

SENATE BILL NO. 1233

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

5607S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 326.256, 326.277, 326.280, 326.283, 326.286, 326.289, and 326.292, RSMo, and to enact in lieu thereof seven new sections relating to the licensing of accountants, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 326.256, 326.277, 326.280, 326.283,
2 326.286, 326.289, and 326.292, RSMo, are repealed and seven new
3 sections enacted in lieu thereof, to be known as sections
4 326.256, 326.277, 326.280, 326.283, 326.286, 326.289, and
5 326.292, to read as follows:

326.256. 1. As used in this chapter, the following
2 terms mean:

3 (1) "AICPA", the American Institute of Certified
4 Public Accountants;

5 (2) "Attest" or "attest services", providing the
6 following services:

7 (a) Any audit or other engagement to be performed in
8 accordance with the Statements on Auditing Standards (SAS);

9 (b) Any examination of prospective financial
10 information to be performed in accordance with the
11 Statements on Standards for Attestation Engagements (SSAE);

12 (c) Any engagement to be performed in accordance with
13 the auditing standards and rules of the Public Company
14 Accounting Oversight Board (PCAOB);

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

15 (d) Any review of a financial statement to be
16 performed in accordance with the Statements on Standards for
17 Accounting and Review Services (SSARS); or

18 (e) Any examination, review, or agreed upon procedures
19 engagement to be performed in accordance with the SSAE,
20 other than an examination described in paragraph (b) of this
21 subdivision;

22 (3) "Board", the Missouri state board of accountancy
23 established under section 326.259 or its predecessor
24 pursuant to prior law;

25 (4) "Certificate", a certificate issued under section
26 326.060 prior to August 28, 2001;

27 (5) "Certified public accountant" or "CPA", the holder
28 of a certificate or license as defined in this section;

29 (6) "Certified public accounting firm", "CPA firm" or
30 "firm", a sole proprietorship, a corporation, a partnership
31 or any other form of organization issued a permit **or**
32 **otherwise authorized to practice** under section 326.289;

33 (7) "Client", a person or entity that agrees with a
34 licensee or licensee's employer to receive any professional
35 service;

36 (8) "Compilation", providing a service to be performed
37 in accordance with Statements on Standards for Accounting
38 and Review Services (SSARS) that is presented in the form of
39 financial statements information that is the representation
40 of management (owners) without undertaking to express any
41 assurance on the statements;

42 (9) "License", a license issued under section 326.280,
43 or privilege to practice under section 326.283; or, in each
44 case, an individual license or permit issued pursuant to
45 corresponding provisions of prior law;

46 (10) "Licensee", the holder of a license as defined in
47 this section;

48 (11) "Manager", a manager of a limited liability
49 company;

50 (12) "Member", a member of a limited liability company;

51 (13) "NASBA", the National Association of State Boards
52 of Accountancy;

53 (14) "PCAOB", the Public Company Accounting Oversight
54 Board;

55 (15) "Peer review", a study, appraisal or review of
56 one or more aspects of the professional work of a [licensee
57 or] certified public accounting firm that performs attest or
58 compilation services, by licensees who are not affiliated
59 either personally or through their certified public
60 accounting firm being reviewed pursuant to the Standards for
61 Performing and Reporting on Peer Reviews promulgated by the
62 AICPA or such other standard adopted by regulation of the
63 board which meets or exceeds the AICPA standards;

64 (16) "Permit", a permit to practice as a certified
65 public accounting firm issued under section 326.289 or
66 corresponding provisions of prior law or pursuant to
67 corresponding provisions of the laws of other states;

68 (17) "Principal place of business", the office
69 location designated by the licensee for purposes of
70 [substantial equivalency] **mobility** and reciprocity;

71 (18) "Professional", arising out of or related to the
72 specialized knowledge or skills associated with certified
73 public accountants;

74 (19) "Public accounting":

75 (a) Performing or offering to perform for an
76 enterprise, client or potential client one or more services
77 involving the use of accounting or auditing skills, or one

78 or more management advisory or consulting services, or the
79 preparation of tax returns or the furnishing of advice on
80 tax matters by a person, firm, limited liability company or
81 professional corporation using the title "C.P.A." or "P.A."
82 in signs, advertising, directory listing, business cards,
83 letterheads or other public representations;

84 (b) Signing or affixing a name, with any wording
85 indicating the person or entity has expert knowledge in
86 accounting or auditing to any opinion or certificate
87 attesting to the reliability of any representation or
88 estimate in regard to any person or organization embracing
89 financial information or facts respecting compliance with
90 conditions established by law or contract, including but not
91 limited to statutes, ordinances, rules, grants, loans and
92 appropriations; or

