
SENATE BILL 6406

State of Washington 64th Legislature 2016 Regular Session

By Senators Warnick and Conway

Read first time 01/19/16. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to certified public accountant firm mobility; and
2 amending RCW 18.04.025, 18.04.195, 18.04.345, and 18.04.350.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 18.04.025 and 2008 c 16 s 2 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Attest" means providing the following ~~((financial~~
9 ~~statement))~~ professional services:

10 (a) Any audit or other engagement to be performed in accordance
11 with the statements on auditing standards;

12 (b) Any review of a financial statement to be provided in
13 accordance with the statements on standards for accounting and review
14 services;

15 (c) Any examination ~~((of prospective financial information))~~,
16 review, or agreed upon procedures engagement to be performed in
17 accordance with the statements on standards for attestation
18 engagements; and

19 (d) Any engagement to be performed in accordance with the public
20 company accounting oversight board auditing standards.

1 (2) "Board" means the board of accountancy created by RCW
2 18.04.035.

3 (3) "Certificate" means a certificate as a certified public
4 accountant issued prior to July 1, 2001, as authorized under the
5 provisions of this chapter.

6 (4) "Certificate holder" means the holder of a certificate as a
7 certified public accountant who has not become a licensee, has
8 maintained CPE requirements, and who does not practice public
9 accounting.

10 (5) "Certified public accountant" or "CPA" means a person holding
11 a certified public accountant license or certificate.

12 (6) "Compilation" means providing a service to be performed in
13 accordance with statements on standards for accounting and review
14 services that is presenting in the form of financial statements,
15 information that is the representation of management (owners) without
16 undertaking to express any assurance on the statements.

17 (7) "CPE" means continuing professional education.

18 (8) "Firm" means a sole proprietorship, a corporation, or a
19 partnership. "Firm" also means a limited liability company formed
20 under chapter 25.15 RCW.

21 (9) "Holding out" means any representation to the public by the
22 use of restricted titles as set forth in RCW 18.04.345 by a person or
23 firm that the person or firm holds a license under this chapter and
24 that the person or firm offers to perform any professional services
25 to the public as a licensee. "Holding out" shall not affect or limit
26 a person or firm not required to hold a license under this chapter
27 from engaging in practices identified in RCW 18.04.350.

28 ~~(10) ("Home office" is the location specified by the client as~~
29 ~~the address to which a service is directed.~~

30 ~~(11))~~ "Inactive" means the certificate is in an inactive status
31 because a person who held a valid certificate before July 1, 2001,
32 has not met the current requirements of licensure and has been
33 granted inactive certificate holder status through an approval
34 process established by the board.

35 ~~((12))~~ (11) "Individual" means a living, human being.

36 ~~((13))~~ (12) "License" means a license to practice public
37 accountancy issued to an individual under this chapter, or a license
38 issued to a firm under this chapter.

39 ~~((14))~~ (13) "Licensee" means the holder of a license to
40 practice public accountancy issued under this chapter.

1 ~~((15))~~ (14) "Manager" means a manager of a limited liability
2 company licensed as a firm under this chapter.

3 ~~((16))~~ (15) "NASBA" means the national association of state
4 boards of accountancy.

5 ~~((17))~~ (16) "Peer review" means a study, appraisal, or review
6 of one or more aspects of the attest or compilation work of a
7 licensee or licensed firm in the practice of public accountancy, by a
8 person or persons who hold licenses and who are not affiliated with
9 the person or firm being reviewed, including a peer review, or any
10 internal review or inspection intended to comply with quality control
11 policies and procedures, but not including the "quality assurance
12 review" under subsection ~~((21))~~ (20) of this section.

13 ~~((18))~~ (17) "Person" means any individual, nongovernmental
14 organization, or business entity regardless of legal form, including
15 a sole proprietorship, firm, partnership, corporation, limited
16 liability company, association, or not-for-profit organization, and
17 including the sole proprietor, partners, members, and, as applied to
18 corporations, the officers.

19 ~~((19))~~ (18) "Practice of public accounting" means performing or
20 offering to perform by a person or firm holding itself out to the
21 public as a licensee, for a client or potential client, one or more
22 kinds of services involving the use of accounting or auditing skills,
23 including the issuance of "audit reports," "review reports," or
24 "compilation reports" on financial statements, or one or more kinds
25 of management advisory, or consulting services, or the preparation of
26 tax returns, or the furnishing of advice on tax matters. "Practice of
27 public accounting" shall not include practices that are permitted
28 under the provisions of RCW 18.04.350(10) by persons or firms not
29 required to be licensed under this chapter.

