspension, or refusal to renew a certificate, license, or



- 1 permit to engage in the practice of public accountancy in any other state for any  
2 cause;
- 3 (3) Failure, on the part of a holder of a certificate, license, or permit under this chapter  
4 or registration under this chapter, or of a certificate, license or permit issued by  
5 another state, to maintain compliance with the requirements for issuance or renewal  
6 of such certificate, license, permit, or registration or to report changes to the board;
- 7 (4) Revocation or suspension of the right to practice before any state or federal agency;
- 8 (5) Dishonesty, fraud, or repeated acts of negligence in the performance of services as  
9 a licensee or individual granted practice privileges under this chapter the provisions  
10 of § 36-20B-66 or 36-20B-67 or in the filing or failure to file one's own income tax  
11 returns;
- 12 (6) Violation of any provision of this chapter or rule, promulgated by the board pursuant  
13 to chapter 1-26, or violation of professional standards;
- 14 (7) Violation of any rule of professional conduct promulgated by the board pursuant to  
15 chapter 1-26;
- 16 (8) Conviction of a felony, or of any crime an element of which is dishonesty or fraud,  
17 under the laws of the United States, of this state, or of any other state if the acts  
18 involved would have constituted a crime under the laws of this state;
- 19 (9) Performance of any fraudulent act while holding a certificate, license, or permit or  
20 privilege issued under this chapter or prior law;
- 21 (10) Any conduct reflecting adversely upon the licensee's fitness to perform services while  
22 a licensee; or individual granted practice privileges under this chapter the provisions  
23 of § 36-20B-66 or 36-20B-67;
- 24 (11) Making any false or misleading statement or verification, in support of an application

1 for a certificate, registration, or permit filed by another; and

2 (12) Dishonesty or repeated acts of negligence in the performance of peer reviews.

3 In lieu of or in addition to any remedy specifically provided in this section, the board may  
4 require of a licensee a peer review conducted in the manner as the board may specify or  
5 satisfactory completion of the continuing professional education programs as the board may  
6 specify, or both.

7 In any proceeding in which a remedy provided by this section is imposed, the board may  
8 also require the respondent licensee to pay the costs of the proceeding.

9 Section 10. That § 36-20B-43 be amended to read as follows:

10 36-20B-43. Upon a finding of probable cause, if the subject of the investigation is a licensee  
11 or an individual with practice privileges under ~~this chapter~~ the provisions of § 36-20B-66 or 36-  
12 20B-67, the board shall proceed in accordance with chapter 1-26. If the subject of the  
13 investigation is not a licensee or an individual with privileges under this chapter, the board shall  
14 take appropriate action under this chapter. Upon a finding of no probable cause, the board shall  
15 close the matter and shall thereafter release information relating thereto only with the consent  
16 of the person or firm under investigation.

17 Section 11. That § 36-20B-44 be amended to read as follows:

18 36-20B-44. The board may review the publicly available professional work of licensees or  
19 an individual with practice privileges under ~~this chapter~~ the provisions of § 36-20B-66 or 36-  
20 20B-67 on a general and random basis, without any requirement of a formal complaint or  
21 suspicion of impropriety on the part of any particular licensee. If, as a result of such review, the  
22 board discovers grounds for a more specific investigation, the board may proceed as prescribed  
23 under this chapter.

24 Section 12. That § 36-20B-45 be amended to read as follows:

1       36-20B-45. If probable cause with respect to a violation by a licensee or an individual with  
2 practice privileges granted under ~~this chapter~~ the provisions of § 36-20B-66 or 36-20B-67 has  
3 been determined by the board, or upon receipt of notice of a decision by the board of another  
4 state furnishing grounds for a determination of probable cause, the board may issue a complaint  
5 setting forth appropriate charges and set a date for hearing before the board on such charges. If  
6 a complaint is issued and a hearing date set, the board shall, not less than thirty days prior to the  
7 date of the hearing, serve a copy of the complaint and notice of the time and place of the hearing  
8 upon the licensee or an individual with practice privileges granted under ~~this chapter~~ the  
9 provisions of § 36-20B-66 or 36-20B-67, together with a copy of the board's rules governing  
10 proceedings under this section, either by personal delivery or by mailing a copy thereof by  
11 registered mail to the licensee at the licensee's address, last known to the board. In the case of  
12 an individual exercising practice privileges under ~~this chapter~~ the provisions of § 36-20B-66 or  
13 36-20B-67, service shall be by certified or registered mail to the address last known to the  
14 board, or pursuant to chapter 1-26.