93 (c) Offering to the public or to prospective clients
94 to perform, or actually performing on behalf of clients,
95 professional services that involve or require an audit or
96 examination of financial records leading to the expression
97 of a written attestation or opinion concerning these records;

98 (20) "Report", when used with reference to any attest
99 or compilation service, means an opinion, report or other
100 form of language that states or implies assurance as to the
101 reliability of the attested information or compiled
102 financial statements, and that also includes or is
103 accompanied by any statement or implication that the person
104 or firm issuing it has special knowledge or competence in
105 accounting or auditing. Such a statement or implication of
106 special knowledge or competence may arise from use by the
107 issuer of the report of names or titles indicating that the
108 person or firm is an accountant or auditor, or from the
109 language of the report itself. The term report includes any

form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested 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;

(21) "State", any state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Guam; except that "this state" means the state of Missouri;

(22) ["Substantial equivalency" or "substantially equivalent", a determination by the board of accountancy or its designee that the education, examination and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed the education, examination and experience requirements contained in this chapter or that an individual certified public accountant's education, examination and experience qualifications are comparable to or exceed the education, examination and experience requirements contained in this chapter;

(23)] "Transmittal", any transmission of information in any form, including but not limited to any and all documents, records, minutes, computer files, disks or information.

2. The statements on standards specified in this section shall be adopted by reference by the board pursuant to rulemaking and shall be those developed for general application by the AICPA or other recognized national accountancy organization as prescribed by board rule.

326.277. 1. Prior to June 30, 2021, for an applicant
to be eligible to apply for the examination, the applicant
shall fulfill the education requirements of subdivision (4)
of subsection 1 of section 326.280.

2. On or after June 30, 2021, for an applicant to be
eligible to apply for the examination, the applicant shall:

(1) Provide proof that the applicant has **[completed at
least one hundred twenty semester hours of college
education]** **obtained a baccalaureate degree or a post-
baccalaureate degree** at an accredited college or university
recognized by the board, with an accounting concentration or
equivalent as determined by the board, **in either case** by
rule;

(2) Be at least eighteen years of age; and

(3) Be of good moral character.

326.280. 1. A license shall be granted by the board
to any person who meets the requirements of this chapter and
who:

(1) Is a resident of this state or has a place of
business in this state or, as an employee, is regularly
employed in this state;

(2) Has attained the age of eighteen years;

(3) Is of good moral character;

(4) **[Either]** **Meets one of the following educational
requirements:**

(a) **[Applied for the initial examination prior to June
30, 1999, and]** Holds a baccalaureate degree conferred by an
accredited college or university recognized by the board,
with **[a]** **the total educational program including an
accounting** concentration **[in accounting]** or **[the
substantial]** equivalent **[of a concentration in accounting]**
as determined by **[the]** board **rule to be appropriate;** or

(b) [Applied for the initial examination on or after June 30, 1999, and has at least one hundred fifty semester hours of college education, including a baccalaureate or higher degree] **Has a baccalaureate degree plus an additional thirty semester hours of college education** conferred by an accredited college or university recognized by the board, with the total educational program including an accounting concentration or equivalent as determined by board rule to be appropriate; **or**

(c) **Has a post-baccalaureate degree conferred by an accredited college or university recognized by the board, with the total education program including an accounting concentration or equivalent as determined by board rule to be appropriate.**

(5) Has passed an examination in accounting, auditing and such other related subjects as the board shall determine is appropriate; and

(6) (a) **Either:**

a. Has had one year of experience **for an applicant who is applying for licensure on the basis of the educational requirement in paragraphs (b) or (c) of subdivision (4) of subsection 1 of this section; or**

b. Has had two years of experience **for an applicant who is applying for licensure on the basis of the educational requirement in paragraph (a) of subdivision (4) of subsection 1 of this section.**

(b) Experience shall be verified by a licensee and shall include any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills including governmental accounting, budgeting or auditing. The board

49 shall promulgate rules and regulations concerning the
50 verifying licensee's review of the applicant's experience.

51 2. The board may prescribe by rule the terms and
52 conditions for reexaminations and fees to be paid for
53 reexaminations.

54 3. A person who, on August 28, 2001, holds an
55 individual permit issued pursuant to the laws of this state
56 shall not be required to obtain additional licenses pursuant
57 to sections 326.280 to 326.286, and the licenses issued
58 shall be considered licenses issued pursuant to sections
59 326.280 to 326.286. However, such persons shall be subject
60 to the provisions of section 326.286 for renewal of licenses.

