



General Assembly

**Substitute Bill No. 684**

February Session, 2008

\* SB00684JUD 042108 \*

**AN ACT CONCERNING THE PRACTICE AND PRIVILEGES OF  
CERTIFIED PUBLIC ACCOUNTANTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-279b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this section, [and] sections 20-280 to 20-281m, inclusive  
4 and section 7 of this act:

5 (1) "Board" means the State Board of Accountancy established by  
6 section 20-280;

7 (2) "Certificate" means a "certified public accountant" certificate  
8 issued either prior to October 1, 1992, or pursuant to section 20-281c of  
9 the 2008 supplement to the general statutes or a "certified public  
10 accountant" certificate issued after examination pursuant to the laws of  
11 any other state;

12 (3) "Firm" means any person, proprietorship, partnership,  
13 corporation, limited liability company or association and any other  
14 legal entity which practices public accountancy;

15 (4) "License" means a public accountancy license issued pursuant to  
16 section 20-281b or 20-281d, as amended by this act;

17 (5) "Licensee" means the holder of a certificate issued pursuant to  
18 section 20-281c of the 2008 supplement to the general statutes, the  
19 holder of a license issued pursuant to section 20-281b or 20-281d, as  
20 amended by this act, or a holder of a permit to practice public  
21 accountancy issued pursuant to sections 20-281b and 20-281e, as  
22 amended by this act;

23 (6) "Permit" means a permit to practice public accountancy issued to  
24 a firm pursuant to section 20-281e, as amended by this act;

25 (7) "Practicing public accountancy" means performing for the public  
26 or offering to perform for the public for a fee by a person or firm  
27 holding himself or itself out to the public as a licensee one or more  
28 kinds of services involving the use of accounting or auditing skills,  
29 including, but not limited to, the issuance of reports on financial  
30 statements, or of one or more kinds of management advisory, financial  
31 advisory or consulting services, or the preparation of tax returns or the  
32 furnishing of advice on tax matters;

33 (8) "Quality review" means any study, appraisal or review of one or  
34 more aspects of the professional work of a person or firm which  
35 practices public accountancy by a person or persons who holds or hold  
36 licenses under section 20-281b or 20-281d, as amended by this act, or  
37 their equivalent under the laws of any other state and who are not  
38 affiliated with the person or firm being reviewed;

39 (9) "Registration" means the process by which the holder of a  
40 certificate may register his certificate annually and pay a fee of twenty  
41 dollars in lieu of an annual renewal of a license and be entitled to use  
42 the abbreviation "CPA" and the title "certified public accountant"  
43 under conditions and in the manner prescribed by the board by  
44 regulation;

45 (10) "Profession" means the profession of public accountancy;

46 (11) "Report" means any writing which refers to a financial  
47 statement and (A) expresses or implies assurance as to the reliability of

48 said financial statement, and includes, but is not limited to, any writing  
49 disclaiming an opinion, when such writing contains language  
50 conventionally understood in the profession to express or imply  
51 assurance as to the reliability of such financial statement, and (B)  
52 expresses or implies that the person or firm issuing such writing has  
53 special competence in accounting or auditing, which expression or  
54 implication arises from, among other things, the use of written  
55 language which is conventionally understood in the profession to  
56 express or imply assurance as to the reliability of financial statements;

57 (12) "AICPA" means the American Institute of Certified Public  
58 Accountants;

59 (13) "Attest" means the provision of any of the following financial  
60 statement services:

61 (A) Any audit or other engagement to be performed in accordance  
62 with the Statements on Auditing Standards (SAS);

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

66 (C) Any examination of prospective financial information to be  
67 performed in accordance with the Statements on Standards for  
68 Attestation Engagements (SSAE); and

69 (D) Any engagement to be performed in accordance with the  
70 Auditing Standards of the PCAOB;

71 (14) "Compilation" means the provision of a service to be performed  
72 in accordance with Statements on Standards for Accounting and  
73 Review Services (SSARS) that is presented in the form of financial  
74 statements that is the representation of management without  
75 undertaking to express any assurance on the statements;