30 ~~((20))~~ (19) "Principal place of business" means the office
31 location designated by the licensee for purposes of substantial
32 equivalency and reciprocity.

33 ~~((21))~~ (20) "Quality assurance review" means a process
34 established by and conducted at the direction of the board of study,
35 appraisal, or review of one or more aspects of the attest or
36 compilation work of a licensee or licensed firm in the practice of
37 public accountancy, by a person or persons who hold licenses and who
38 are not affiliated with the person or firm being reviewed.

39 ~~((22))~~ "Reports on financial statements" means any reports or
40 opinions prepared by licensees or persons holding practice privileges

1 under substantial equivalency, based on services performed in
2 accordance with generally accepted auditing standards, standards for
3 attestation engagements, or standards for accounting and review
4 services as to whether the presentation of information used for
5 guidance in financial transactions or for accounting for or assessing
6 the status or performance of commercial and noncommercial
7 enterprises, whether public, private, or governmental, conforms with
8 generally accepted accounting principles or another comprehensive
9 basis of accounting. "Reports on financial statements" does not
10 include services referenced in RCW 18.04.350(10) provided by persons
11 not holding a license under this chapter.

12 ~~(23))~~ (21) "Report," when used with reference to any attest or
13 compilation service, means an opinion, report, or other form of
14 language that states or implies assurance as to the reliability of
15 the attested information or compiled financial statements and that
16 also includes or is accompanied by any statement or implication that
17 the person or firm issuing it has special knowledge or competence in
18 accounting or auditing. Such a statement or implication of special
19 knowledge or competence may arise from use by the issuer of the
20 report of names or titles indicating that the person or firm is an
21 accountant or auditor, or from the language of the report itself.
22 "Report" includes any form of language which disclaims an opinion
23 when such form of language is conventionally understood to imply any
24 positive assurance as to the reliability of the attested information
25 or compiled financial statements referred to and/or special
26 competence on the part of the person or firm issuing such language;
27 and it includes any other form of language that is conventionally
28 understood to imply such assurance and/or such special knowledge or
29 competence. "Report" does not include services referenced in RCW
30 18.04.350(10) provided by persons not holding a license under this
31 chapter.

32 (22) "Review committee" means any person carrying out,
33 administering or overseeing a peer review authorized by the reviewee.

34 ~~((24))~~ (23) "Rule" means any rule adopted by the board under
35 authority of this chapter.

36 ~~((25))~~ (24) "Sole proprietorship" means a legal form of
37 organization owned by one person meeting the requirements of RCW
38 18.04.195.

39 ~~((26))~~ (25) "State" includes the states of the United States,
40 the District of Columbia, Puerto Rico, Guam, the United States Virgin

1 Islands, and the Commonwealth of the Northern Mariana Islands at such
2 time as the board determines that the Commonwealth of the Northern
3 Mariana Islands is issuing licenses under the substantially
4 equivalent standards in RCW 18.04.350(2)(a).

5 **Sec. 2.** RCW 18.04.195 and 2008 c 16 s 3 are each amended to read
6 as follows:

7 (1) The board shall grant or renew licenses to practice as a CPA
8 firm to applicants that demonstrate their qualifications therefore in
9 accordance with this section.

10 (a) The following must hold a license issued under this section:

11 (i) Any firm with an office in this state performing attest
12 services as defined in RCW 18.04.025(1) or compilations as defined in
13 RCW 18.04.025(6);

14 (ii) Any firm with an office in this state that uses the title
15 "CPA" or "CPA firm"; or

16 (iii) Any firm that does not have an office in this state but
17 (~~performs~~) offers or renders attest services described in RCW
18 18.04.025(~~(1)(a), (c), or (d) for a client having its home office~~)
19 in this state, unless it meets each of the following requirements:

20 (A) Complies with the qualifications described in subsection
21 (3)(c), (4)(a), or (5)(c) of this section;

22 (B) Meets the board's quality assurance review program
23 requirements authorized by RCW 18.04.055(9) and the rules
24 implementing such section;

25 (C) Performs such services through an individual with practice
26 privileges under RCW 18.04.350(2); and

27 (D) Can lawfully do so in the state where said individuals with
28 practice privileges have their principal place of business.