61 4. Upon application, the board may issue a temporary
62 license to an applicant pursuant to this subsection for a
63 person who has made a prima facie showing that the applicant
64 meets all of the requirements for a license and possesses
65 the experience required. The temporary license shall be
66 effective only until the board has had the opportunity to
67 investigate the applicant's qualifications for licensure
68 pursuant to subsection 1 of this section and notify the
69 applicant that the applicant's application for a license has
70 been granted or rejected. In no event shall a temporary
71 license be in effect for more than twelve months after the
72 date of issuance nor shall a temporary license be reissued
73 to the same applicant. No fee shall be charged for a
74 temporary license. The holder of a temporary license which
75 has not expired, been suspended or revoked shall be deemed
76 to be the holder of a license issued pursuant to this
77 section until the temporary license expires, is terminated,
78 suspended or revoked.

79 [5. Prior to June 30, 2021, an applicant for an
80 examination who meets the educational requirements of

subdivision (4) of subsection 1 of this section or who reasonably expects to meet those requirements within sixty days after the examination shall be eligible for examination if the applicant also meets the requirements of subdivisions (2) and (3) of subsection 1 of this section. For an applicant admitted to examination on the reasonable expectation that the applicant will meet the educational requirements within sixty days, no license shall be issued nor credit for the examination or any part thereof given unless the educational requirement is in fact met within the sixty-day period.]

326.283. 1. (1) **(a)** An individual whose principal place of business, domicile, or residency is not in this state and who holds a valid and unrestricted license **in good standing** to practice public accounting from any state [which the board or its designee has determined by rule to be in substantial equivalence with the licensure requirements of this chapter, or if the individual's qualifications are substantially equivalent to the licensure requirements of this chapter, shall be presumed to have qualifications substantially equivalent to this state's requirements and] shall have all the privileges of licensees of this state without the need to obtain a license or to otherwise notify or register with the board or pay any fee[. Provided, however,] **provided that at the time of initial licensure, the individual was required to show evidence of having passed the Uniform Certified Public Accountant Examination and having met one of the following requirements:**

a. A baccalaureate degree conferred by an accredited college or university, with the total educational program including an accounting concentration or equivalent, and not

21 less than two years of experience, both as defined by board
22 rule;

23 b. A baccalaureate degree plus an additional thirty
24 semester hours of college education conferred by an
25 accredited college or university, with the total educational
26 program including an accounting concentration or equivalent,
27 and not less than one year of experience, both as defined by
28 board rule; or

29 c. A post-baccalaureate degree conferred by an
30 accredited college or university, with the total educational
31 program including an accounting concentration or equivalent,
32 and not less than one year of experience, both as defined by
33 board rule.

34 (b) An individual, whose principal place of business,
35 domicile, or residency is not in this state and who holds a
36 valid and unrestricted license in good standing to practice
37 public accountancy from any state as of December 31, 2024,
38 and who, as of such date, has practice privileges in this
39 state under paragraph (a) of this subdivision, shall
40 continue to have all the privileges of licensees in this
41 state without the need to obtain a license or otherwise
42 notify or register with the board or pay any fee.

43 (c) The board may by rule require individuals with a
44 valid but restricted license to obtain a license.

45 (2) An individual who qualifies for the privilege to
46 practice under this section may offer or render professional
47 services in this state, whether in person, by mail,
48 telephone, or electronic means, and no notice or other
49 submission shall be required of any such individual.

50 (3) An individual licensee of another state exercising
51 the privilege afforded under this section and the firm which

52 employs such licensee hereby simultaneously consent, as a
53 condition of the grant of this privilege:

54 (a) To the personal and subject matter jurisdiction
55 and disciplinary authority of the board;

56 (b) To comply with this chapter and the board's rules;

57 (c) That in the event the license from any state is no
58 longer valid or unrestricted, the individual shall cease
59 offering or rendering professional services in this state
60 individually and on behalf of a firm; and

61 (d) To the appointment of the state board that issued
62 the individual's license as his or her agent upon whom
63 process may be served in any action or proceeding by this
64 board against the individual.

65 (4) An individual who has been granted the privilege
66 to practice under this section who performs attest or
67 compilation services shall comply with the provisions of
68 section 326.289.

69 (5) Nothing in this chapter shall prohibit temporary
70 practice in this state for professional business incidental
71 to a CPA's regular practice outside this state. "Temporary
72 practice" means that practice related to the direct purpose
73 of an engagement for a client located outside this state,
74 which engagement began outside this state and extends into
75 this state through common ownership, existence of a
76 subsidiary, assets or other operations located within this
77 state.

78 2. A licensee of this state offering or rendering
79 services or using his or her certified public accountant
80 title in another state shall be subject to disciplinary
81 action in this state for an act committed in another state
82 for which the licensee would be subject to discipline for an
83 act committed in the other state. Notwithstanding the

84 provisions of section 326.274 to the contrary, the board may
85 investigate any complaint made by the board of accountancy
86 of another state.

326.286. 1. The board may grant or renew licenses to
2 persons who make application and demonstrate that their
3 qualifications, including the qualifications prescribed by
4 section 326.280, are in accordance with this section.