76 (15) "Home office" means the location specified by the client as the  
77 address to which a service described in section 7 of this act is directed;

78 (16) "NASBA" means the National Association of State Boards of  
79 Accountancy;

80 (17) "PCAOB" means the Public Company Accounting Oversight  
81 Board;

82 (18) "Practice privilege" means the privilege for a person or firm to  
83 practice public accountancy described in, and subject to the conditions  
84 contained in, section 20-281e, as amended by this act, and section 7 of  
85 this act;

86 (19) "Principal place of business" means the office location  
87 designated by an individual or firm for purposes of section 20-281e, as  
88 amended by this act, and section 7 of this act;

89 (20) "Substantial equivalency" is a determination by the board of  
90 accountancy or its designee that the education, examination and  
91 experience requirements contained in the statutes and administrative  
92 rules of another jurisdiction are comparable to, or exceed, the  
93 education, examination and experience requirements contained in the  
94 Uniform Accountancy Act or that an individual certified public  
95 accountant's education, examination and experience qualifications are  
96 comparable to, or exceed, the education, examination and experience  
97 requirements contained in the Uniform Accountancy Act.

98 Sec. 2. Section 20-281 of the general statutes is repealed and the  
99 following is substituted in lieu thereof (*Effective from passage*):

100 (a) No firm shall practice public accountancy in this state unless  
101 such firm: [has] (1) Has obtained a permit to practice, or (2) is exempt  
102 from the permit requirement contained in section 20-281e, as amended  
103 by this act.

104 (b) The State Board of Accountancy shall require, by regulation, that  
105 on and after January 1, 1990, as a condition to renewal of a permit to  
106 practice issued under section 20-281e, as amended by this act, that  
107 permit holders undergo a quality review, conducted in such manner as

108 the board may by regulation specify, to determine and report on the  
109 degree of compliance by the permit holder with generally accepted  
110 accounting principals, generally accepted auditing standards and other  
111 similarly recognized authoritative technical standards. Such a review  
112 shall be required every three years, except as provided in subsection  
113 (c) of this section. Any such regulations shall provide that an applicant  
114 may comply with such regulations by furnishing sufficient evidence to  
115 the board that a similar quality review has been completed for other  
116 purposes. Each such review shall be performed by a reviewer having  
117 such qualifications as shall be set forth by regulation. Each reviewer  
118 shall be independent of the firm being reviewed. The firm which is the  
119 subject of the review shall furnish a copy of the opinion letter  
120 accompanying the report of the review performed by the reviewer to  
121 the board within thirty days of the acceptance of the final report by a  
122 qualified oversight body as determined by the board. Such letter shall  
123 not be a public record unless it is made part of the record of a  
124 disciplinary hearing. If the review report is designated "modified", the  
125 board may require the firm which is the subject of the review to submit  
126 an affidavit, within such time as the board may specify, indicating that  
127 the remedial action suggested by the reviewer has been completed.  
128 Payment for any review shall be the responsibility of the firm which is  
129 the subject of the review.

130 (c) A permit holder may be granted a waiver from the quality  
131 review requirements under subsection (b) of this section: (1) If it  
132 annually represents to the board that: (A) It does not engage in  
133 financial reporting areas of practice, including audits, compilations  
134 and reviews, (B) it does not intend to engage in such a practice during  
135 the following year, and (C) it will immediately notify the board if it  
136 engages in such practice; (2) for reasons of health; (3) due to military  
137 service; (4) in instances of individual hardship; or (5) for other good  
138 cause as the board may determine. Any such requests for waivers and  
139 any such representations shall be made in writing, under oath, and  
140 upon forms provided by the board. Such requests and representations  
141 shall be made at the time the firm applies for renewal of its firm

142 permit. Any firm which has been granted a waiver pursuant to  
143 subdivision (1) of this subsection shall immediately notify the board if  
144 it engages in the financial reporting area of practice and shall undergo  
145 a quality review during the first calendar year after its initial  
146 acceptance of such an engagement.