15       Section 13. That § 36-20B-46 be amended to read as follows:

16       36-20B-46. A licensee or an individual with practice privileges under ~~this chapter~~ the  
17 provisions of § 36-20B-66 or 36-20B-67 against whom a complaint has been issued under this  
18 section may, reasonably in advance of the hearing, examine and copy the report of investigation,  
19 if any, and any documentary or testimonial evidence and summaries of anticipated evidence in  
20 the board's possession relating to the subject matter of the complaint. The board shall adopt  
21 rules, promulgated pursuant to chapter 1-26, governing proceedings under this section to specify  
22 the manner in which such right may be exercised.

23       Section 14. That § 36-20B-47 be amended to read as follows:

24       36-20B-47. The respondent licensee or an individual with practice privileges granted under

1 ~~this chapter~~ the provisions of § 36-20B-66 or 36-20B-67 may appear at the hearing in person  
2 or, in the case of a firm, through a partner, officer, director, shareholder, member, or manager,  
3 and by counsel, examine witnesses and evidence presented in support of the complaint, and  
4 present evidence and witnesses on the licensee's or an individual's own behalf. The licensee or  
5 an individual granted practice privileges under ~~this chapter~~ the provisions of § 36-20B-66 or 36-  
6 20B-67 is entitled, on application to the board, to the issuance of subpoenas to compel the  
7 attendance of witnesses and the production of documentary evidence.

8 Section 15. That § 36-20B-49 be amended to read as follows:

9 36-20B-49. If after service of a complaint and notice of hearing the respondent licensee fails  
10 to appear at the hearing, the board may proceed to hear evidence against the licensee or an  
11 individual granted practice privileges under ~~this chapter~~ the provisions of § 36-20B-66 or 36-  
12 20B-67 and may enter an order as it deems warranted by the evidence. Any order shall be final  
13 unless the licensee or an individual granted practice privileges under ~~this chapter~~ the provisions  
14 of § 36-20B-66 or 36-20B-67 petitions for review. However, within thirty days from the date  
15 of any such order, upon a showing of good cause for the licensee's or an individual's failure to  
16 appear and defend, the board may set aside the order and schedule a new hearing on the  
17 complaint, to be conducted in accordance with the provisions of this section.

18 Section 16. That § 36-20B-51 be amended to read as follows:

19 36-20B-51. If the board renders a decision imposing discipline against a licensee or an  
20 individual granted practice privileges under ~~this chapter~~ the provisions of § 36-20B-66 or 36-  
21 20B-67, the board shall notify any board of accountancy of any other state in which the licensee  
22 also holds certificates, licenses, or permits of its decision, ~~by mail~~, within forty-five days of  
23 rendering the decision. The board may also furnish information relating to proceedings resulting  
24 in disciplinary action to other public authorities and to private professional organizations having

1 a disciplinary interest in the licensee.

2 If a petition for review has been filed pursuant to this chapter, the notification and furnishing  
3 of information provided for in this section shall await the resolution of such review and, if  
4 resolution is in favor of the licensee or an individual granted practice privileges under ~~this~~  
5 ~~chapter~~ the provisions of § 36-20B-66 or 36-20B-67, no such notification or furnishing of  
6 information may be made.

7 Section 17. That § 36-20B-52 be amended to read as follows:

8 36-20B-52. If the board has suspended or revoked a certificate, license, permit, or  
9 registration or revoked or limited practice privileges under ~~this chapter~~ the provisions of § 36-  
10 20B-66 or 36-20B-67 or refused to renew a certificate, license, permit, or registration, the board  
11 may, upon application in writing by the person or firm affected and for good cause shown,  
12 modify the suspension, or reissue the certificate, license, permit, or registration or remove the  
13 limitation or revocation of privileges.

14 The board shall, by rule promulgated pursuant to chapter 1-26, specify the manner in which  
15 such applications shall be made, the times within which they shall be made, and the  
16 circumstances in which hearings will be held.

17 Section 18. That § 36-20B-53 be amended to read as follows:

18 36-20B-53. Before reissuing or terminating the suspension of a certificate, license, permit,  
19 or registration under this section or of practice privileges under ~~this chapter~~ the provisions of  
20 § 36-20B-66 or 36-20B-67, and as a condition thereto, the board may require the applicant to  
21 show successful completion of specified continuing professional education. The board may  
22 make the reinstatement of a certificate, license, permit, or registration or of practice privileges  
23 under ~~this chapter~~ the provisions of § 36-20B-66 or 36-20B-67 conditional and subject to  
24 satisfactory completion of a peer review conducted in such manner as the board may specify.