5 2. Licenses shall be initially issued and renewed for
6 periods of not more than three years and shall expire on the
7 renewal date following issuance or renewal. Applications
8 for licenses shall be made in such form, and in the case of
9 applications for renewal, between such dates, as the board
10 by rule shall specify. Application and renewal fees shall
11 be determined by the board by rule.

12 3. With regard to applicants that do not qualify for
13 reciprocity pursuant to subsection 1 of this section, the
14 board may issue a license to an applicant upon a showing
15 that:

16 (1) The applicant passed the examination required for
17 issuance of the applicant's certificate with grades that
18 would have been passing grades at the time in this state;

19 (2) The applicant had four years of experience outside
20 of this state of the type described in subdivision (6) of
21 subsection 1 of section 326.280 or meets equivalent
22 requirements prescribed by the board by rule, after passing
23 the examination upon which the applicant's license was based
24 and within the ten years immediately preceding the
25 application; and

26 (3) If the applicant's certificate, license or permit
27 was issued more than four years prior to the application for
28 issuance of a license pursuant to this section, the
29 applicant has fulfilled the requirements of continuing

30 professional education that would have been applicable
31 pursuant to subsection 6 of this section.

32 4. As an alternative to the requirements of subsection
33 3 of this section, a certified public accountant licensed by
34 another state who establishes a principal place of business
35 in this state shall request the issuance of a license from
36 the board prior to establishing the principal place of
37 business. The board may issue a license to the person [who
38 obtains verification from the NASBA National Qualification
39 Appraisal Service that the individual's qualifications are
40 substantially equivalent to the licensure requirements of
41 sections 326.250 to 326.331] **whose qualifications the board
42 verifies to be comparable to the initial licensure
43 requirements of section 326.380.**

44 5. [An application pursuant to this section may be
45 made through the NASBA Qualification Appraisal Service.

46 **6.]** Each licensee shall participate in a program of
47 learning designed to maintain professional competency. The
48 program of learning shall comply with rules adopted by the
49 board. The board may create by rule an exception to such
50 requirement for licensees who do not perform or offer to
51 perform for the public one or more kinds of services
52 involving the use of accounting or auditing skills,
53 including issuance of reports on financial statements or of
54 one or more kinds of management advisory, financial advisory
55 or consulting services, or the preparation of tax returns or
56 the furnishing of advice on tax matters. Licensees granted
57 an exception by the board shall place the word "inactive"
58 adjacent to their certified public accountant title on any
59 business card, letterhead or any other document or device,
60 except their certified public accountant certificate, on
61 which their certified public accountant title appears.

62 [7.] 6. Applicants for initial issuance or renewal of
63 licenses pursuant to this section shall list all states in
64 which they have applied for or hold certificates, licenses
65 or permits and list any past denial, revocation or
66 suspension or any discipline of a certificate, license or
67 permit. Each holder of or applicant for a license shall
68 notify the board in writing within thirty days after its
69 occurrence of any issuance, denial, revocation or suspension
70 or any discipline of a certificate, license or permit by
71 another state.

72 [8.] 7. The board may issue a license to a holder of a
73 substantially equivalent foreign designation, provided that:

74 (1) The foreign authority which granted the
75 designation makes similar provisions to allow a person who
76 holds a valid license issued by this state to obtain such
77 foreign authority's comparable designation; and

78 (2) The foreign designation:

79 (a) Was duly issued by a foreign authority that
80 regulates the practice of public accounting and the foreign
81 designation has not expired or been revoked or suspended;

82 (b) Entitles the holder to issue reports upon
83 financial statements; and

84 (c) Was issued upon the basis of educational,
85 examination and experience requirements established by the
86 foreign authority or by law; and

87 (3) The applicant:

88 (a) Received the designation based on educational and
89 examination standards substantially equivalent to those in
90 effect in this state at the time the foreign designation was
91 granted;

92 (b) Completed an experience requirement substantially
93 equivalent to the requirement set out in subdivision (6) of

subsection 1 of section 326.280 in the jurisdiction which granted the foreign designation or has completed four years of professional experience in this state, or meets equivalent requirements prescribed by the board by rule within the ten years immediately preceding the application; and

(c) Passed a uniform qualifying examination in national standards and an examination on the laws, regulations and code of ethical conduct in effect in this state acceptable to the board.

[9.] 8. An applicant pursuant to subsection [8] 7 of this section shall list all jurisdictions, foreign and domestic, in which the applicant has applied for or holds a designation to practice public accounting. Each holder of a license issued pursuant to this subsection shall notify the board in writing within thirty days after its occurrence of any issuance, denial, revocation, suspension or any discipline of a designation or commencement of a disciplinary or enforcement action by any jurisdiction.