147 Sec. 3. Section 20-281a of the general statutes is repealed and the  
148 following is substituted in lieu thereof (*Effective from passage*):

149 (a) After notice and hearing pursuant to section 20-280c, the board  
150 may revoke any certificate, license or permit issued under section 20-  
151 281c of the 2008 supplement to the general statutes, 20-281d, as  
152 amended by this act, or 20-281e, as amended by this act, or the practice  
153 privilege of an individual who qualifies under section 7 of this act;  
154 suspend any such certificate, registration, license, practice privilege or  
155 permit or refuse to renew any such certificate, license or permit;  
156 reprimand, censure, or limit the scope of practice of any licensee or  
157 individual that qualifies for the practice privilege; impose a civil  
158 penalty not exceeding fifty thousand dollars upon licensees,  
159 individuals who qualify for the practice privilege or others violating  
160 provisions of section 20-281g, as amended by this act, or place any  
161 licensee or individual that qualifies for the practice privilege on  
162 probation, all with or without terms, conditions and limitations, for  
163 any one or more of the following reasons:

164 (1) Fraud or deceit in obtaining a certificate, registration, license,  
165 practice privilege or permit;

166 (2) Cancellation, revocation, suspension or refusal to renew  
167 authority to engage in the practice of public accountancy in any other  
168 state for any cause;

169 (3) Failure, on the part of a holder of a license or permit under  
170 section 20-281d, as amended by this act, or 20-281e, as amended by this  
171 act, to maintain compliance with the requirements for issuance or  
172 renewal of such license or permit or to report changes to the board  
173 under subsection [(g)] (h) of section 20-281d, as amended by this act, or

174 subsection (f) of section 20-281e, as amended by this act;

175 (4) Revocation, limitation or suspension of the right to practice  
176 before any state or federal agency or the Public Company Accounting  
177 Oversight Board under the Sarbanes-Oxley Act of 2002, or any of the  
178 following actions taken by any such state or federal agency or said  
179 board against a licensee or individual who qualifies for the practice  
180 privilege: (A) Suspension of or barring a licensee from serving as a  
181 corporate officer or director, (B) requiring [a] such individual or  
182 licensee to disgorge funds, or (C) suspension or barring such  
183 individual or a licensee from association with a public accounting firm;

184 (5) Dishonesty, fraud or negligence in the practice of public  
185 accountancy or in the filing or failure to file his own income tax  
186 returns;

187 (6) Violation of any provision of sections 20-279b to 20-281m,  
188 inclusive, as amended by this act, or regulation adopted by the board  
189 under said sections;

190 (7) Violation of any rule of professional conduct adopted by the  
191 board under subdivision (4) of subsection (g) of section 20-280;

192 (8) Conviction of a felony, or of any crime an element of which is  
193 dishonesty or fraud, under the laws of the United States, of this state,  
194 or of any other state if the acts involved would have constituted a  
195 crime under the laws of this state, subject to the provisions of section  
196 46a-80;

197 (9) Performance of any fraudulent act while holding a registration,  
198 certificate, license, practice privilege or permit issued under sections  
199 20-279b to 20-281m, inclusive, as amended by this act, or prior law;

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

202 (11) Violation by anyone of any provision of section 20-281g, as  
203 amended by this act.

204 (b) In lieu of or in addition to any remedy specifically provided in  
205 subsection (a) of this section, the board may require a licensee or  
206 individual who qualifies for a practice privilege to: (1) Submit to a  
207 quality review conducted in such fashion as the board may specify; or  
208 (2) complete such continuing professional education programs as the  
209 board may specify, or both.

210 (c) In any proceeding in which a remedy provided by subsection (a)  
211 or (b) of this section is imposed, the board may also require the  
212 respondent to pay the costs of the proceeding.

213 Sec. 4. Section 20-281e of the general statutes is repealed and the  
214 following is substituted in lieu thereof (*Effective from passage*):

215 (a) The board shall grant or renew permits to practice public  
216 accountancy to firms that make application and demonstrate their  
217 qualifications [therefor] in accordance with subsections (b) to (f),  
218 inclusive, of this section.