1 Section 19. That § 36-20B-54 be amended to read as follows:

2 36-20B-54. No person other than a licensee or an individual granted practice privileges  
3 under the provisions of § 36-20B-66 or 36-20B-67 may issue a report on financial statements  
4 of any person, firm, organization, or governmental unit or offer to render or render any attest or  
5 compilation service. This restriction does not prohibit any act of a public official or public  
6 employee in the performance of that person's duties as such, or prohibit the performance by any  
7 nonlicensee of other services involving the use of accounting skills, including the preparation  
8 of tax returns, management advisory services, and the preparation of financial statements  
9 without the issuance of reports thereon. A nonlicensee may prepare financial statements and  
10 issue nonattest transmittals or information thereon which do not purport to be in compliance  
11 with the Statements on Standards for Accounting and Review Services (SSARS).

12 A licensee and an individual granted practice privileges under the provisions of § 36-20B-66  
13 or 36-20B-67 performing attest or compilation services shall provide those services in  
14 accordance with professional standards.

15 Section 20. That § 36-20B-55 be amended to read as follows:

16 36-20B-55. A person who does not hold a valid certificate or has not been granted practice  
17 privileges under the provisions of § 36-20B-66 or 36-20B-67 may not use or assume the title,  
18 certified public accountant, the abbreviation, CPA, or any other title, designation, words, letters,  
19 abbreviation, sign, card, or device tending to indicate that such person is a certified public  
20 accountant.

21 No firm may provide attest services or assume or use the title, certified public accountants,  
22 or the abbreviation, CPAs, or any other title, designation, words, letters, abbreviation, sign, card,  
23 or device tending to indicate that such firm is a CPA firm unless:

24 (1) The firm holds a valid permit issued under this chapter or is exempt from the permit

1 requirements pursuant to section 6 or section 7 of this Act; and

2 (2) Ownership of the firm is in accordance with this chapter and rules promulgated by  
3 the board in accordance with chapter 1-26, if applicable.

4 Section 21. That § 36-20B-57 be amended to read as follows:

5 36-20B-57. No person or firm, not holding a valid certificate, permit, or registration issued  
6 under this chapter, may assume or use the title, certified accountant, chartered accountant,  
7 enrolled accountant, licensed accountant, registered accountant, accredited accountant, or any  
8 other title or designation likely to be confused with the titles, certified public accountant or  
9 public accountant, or use any of the abbreviations CA, LA, RA, AA, or similar abbreviation  
10 likely to be confused with the abbreviations, CPA or PA. However, the provisions of this  
11 section do not apply to any individual granted practice privileges under the provisions of § 36-  
12 20B-66 or 36-20B-67 or to any firm which is exempt from the permit requirements pursuant to  
13 section 6 or section 7 of this Act. The title, Enrolled Agent or EA may only be used by  
14 individuals so designated by the Internal Revenue Service.

15 No nonlicensee, except an individual granted practice privileges under the provisions of  
16 § 36-20B-66 or 36-20B-67, may use language in any statement relating to the financial affairs  
17 of a person or entity which is conventionally used by licensees in reports on financial  
18 statements.

19 Section 22. That § 36-20B-58 be amended to read as follows:

20 36-20B-58. No person or firm which does not hold a valid certificate, permit, or registration  
21 issued under this chapter may assume or use any title or designation that includes the words,  
22 accountant, auditor, or accounting, in connection with any other language, including the  
23 language of a report, that implies that such person or firm holds such a certificate, permit, or  
24 registration or has special competence as an accountant or auditor. However, this the provisions

1 of this section do not apply to any individual granted practice privileges under the provisions  
2 of § 36-20B-66 or 36-20B-67 or to any firm that is exempt from the permit requirements  
3 pursuant to section 6 or section 7 of this Act.

4 This section does not prohibit any officer, partner, member, manager, or employee of any  
5 firm or organization from affixing that person's own signature to any statement in reference to  
6 the financial affairs of such firm or organization with any wording designating the position, title,  
7 or office that the person holds therein nor prohibit any act of a public official or employee in the  
8 performance of the persons duties as such.

9 ~~Any person or firm who violates the provisions~~ A violation of this section is ~~guilty of a~~  
10 Class 2 misdemeanor.

11 Section 23. That § 36-20B-59 be amended to read as follows:

12 36-20B-59. The provisions of this chapter do not apply to any person or firm holding a  
13 certification, designation, degree, or license granted in a foreign country entitling the holder  
14 thereof to engage in the practice of public accountancy or its equivalent in such country, whose  
15 activities in this state are limited to the provision of professional services to persons or firms  
16 who are residents of, governments of, or business entities of, the country in which the person  
17 holds such entitlement, who performs no attest or compilation services and who issues no  
18 reports with respect to the financial statements of any other persons, firms, or governmental  
19 units in this state, and who does not use in this state any title or designation other than the one  
20 under which the person practices in such country, followed by a translation of such title or  
21 designation into the English language, if it is in a different language, and by the name of such  
22 country.