[10.] 9. The board has the sole authority to interpret the application of the provisions of subsections 7 and 8 [and 9] of this section.

326.289. 1. The board may grant or renew permits to practice as a certified public accounting firm to applicants that demonstrate their qualifications in accordance with this chapter.

(1) The following shall hold a permit issued under this chapter:

(a) Any firm with an office in this state, as defined by the board by rule, offering or performing attest or compilation services; or

10 (b) Any firm with an office in this state that uses
11 the title "CPA" or "CPA firm".

12 (2) Any firm that does not have an office in this
13 state may offer or perform attest or compilation services in
14 this state without a valid permit only if it meets each of
15 the following requirements:

16 (a) It complies with the qualifications described in
17 subdivision (1) of subsection 4 of this section;

18 (b) It complies with the requirements of peer review
19 as set forth in this chapter and the board's promulgated
20 regulations;

21 (c) It performs such services through an individual
22 with practice privileges under section 326.283; and

23 (d) It can lawfully do so in the state where said
24 individual with the privilege to practice has his or her
25 principal place of business.

26 (3) A firm which is not subject to the requirements of
27 subdivisions (1) or (2) of this subsection may perform other
28 nonattest or noncompilation services while using the title
29 "CPA" or "CPA firm" in this state without a permit issued
30 under this section only if it:

31 (a) Performs such services through an individual with
32 the privilege to practice under section 326.283; and

33 (b) Can lawfully do so in the state where said
34 individual with privilege to practice has his or her
35 principal place of business.

36 (4) (a) All firms practicing public accounting in
37 this state shall register with the secretary of state.

38 (b) Firms which may be exempt from this requirement
39 include:

40 a. Sole proprietorships;

41 b. Trusts created pursuant to revocable trust
42 agreements, of which the trustee is a natural person who
43 holds a license or privilege to practice as set forth in
44 section 326.280, 326.283, or 326.286;

45 c. General partnerships not operating as a limited
46 liability partnership; or

47 d. Foreign professional corporations which do not meet
48 criteria of chapter 356 due to name or ownership, shall
49 obtain a certificate of authority as a general corporation.
50 Notwithstanding the provisions of chapter 356, the secretary
51 of state may issue a certificate of authority to a foreign
52 professional corporation which does not meet the criteria of
53 chapter 356 due to name or ownership, if the corporation
54 meets the requirements of this section and the rules of the
55 board.

56 **(5) A sole practitioner or single member limited**
57 **liability company (LLC) using the title of "certified public**
58 **accountant(s)", "CPA", or similar abbreviation in their**
59 **business name may request exemption from the firm permit**
60 **requirements of paragraph (b) of subdivision (1) of this**
61 **subsection by submitting a written request to the board that**
62 **affirms the business does not offer nor perform attest**
63 **services nor other services subject to peer review.**

64 2. Permits shall be initially issued and renewed for
65 periods of not more than three years or for a specific
66 period as prescribed by board rule following issuance or
67 renewal.

68 3. The board shall determine by rule the form for
69 application and renewal of permits and shall annually
70 determine the fees for permits and their renewals.

71 4. An applicant for initial issuance or renewal of a
72 permit to practice under this section shall be required to
73 show that:

74 (1) A simple majority of the ownership of the firm, in
75 terms of financial interests and voting rights of all
76 partners, officers, principals, shareholders, members or
77 managers, belongs to licensees who are licensed in some
78 state, and the partners, officers, principals, shareholders,
79 members or managers, whose principal place of business is in
80 this state and who perform professional services in this
81 state are licensees under section 326.280 or the
82 corresponding provision of prior law. Although firms may
83 include nonlicensee owners, the firm and its ownership shall
84 comply with rules promulgated by the board;

85 (2) Any certified public accounting firm may include
86 owners who are not licensees provided that:

87 (a) The firm designates a licensee of this state, or
88 in the case of a firm which must have a permit under this
89 section designates a licensee of another state who meets the
90 requirements of section 326.283, who is responsible for the
91 proper registration of the firm and identifies that
92 individual to the board;

93 (b) All nonlicensee owners are active individual
94 participants in the certified public accounting firm or
95 affiliated entities;

96 (c) All owners are of good moral character; and

97 (d) The firm complies with other requirements as the
98 board may impose by rule;

99 (3) Any licensee who is responsible for supervising
100 attest services, or signs or authorizes someone to sign the
101 licensee's report on the financial statements on behalf of
102 the firm, shall meet competency requirements as determined

by the board by rule which shall include one year of experience in addition to the experience required under subdivision (6) of subsection 1 of section 326.280 and shall be verified by a licensee. The additional experience required by this subsection shall include experience in attest work supervised by a licensee.

5. An applicant for initial issuance or renewal of a permit to practice shall register each office of the firm within this state with the board and show that all attest and compilation services rendered in this state are under the charge of a licensee.