219 (b) Permits shall be initially issued and renewed annually.  
220 Applications for permits shall be made in such form, and in the case of  
221 applications for renewal, between such dates as the board may by  
222 regulation specify.

223 (c) An applicant for initial issuance or renewal of a permit to  
224 practice under this section shall be required to show that each  
225 proprietor, partner or shareholder of such firm whose principal place  
226 of business is in this state, who performs professional services in this  
227 state and who works in this state holds a valid license to practice  
228 issued under section 20-281b or 20-281d, as amended by this act. An  
229 individual who has practice privileges under section 7 of this act and  
230 performs services, for which a firm permit is required under such  
231 section, shall not be required to obtain a certificate under section  
232 20-281c of the 2008 supplement to the general statutes or a license  
233 under section 20-281d, as amended by this act.

234 (d) An applicant for initial issuance or renewal of a permit to

235 practice under this section shall be required to register each office of  
236 the firm within this state with the board and to show that [each such  
237 office is] all attest services and compilation services rendered in this  
238 state are under the charge of a person holding a valid license issued  
239 under section 20-281b, [or] 20-281d, as amended by this act, or by some  
240 other state.

241 (e) The board shall charge an annual fee for each application for  
242 initial issuance or renewal of a permit under this section in the amount  
243 of seventy-five dollars; provided, no such fee shall be charged to a firm  
244 having not more than one licensee.

245 (f) Applicants for initial issuance or renewal of permits under this  
246 section shall list in their application all states in which they have  
247 applied for or hold licenses to practice public accountancy, and each  
248 holder of or applicant for a permit under this section shall notify the  
249 board in writing, within thirty days after its occurrence, of any change  
250 in the identities of any proprietors, partners, officers or shareholders of  
251 such firm who work regularly within this state, any change in the  
252 number or location of offices within this state, any change in the  
253 identity of the persons in charge of such offices, and any issuance,  
254 denials, revocation or suspension of a license by any other state.

255 (g) The following firms shall be required to hold a permit issued  
256 pursuant to this section:

257 (1) Any firm with an office in this state performing attest services;

258 (2) Any firm with an office in this state that uses the title "CPA" or  
259 "CPA firm"; or

260 (3) Any firm that does not have an office in this state but performs  
261 attest services described in subparagraph (A), (C) or (D) of subdivision  
262 (13) of section 20-279b, as amended by this act, for a client having its  
263 home office in this state.

264 (h) A firm that does not have an office in this state may perform

265 services described in subparagraph (B) of subdivision (13) of section  
266 20-279b, as amended by this act, or subdivision (14) of section 20-279b,  
267 as amended by this act, for a client having its home office in this state  
268 and may use the title "CPA" or "CPA firm" without a permit issued  
269 under this section if:

270 (1) Such firm has the qualifications described in section 20-281, as  
271 amended by this act, concerning quality reviews; and

272 (2) Such firm performs such services through an individual who has  
273 practice privileges under section 7 of this act.

274 (i) Any firm that is not subject to the requirements of subsection (g)  
275 or (h) of this section may perform other professional services while  
276 using the title "CPA" or "CPA firm" in this state without a permit  
277 issued under this section if:

278 (1) Such firm performs such services through an individual who has  
279 practice privileges under section 7 of this act; and

280 (2) Such firm can lawfully do so in the state where said individuals  
281 with practice privileges have their principal place of business.

282 Sec. 5. Section 20-281f of the general statutes is repealed and the  
283 following is substituted in lieu thereof (*Effective from passage*):

284 (a) In any case where the board has suspended or revoked a  
285 registration, certificate, license, practice privilege or a permit or  
286 refused to renew a certificate, license or permit, the board may, upon  
287 application in writing by the person or firm affected and for good  
288 cause shown, modify the suspension, or reissue the certificate, license  
289 or permit. Any individual whose practice privilege has been  
290 suspended or revoked may not reenter this state to practice until such  
291 individual complies with the provisions of this section.