23 However, it is not a violation of this chapter for a firm which does not hold a valid permit  
24 under § 36-20B-32 and which does not have an office in this state to provide its professional



1 services in this state if the firm complies with the requirements pursuant to section 6 or section  
2 7 of this Act, whichever is applicable.

3 Section 24. That § 36-20B-66 be amended to read as follows:

4 36-20B-66. An individual whose principal place of business is not in this state ~~having who~~  
5 holds a valid certificate or license as a certified public accountant from any state which the  
6 board has verified to be in substantial equivalence with the CPA licensure requirements of this  
7 chapter is presumed to have qualifications substantially equivalent to ~~this state's~~ requirements  
8 of this state and shall have all the privileges of certificate holders and licensees of this chapter  
9 without the need to obtain a certificate or permit under this chapter. ~~However, such individuals~~  
10 ~~shall notify the board of their intent to enter the state under this provision completing procedures~~  
11 ~~and paying fees specified by the board and promulgated by rule pursuant to chapter 1-26.~~

12 Notwithstanding any other provision of law, an individual who offers or renders professional  
13 services under this section, whether in person, or by mail, telephone, or electronic means, shall  
14 be granted practice privileges in this state, and no notice, fee, or other submission is required  
15 of the individual. However, the individual shall be subject to the requirements of § 36-20B-68.

16 Section 25. That § 36-20B-67 be amended to read as follows:

17 36-20B-67. Any individual whose principal place of business is not in this state ~~having who~~  
18 holds a valid certificate or license as a certified public accountant from any state which the  
19 board has not verified to be in substantial equivalence with the CPA licensure requirements of  
20 this chapter ~~shall be~~ is presumed to have qualifications substantially equivalent to this state's  
21 requirements and shall have all the privileges of certificate holders and licensees of this state  
22 without the need to obtain a certificate or permit under this chapter. ~~However, such individuals~~  
23 ~~shall notify the board of their intent to enter the state under this provision completing procedures~~  
24 ~~and paying fees, not to exceed one hundred fifteen dollars, specified by the board and~~

1 ~~promulgated by rule pursuant to chapter 1-26~~ if the CPA qualifications of the state where the  
2 individual is licensed are substantially equivalent to the CPA licensure requirements of this  
3 chapter.

4 Notwithstanding any other provision of law, an individual who offers or renders professional  
5 services, whether in person, or by mail, telephone, or electronic means, under this section shall  
6 be granted practice privileges in this state, and no notice, fee, or other submission is required  
7 of the individual. However, the individual shall be subject to the requirements of § 36-20B-68.

8 Section 26. That § 36-20B-68 be amended to read as follows:

9 36-20B-68. Any licensee of another state ~~exercising~~ who exercises the practice privilege  
10 ~~afforded under this chapter provided in § 36-20B-66 or 36-20B-67 and the firm, if any, which~~  
11 employs that licensee hereby simultaneously consents, as a condition of the grant of this  
12 privilege, to the personal and subject matter jurisdiction and disciplinary authority of the board,  
13 and agrees to comply with this chapter and the board's rules, ~~and~~. If the license from the state  
14 of the individual's principal place of business is no longer valid, the individual shall cease  
15 offering or rendering professional services in this state, both individually and on behalf of a  
16 firm. Any licensee who exercises the privilege provided in § 36-20B-66 or 36-20B-67 consents  
17 to the appointment of the state board which issued their license as their agent upon whom  
18 process may be served in any action or proceeding by this board against the licensee.

19 Section 27. That chapter 36-20B be amended by adding thereto a NEW SECTION to read  
20 as follows:

21 An individual who has been granted practice privileges under the provisions of § 36-20B-66  
22 or 36-20B-67 who performs for any entity with its home office in this state any of the following  
23 services:

24 (1) Any financial statement audit or other engagements to be performed in accordance

1 with Statements on Auditing Standards (SAS);

2 (2) Any examination of prospective financial information to be performed in accordance

3 with Statements on Standards For Attestation Engagements (SSAE); or

4 (3) Any engagement to be performed in accordance with Public Company Accounting

5 Oversight Board (PCAOB) auditing standards;

6 shall do so only through a firm which has obtained a permit under the provisions of § 36-20B-

7 32.