6. No licensee or firm holding a permit under this chapter shall use a professional or firm name or designation that is misleading as to:

- (1) The legal form of the firm;
- (2) The persons who are partners, officers, members, managers or shareholders of the firm; or
- (3) Any other matter.

The names of one or more former partners, members or shareholders may be included in the name of a firm or its successor unless the firm becomes a sole proprietorship because of the death or withdrawal of all other partners, officers, members or shareholders. A firm may use a fictitious name if the fictitious name is registered with the board and is not otherwise misleading. The name of a firm shall not include the name or initials of an individual who is not a present or a past partner, member or shareholder of the firm or its predecessor. The name of the firm shall not include the name of an individual who is not a licensee.

133 7. Applicants for initial issuance or renewal of
134 permits shall list in their application all states in which
135 they have applied for or hold permits as certified public
136 accounting firms and list any past denial, revocation,
137 suspension or any discipline of a permit by any other
138 state. Each holder of or applicant for a permit under this
139 section shall notify the board in writing within thirty days
140 after its occurrence of any change in the identities of
141 partners, principals, officers, shareholders, members or
142 managers whose principal place of business is in this state;
143 any change in the number or location of offices within this
144 state; any change in the identity of the persons in charge
145 of such offices; and any issuance, denial, revocation,
146 suspension or any discipline of a permit by any other state.

147 8. Firms which fall out of compliance with the
148 provisions of this section due to changes in firm ownership
149 or personnel after receiving or renewing a permit shall take
150 corrective action to bring the firm back into compliance as
151 quickly as possible. The board may grant a reasonable
152 period of time for a firm to take such corrective action.
153 Failure to bring the firm back into compliance within a
154 reasonable period as defined by the board may result in the
155 suspension or revocation of the firm permit.

156 9. The board shall require by rule, as a condition to
157 the renewal of permits, that firms undergo, no more
158 frequently than once every three years, peer reviews
159 conducted in a manner as the board shall specify. The
160 review shall include a verification that individuals in the
161 firm who are responsible for supervising attest and
162 compilation services or sign or authorize someone to sign
163 the accountant's report on the financial statements on
164 behalf of the firm meet the competency requirements set out

165 in the professional standards for such services, provided
166 that any such rule:

167 (1) Shall include reasonable provision for compliance
168 by a firm showing that it has within the preceding three
169 years undergone a peer review that is [a satisfactory
170 equivalent] **comparable** to peer review generally required
171 under this subsection;

172 (2) May require, with respect to peer reviews, that
173 peer reviews be subject to oversight by an oversight body
174 established or sanctioned by board rule, which shall
175 periodically report to the board on the effectiveness of the
176 review program under its charge and provide to the board a
177 listing of firms that have participated in a peer review
178 program that is satisfactory to the board; and

179 (3) Shall require, with respect to peer reviews, that
180 the peer review processes be operated and documents
181 maintained in a manner designed to preserve confidentiality,
182 and that the board or any third party other than the
183 oversight body shall not have access to documents furnished
184 or generated in the course of the peer review of the firm
185 except as provided in subdivision (2) of this subsection.

186 10. The board may, by rule, charge a fee for oversight
187 of peer reviews, provided that the fee charged shall be
188 [substantially equivalent] **comparable** to the cost of
189 oversight.

190 11. Notwithstanding any other provision in this
191 section, the board may obtain the following information
192 regarding peer review from any approved American Institute
193 for Certified Public Accountants peer review program:

194 (1) The firm's name and address;

195 (2) The firm's dates of enrollment in the program;

196 (3) The date of acceptance and the period covered by
197 the firm's most recently accepted peer review; and

198 (4) If applicable, whether the firm's enrollment in
199 the program has been dropped or terminated.

200 12. In connection with proceedings before the board or
201 upon receipt of a complaint involving the licensee
202 performing peer reviews, the board shall not have access to
203 any documents furnished or generated in the course of the
204 performance of the peer reviews except for peer review
205 reports, letters of comment and summary review memoranda.
206 The documents shall be furnished to the board only in a
207 redacted manner that does not specifically identify any firm
208 or licensee being peer reviewed or any of their clients.