292 (b) The board shall specify by regulation the manner in which such  
293 applications shall be made and the times within which they shall be  
294 made.

295 (c) Before reissuing or terminating the suspension of a registration,  
296 certificate, license, practice privilege or permit under this section, and  
297 as a condition thereto, the board may require the applicant to show  
298 successful completion of specified continuing professional education;  
299 and the board may make the reinstatement of a registration, certificate,  
300 license, practice privilege or permit conditional and subject to  
301 satisfactory completion of a quality review conducted in such fashion  
302 as the board may specify.

303 Sec. 6. Section 20-281g of the general statutes is repealed and the  
304 following is substituted in lieu thereof (*Effective from passage*):

305 (a) A person or a firm which does not hold a valid license and  
306 permit issued under section 20-281b or 20-281d, as amended by this  
307 act, and section 20-281e, as amended by this act, shall not issue a report  
308 on financial statements of any other person, firm, organization or  
309 governmental unit. This prohibition does not apply to an officer,  
310 partner or employee of any firm or organization affixing his signature  
311 to any statement or report in reference to the financial affairs of such  
312 firm or organization with any wording designating the position, title  
313 or office that he holds therein; nor prohibit any act of a public official  
314 or employee in the performance of his duties as such; nor prohibit the  
315 performance by any persons of other services involving the use of  
316 accounting skills, including the preparation of tax returns,  
317 management advisory services and the preparation of financial  
318 statements without the issuance of reports thereon.

319 (b) The prohibition contained in subsection (a) of this section is  
320 applicable to the issuance, by a person or a firm not holding a valid  
321 license and permit, of a report using any language conventionally used  
322 in the profession by licensees regarding a review of financial  
323 statements.

324 (c) The prohibition contained in subsection (a) of this section is  
325 applicable to the issuance by a person or a firm not holding a valid  
326 license and permit of a report using any language conventionally used

327 in the profession by licensees with respect to a compilation of financial  
328 statements.

329 (d) A person who does not hold a valid registration or license and  
330 who does not qualify for practice privilege under section 7 of this act  
331 shall not use or assume the title or designation "certified public  
332 accountant", or the abbreviation "CPA" or any other title, designation,  
333 words, letters, abbreviations, sign card or device tending to indicate  
334 that such person is a certified public accountant, provided that a  
335 holder of a certificate who does not also hold a license may use the title  
336 pertaining to such certification only in the manner permitted by  
337 regulations adopted by the board under subdivision (6) of subsection  
338 (g) of section 20-280.

339 (e) No firm shall assume or use the title or designation "certified  
340 public accountant", or the abbreviation "CPA", or any other title,  
341 designation, words, letters, abbreviation, sign, card or device tending  
342 to indicate that such firm is composed of certified public accountants,  
343 unless (1) the firm holds a valid permit issued under section 20-281e,  
344 as amended by this act, (2) all proprietors, partners and shareholders  
345 practicing public accountancy in this state hold valid certificates and  
346 licenses issued under section 20-281d, as amended by this act, and (3)  
347 all proprietors, officers and shareholders of the firm hold licenses. The  
348 prohibitions contained in this section shall not be construed to apply to  
349 a firm that meets the requirements of section 20-281e, as amended by  
350 this act.

351 (f) No person shall assume or use the title or designation "public  
352 accountant", or the abbreviation "PA", or any other title, designation,  
353 words, letters, abbreviation, sign, card or device which tends to  
354 indicate that such person is a public accountant unless he holds a valid  
355 license issued under section 20-281b.

356 (g) A firm which does not hold a valid permit issued under section  
357 20-281e, as amended by this act, shall not assume or use the title or  
358 designation "public accountant", the abbreviation "PA", or any other

359 title, designation, words, letters, abbreviation, sign, card or device  
360 which tends to indicate that such firm is composed of public  
361 accountants.

362 (h) A person or firm which does not hold a valid license and permit  
363 issued under sections 20-281d, as amended by this act, and 20-281e, as  
364 amended by this act, shall not assume or use the title or designation  
365 "certified accountant", "certified professional accountant", "chartered  
366 accountant", "enrolled accountant", "licensed accountant", "registered  
367 accountant", "accredited accountant", or any other title or designation  
368 likely to be confused with the titles "certified public accountant" or  
369 "public accountant" or use any of the abbreviations "CA", "EA", "LA",  
370 "RA", "AA" or similar abbreviation likely to be confused with the  
371 abbreviations "CPA" or "PA", provided that a holder of a certificate  
372 who does not also hold a license may use the titles pertaining to such  
373 certificate only in the manner permitted by regulations adopted by the  
374 board under subdivision (6) of subsection (g) of section 20-280. This  
375 subsection shall not prevent persons designated as "enrolled agents" of  
376 the Internal Revenue Service from using such title or the abbreviation  
377 "EA".

378 (i) A person or firm which does not hold a valid license and permit  
379 issued under section 20-281b or 20-281d, as amended by this act, and  
380 section 20-281e, as amended by this act, shall not assume or use any  
381 title or designation that includes the words "accountant", "auditor" or  
382 "accounting" in connection with any other language, including the  
383 language of a report, that implies that such person or firm holds such a  
384 permit or has special competence as an accountant or auditor,  
385 provided this subsection shall not prohibit any officer, partner or  
386 employee of any firm or organization from affixing his signature to  
387 any statement in reference to the financial affairs of such firm or  
388 organization with any wording designating the position, title or office  
389 that he holds therein, nor prohibit any act of a public official or  
390 employee in the performance of his duties as such.

391 (j) A person who holds a certificate shall not engage in the practice

392 of public accountancy unless he also holds a valid license issued under  
393 section 20-281d, as amended by this act, and a permit issued under  
394 section 20-281e, as amended by this act, or unless such person is  
395 qualified for the practice privilege pursuant to section 7 of this act.

396 (k) A firm which holds a permit under sections 20-279b to 20-281m,  
397 inclusive, as amended by this act, shall not engage in the practice of  
398 public accountancy using a professional or firm name or designation  
399 that is misleading about the legal form of the firm, or about the  
400 persons who are partners, officers or shareholders of the firm, or about  
401 any other matter, provided names of one or more former partners or  
402 shareholders may be included in the name of a firm or its successor.

403 (l) None of the foregoing provisions of this section shall apply to  
404 any firm holding a certification, designation, degree or license granted  
405 in a foreign country entitling the holder thereof to engage in the  
406 practice of public accountancy or its equivalent in such country, whose  
407 activities in this state are limited to the provision of professional  
408 services to persons or firms who are residents of, governments of, or  
409 business entities of the country in which he holds such entitlement,  
410 who issues no reports with respect to the financial statements of any  
411 other persons, firms or governmental units in this state, and who does  
412 not use in this state any title or designation other than the one under  
413 which he practices in such country, followed by a translation of such  
414 title or designation into the English language, if it is in a different  
415 language, and by the name of such country.

416 (m) The prohibitions contained in subsections (a), (b), (c), (h) and (i)  
417 of this section shall not be construed to apply to any person or firm  
418 that qualifies for a practice privilege under section 7 of this act or who  
419 are exempt from the firm permit requirement contained in section 20-  
420 281e, as amended by this act.

421 (n) Notwithstanding any provision of this section, a firm that does  
422 not hold a valid permit under section 20-281e, as amended by this act,  
423 and that does not have an office in this state may provide its

424 professional services and practice public accountancy in this state,  
425 provided such firm complies with any applicable requirements of  
426 subsection (a) of section 20-281e, as amended by this act.