209 13. The peer review processes shall be operated and
210 the documents generated thereby be maintained in a manner
211 designed to preserve their confidentiality. No third party,
212 other than the oversight body, the board, subject to the
213 provisions of subsection 12 of this section, or the
214 organization performing peer review shall have access to
215 documents furnished or generated in the course of the
216 review. All documents shall be privileged and closed
217 records for all purposes and all meetings at which the
218 documents are discussed shall be considered closed meetings
219 under subdivision (1) of section 610.021. The proceedings,
220 records and workpapers of the board and any peer review
221 subjected to the board process shall be privileged and shall
222 not be subject to discovery, subpoena or other means of
223 legal process or introduction into evidence at any civil
224 action, arbitration, administrative proceeding or board
225 proceeding. No member of the board or person who is
226 involved in the peer review process shall be permitted or
227 required to testify in any civil action, arbitration,

228 administrative proceeding or board proceeding as to any
229 matters produced, presented, disclosed or discussed during
230 or in connection with the peer review process or as to any
231 findings, recommendations, evaluations, opinions or other
232 actions of such committees or any of its members; provided,
233 however, that information, documents or records that are
234 publicly available shall not be subject to discovery or use
235 in any civil action, arbitration, administrative proceeding
236 or board proceeding merely because they were presented or
237 considered in connection with the peer review process.

326.292. 1. Only licensees may issue a report on
2 financial statements of any person, firm, organization or
3 governmental unit or offer to render or render any attest
4 service. Such restriction shall not prohibit any act of a
5 public official or public employee in the performance of the
6 person's duties as such; nor prohibit the performance by any
7 nonlicensee of other services involving the use of
8 accounting skills, including the preparation of tax returns,
9 management advisory services and the preparation of
10 nonattest financial statements. Nonlicensees may prepare
11 financial statements and issue nonattest transmittals or
12 information thereon which do not purport to be in compliance
13 with the Statements on Standards for Accounting and Review
14 Services (SSARS).

15 2. Only certified public accountants shall use or
16 assume the title certified public accountant, or the
17 abbreviation CPA or any other title, designation, words,
18 letters, abbreviation, sign, card or device tending to
19 indicate that such person is a certified public accountant.
20 Nothing in this section shall prohibit:

21 (1) A certified public accountant whose certificate
22 was in full force and effect, issued pursuant to the laws of

23 this state prior to August 28, 2001, and who does not engage
24 in the practice of public accounting, auditing, bookkeeping
25 or any similar occupation, from using the title certified
26 public accountant or abbreviation CPA;

27 (2) A person who holds a certificate, then in force
28 and effect, issued pursuant to the laws of this state prior
29 to August 28, 2001, and who is regularly employed by or is a
30 director or officer of a corporation, partnership,
31 association or business trust, in his or her capacity as
32 such, from signing, delivering or issuing any financial,
33 accounting or related statement, or report thereon relating
34 to such corporation, partnership, association or business
35 trust provided the capacity is so designated, and provided
36 in the signature line the title CPA or certified public
37 accountant is not designated.

38 3. No firm shall provide attest or compilation
39 services or assume or use the title certified public
40 accountants or the abbreviation CPAs, or any other title,
41 designation, words, letters, abbreviation, sign, card or
42 device tending to indicate that such firm is a certified
43 public accounting firm unless:

44 (1) The firm holds a valid permit [issued under
45 section 326.289] or is a firm exempt from the permit
46 requirement under [subdivisions (2) and (3) of subsection 1
47 of] section 326.289 and complies with all other applicable
48 provisions of that section; and

49 (2) Ownership of the firm is in accord with section
50 326.289 and rules promulgated by the board.

51 4. Only persons holding a valid license or permit
52 issued under section 326.280 or 326.289, or persons
53 qualifying for the privilege to practice under section
54 326.283, and firms exempt from the permit requirement under

subsection 1 of section 326.289, shall assume or use the title 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 or public accountant, or use any of the abbreviations CA, LA, RA, AA or similar abbreviation likely to be confused with the abbreviation CPA or PA. The title enrolled agent or EA shall only be used by individuals so designated by the Internal Revenue Service. Nothing in this section shall prohibit the use or issuance of a title for nonattest services provided that the organization and the title issued by the organization existed prior to August 28, 2001.

5. (1) Nonlicensees shall not use language in any statement relating to the financial affairs of a person or entity that is conventionally used by certified public accountants in reports on financial statements.

Nonlicensees may use the following safe harbor language:

(a) For compilations:

"I (We) have prepared the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing in the form of a financial statement information that is the representation of management (owners). I (We) have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them."

(b) For reviews:

86 "I (We) reviewed the accompanying
87 (financial statements) of (name of entity) as of
88 (time period) for the (period) then ended.
89 These financial statements (information) are
90 (is) the responsibility of the company's
91 management. I (We) have not audited the
92 accompanying financial statements and
93 accordingly do not express an opinion or any
94 other form of assurance on them.".

95 (2) Only persons or firms holding a valid license or
96 permit issued under section 326.280 or 326.289 shall assume
97 or use any title or designation that includes the words
98 accountant or accounting in connection with any other
99 language, including the language of a report, that implies
100 that the person or firm holds a license or permit or has
101 special competence as an accountant or auditor; provided,
102 however, that this subsection shall not prohibit any
103 officer, partner, principal, member, manager or employee of
104 any firm or organization from affixing such person's own
105 signature to any statement in reference to the financial
106 affairs of the firm or organization with any wording
107 designating the position, title or office that the person
108 holds therein nor prohibit any act of a public official or
109 employee in the performance of the person's duties as such.
110 Nothing in this subsection shall prohibit the singular use
111 of "accountant" or "accounting" for nonattest purposes.