427 Sec. 7. (NEW) (*Effective from passage*) (a) Any individual whose  
428 principal place of business is not in this state shall be presumed to  
429 have qualifications substantially equivalent to this state's requirements  
430 and shall qualify for a practice privilege and have all the privileges of  
431 licensees of this state without the need to obtain a license pursuant to  
432 section 20-281d of the general statutes, as amended by this act, if:

433 (1) Such individual holds a valid license as a Certified Public  
434 Accountant from any state which the NASBA National Qualification  
435 Appraisal Service has verified to be in substantial equivalence with the  
436 CPA licensure requirements of the AICPA/NASBA Uniform  
437 Accountancy Act; or

438 (2) Such individual holds a valid license as a Certified Public  
439 Accountant from any state which the NASBA National Qualification  
440 Appraisal Service has not verified to be in substantial equivalence with  
441 the CPA licensure requirements of the AICPA/NASBA Uniform  
442 Accountancy Act and the individual obtains from the NASBA National  
443 Qualification Appraisal Service verification that such individual's CPA  
444 qualifications are substantially equivalent to the CPA licensure  
445 requirements of the AICPA/NASBA Uniform Accountancy Act. Any  
446 individual who passed the Uniform CPA Examination and holds a  
447 valid license issued by any other state prior to January 1, 2012, may be  
448 exempt from the education requirement in the Uniform Accountancy  
449 Act for purposes of this subdivision.

450 (b) Notwithstanding any provision of the general statutes, any  
451 individual who qualifies for a practice privilege under this section may  
452 offer or render professional services, whether in person or by mail,  
453 telephone or electronic means, based on a practice privilege, and no  
454 notice, fee or other submission shall be required of any such  
455 individual. Such individual shall be subject to the requirements in

456 subsection (c) of this section.

457 (c) Any individual licensee of another state exercising the privilege  
458 afforded under this section and the firm that employs such licensee  
459 shall consent, as a condition of the grant of such privilege:

460 (1) To the personal and subject matter jurisdiction and disciplinary  
461 authority of the board;

462 (2) To comply with any applicable provision of state law and the  
463 board's rules;

464 (3) That in the event the license from the state of such individual's  
465 principal place of business is no longer valid, such individual shall  
466 cease offering or rendering professional services in this state  
467 individually and on behalf of a firm; and

468 (4) To the appointment of the state board that issued such license as  
469 the agent upon whom process may be served in any action or  
470 proceeding by the board against such licensee.

471 (d) Any individual who qualifies for practice privileges under this  
472 section who, for any entity with its home office in this state, performs  
473 any of the following services: (1) Any financial statement audit or other  
474 engagement to be performed in accordance with Statements on  
475 Auditing Standards; (2) any examination of prospective financial  
476 information to be performed in accordance with Statements on  
477 Standards for Attestation Engagements; or (3) any engagement to be  
478 performed in accordance with PCAOB Auditing Standards may only  
479 provide such services through a firm that has obtained a permit issued  
480 under section 20-281e of the general statutes, as amended by this act.

481 (e) Any licensee of this state that offers or renders services or uses  
482 their CPA title in another state shall be subject to disciplinary action in  
483 this state for an act committed in another state for which the licensee  
484 would be subject to discipline for an act committed in the other state.  
485 Notwithstanding the provisions of section 20-280c of the general

486 statutes, the board shall investigate any complaint made by the board  
487 of accountancy of another state against any such licensee.

488 (f) In determining substantial equivalency pursuant to this section,  
489 the board shall take into account the qualifications of such person  
490 without regard to the sequence in which experience, education or  
491 examination requirements were attained.

492 Sec. 8. Section 20-280e of the general statutes is repealed and the  
493 following is substituted in lieu thereof (*Effective from passage*):

494 [The State Board of Accountancy shall adopt regulations, in  
495 accordance with chapter 54, to permit the holder of a Connecticut  
496 public accountant license to convert such license to a certified public  
497 accountant license without any testing requirements.] The State Board  
498 of Accountancy shall issue a Connecticut Certified Public Accountant's  
499 Certificate to any person who has been granted the designation  
500 "certified public accountant" and who submits an application and pays  
501 the applicable fee for an initial certified public accountant certificate.  
502 No person issued an initial certificate, pursuant to this section, shall  
503 engage in the practice of public accountancy or use the title or  
504 designation "certified public accountant", or the abbreviations "CPA",  
505 or any other title, designation, words, letters, abbreviation, sign, card  
506 or device tending to indicate that such person is a certified public  
507 accountant, except as permitted in accordance with sections 20-280 and  
508 20-281g, as amended by this act.