112 6. Licensees signing or authorizing someone to sign
113 reports on financial statements when performing attest or
114 compilation services shall provide those services in
115 accordance with professional standards as determined by the
116 board by rule.

117 7. No licensee or firm holding a permit under sections
118 326.280 to 326.289 shall use a professional or firm name or
119 designation that is misleading about the legal form of the
120 firm, or about the persons who are partners, principals,
121 officers, members, managers or shareholders of the firm, or
122 about any other matter.

123 8. None of the foregoing provisions of this section
124 shall apply to a person or firm holding a certification,
125 designation, degree or license granted in a foreign country
126 entitling the holder to engage in the practice of public
127 accounting or its equivalent in the country whose activities
128 in this state are limited to the provision of professional
129 services to persons or firms who are residents of,
130 governments of, or business entities of the country in which
131 the person holds the entitlement, who performs no attest or
132 compilation services and who issues no reports with respect
133 to the financial statements of any other persons, firms or
134 governmental units in this state, and who does not use in
135 this state any title or designation other than the one under
136 which the person practices in such country, followed by a
137 translation of such title or designation into the English
138 language, if it is in a different language, and by the name
139 of such country.

140 9. No licensee shall perform attest or compilation
141 services through any certified public accounting firm that
142 does not hold a valid permit issued under section 326.289.

143 10. Nothing herein shall prohibit a practicing
144 attorney or firm of attorneys from preparing or presenting
145 records or documents customarily prepared by an attorney or
146 firm of attorneys in connection with the attorney's
147 professional work in the practice of law.

11. Nothing herein shall prohibit any trustee, executor, administrator, referee or commissioner from signing and certifying financial reports incident to his or her duties in that capacity.

12. Nothing herein shall prohibit any director or officer of a corporation, partner or a partnership, sole proprietor of a business enterprise, member of a joint venture, member of a committee appointed by stockholders, creditors or courts, or an employee of any of the foregoing, in his or her capacity as such, from signing, delivering or issuing any financial, accounting or related statement, or report thereon, relating to the corporation, partnership, business enterprise, joint venture or committee, provided the capacity is designated on the statement or report.

13. (1) A licensee shall not for a commission recommend or refer to a client any product or service, or for a commission recommend or refer any product or service to be supplied by a client, or receive a commission, when the licensee also performs for that client:

(a) Attest services; or

(b) A compilation of a financial statement when the licensee expects, or reasonably may expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or

(c) An examination of prospective financial information.

Such prohibition applies during the period in which the licensee is engaged to perform any of the services listed above and the period covered by any historical financial statements involved in such listed services.

(2) A licensee who is not prohibited by this section from performing services for or receiving a commission and who is paid or expects to be paid a commission shall disclose in writing that fact to any person or entity to whom the licensee recommends or refers a product or service to which the commission relates.

(3) Any licensee who accepts a referral fee for recommending or referring any service of a licensee to any person or entity or who pays a referral fee to obtain a client shall disclose in writing the acceptance or payment to the client.

14. (1) A licensee shall not:

(a) Perform for a contingent fee any professional services for, or receive a fee from, a client for whom the licensee or the licensees's firm performs:

a. Attest services;

b. A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or

c. An examination of prospective financial information;

(b) Prepare an original tax return or claim for a tax refund for a contingent fee for any client; or

(c) Prepare an amended tax return or claim for a tax refund for a contingent fee for any client, unless permitted by board rule.

(2) The prohibition in subdivision (1) of this subsection applies during the period in which the licensee is engaged to perform any of those services and the period covered by any historical financial statements involved in any services.

211 (3) A contingent fee is a fee established for the
212 performance of any service pursuant to an arrangement in
213 which no fee will be charged unless a specified finding or
214 result is attained, or in which the amount of the fee is
215 otherwise dependent upon the finding or result of the
216 service. Solely for purposes of this section, fees are not
217 regarded as being contingent if fixed by courts or other
218 public authorities, or, in tax matters, if determined based
219 on the results of judicial proceedings or the findings of
220 governmental agencies. A licensee's fees may vary
221 depending, for example, on the complexity of services
222 rendered.

223 15. Any person who violates any provision of
224 subsections 1 to 5 of this section shall be guilty of a
225 class A misdemeanor. Whenever the board has reason to
226 believe that any person has violated this section it may
227 certify the facts to the attorney general of this state or
228 bring other appropriate proceedings.

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