509 Sec. 9. Section 20-281d of the general statutes is repealed and the  
510 following is substituted in lieu thereof (*Effective from passage*):

511 (a) The board shall issue or renew licenses to persons who make  
512 application and demonstrate their qualifications [therefor] in  
513 accordance with subsections (b) to (g), inclusive, of this section.

514 (b) Licenses shall be initially issued for one year and renewed  
515 annually. Applications for such licenses shall be made in such form,  
516 and in the case of applications for renewal, between such dates, as the

517 board shall by regulation specify.

518 (c) An applicant for initial issuance of a license under this section  
519 shall show:

520 (1) That he holds a valid certificate;

521 (2) If the applicant's certificate was issued more than four years  
522 prior to his application for issuance of an initial license under this  
523 section, that he has fulfilled the requirements of continuing  
524 professional education that would have been applicable under  
525 subsection (e) of this section if he had secured his initial license within  
526 four years of issuance of his certificate and was now applying under  
527 subsection (e) of this section for renewal of such license.

528 (d) The board shall issue a certificate to a holder of a certificate  
529 issued by another state upon a showing that:

530 (1) The applicant passed the examination required for issuance of  
531 his certificate with grades that would have been passing grades at the  
532 time in this state; and

533 (2) The applicant meets all current requirements in this state for  
534 issuance of a certificate at the time the application is made; or the  
535 applicant, at the time of the issuance of the applicant's certificate in the  
536 other state, met all such requirements then applicable in this state; or  
537 the applicant has had five years of experience in the practice of public  
538 accountancy no earlier than the ten years immediately preceding the  
539 applicant's application or meets equivalent requirements prescribed by  
540 the board by regulation.

541 (e) For renewal of a license under this section an applicant shall  
542 show that he has completed forty hours of continuing professional  
543 education during each year from the date of issuance or last renewal.  
544 The board may prescribe, by regulation, the content, duration and  
545 organization of continuing professional education courses which  
546 contribute to the general professional competence of the applicant.

547        (f) For renewal of a license under this section, the board shall charge  
 548 the following fees for failure to earn continuing education credits by  
 549 the June thirtieth deadline:

550        (1) Two hundred fifty dollars for reporting on a renewal application  
 551 a minimum of forty hours of continuing professional education, any of  
 552 which was earned after June thirtieth and on or by September thirtieth;

553        (2) Five hundred dollars for reporting on a renewal application a  
 554 minimum of forty hours of continuing professional education any of  
 555 which was earned after June thirtieth and on or by December thirty-  
 556 first.

557        ~~[(f)]~~ (g) The board shall charge a fee of seventy-five dollars for the  
 558 initial issuance and the professional services fee for class I, as defined  
 559 in section 33-182l, for each annual renewal of such license.

560        ~~[(g)]~~ (h) Applicants for initial issuance or renewal of licenses under  
 561 this section shall in their applications list all states in which they have  
 562 applied for or hold certificates or licenses, and each holder of or  
 563 applicant for a license under this section shall notify the board in  
 564 writing, within thirty days after its occurrence, of any issuance, denial,  
 565 revocation or suspension of a certificate or license by another state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	20-279b
Sec. 2	<i>from passage</i>	20-281
Sec. 3	<i>from passage</i>	20-281a
Sec. 4	<i>from passage</i>	20-281e
Sec. 5	<i>from passage</i>	20-281f
Sec. 6	<i>from passage</i>	20-281g
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	20-280e
Sec. 9	<i>from passage</i>	20-281d

**GAE**      *Joint Favorable Subst.-LCO*

**FIN**      *Joint Favorable*

**JUD**      *Joint Favorable*