29 (b) A firm that is not subject to the requirements of subsection
30 (1)(a)(~~(iii)~~) of this section may perform compilation services
31 described in RCW 18.04.025(1)(c) and other nonattest professional
32 services while using the title "CPA" or "CPA firm" in this state
33 without a license issued under this section only if:

34 (i) The firm performs such services through an individual with
35 practice privileges under RCW 18.04.350(2); and

36 (ii) The firm can lawfully do so in the state where said
37 individuals with practice privileges have their principal place of
38 business(~~;~~and

1 ~~(iii) A firm performing services described in RCW 18.04.025~~
2 ~~(1)(b) and (6) meets the board's quality assurance [review] program~~
3 ~~requirements authorized by RCW 18.04.055(9) and the rules~~
4 ~~implementing that section)).~~

5 (2) A sole proprietorship required to obtain a license under
6 subsection (1) of this section shall license, as a firm, every three
7 years with the board.

8 (a) The sole proprietor shall hold and renew a license to
9 practice under RCW 18.04.105 and 18.04.215, or, in the case of a sole
10 proprietorship that must obtain a license pursuant to subsection
11 (1)(a)(iii) of this section, be a licensee of another state who meets
12 the requirements in RCW 18.04.350(2);

13 (b) Each resident individual in charge of an office located in
14 this state shall hold and renew a license to practice under RCW
15 18.04.105 and 18.04.215; and

16 (c) The licensed firm must meet competency requirements
17 established by rule by the board.

18 (3) A partnership required to obtain a license under subsection
19 (1) of this section shall license as a firm every three years with
20 the board, and shall meet the following requirements:

21 (a) At least one general partner of the partnership shall hold
22 and renew a license to practice under RCW 18.04.105 and 18.04.215,
23 or, in the case of a partnership that must obtain a license pursuant
24 to subsection (1)(a)(iii) of this section, be a licensee of another
25 state who meets the requirements in RCW 18.04.350(2);

26 (b) Each resident individual in charge of an office in this state
27 shall hold and renew a license to practice under RCW 18.04.105 and
28 18.04.215;

29 (c) At least a simple majority of the ownership of the licensed
30 firm in terms of financial interests and voting rights of all
31 partners or owners shall be held by persons who are licensees or
32 holders of a valid license issued under this chapter or by another
33 state. The principal partner of the partnership and any partner
34 having authority over issuing reports on financial statements shall
35 hold a license under this chapter or issued by another state; and

36 (d) The licensed firm must meet competency requirements
37 established by rule by the board.

38 (4) A corporation required to obtain a license under subsection
39 (1) of this section shall license as a firm every three years with
40 the board and shall meet the following requirements:

1 (a) At least a simple majority of the ownership of the licensed
2 firm in terms of financial interests and voting rights of all
3 shareholders or owners shall be held by persons who are licensees or
4 holders of a valid license issued under this chapter or by another
5 state and is principally employed by the corporation or actively
6 engaged in its business. The principal officer of the corporation and
7 any officer or director having authority over issuing reports on
8 financial statements shall hold a license under this chapter or
9 issued by another state;

10 (b) At least one shareholder of the corporation shall hold a
11 license under RCW 18.04.105 and 18.04.215, or, in the case of a
12 corporation that must obtain a license pursuant to subsection
13 (1)(a)(iii) of this section, be a licensee of another state who meets
14 the requirements in RCW 18.04.350(2);

15 (c) Each resident individual in charge of an office located in
16 this state shall hold and renew a license under RCW 18.04.105 and
17 18.04.215;

18 (d) A written agreement shall bind the corporation or its
19 shareholders to purchase any shares offered for sale by, or not under
20 the ownership or effective control of, a qualified shareholder, and
21 bind any holder not a qualified shareholder to sell the shares to the
22 corporation or its qualified shareholders. The agreement shall be
23 noted on each certificate of corporate stock. The corporation may
24 purchase any amount of its stock for this purpose, notwithstanding
25 any impairment of capital, as long as one share remains outstanding;

26 (e) The corporation shall comply with any other rules pertaining
27 to corporations practicing public accounting in this state as the
28 board may prescribe; and

29 (f) The licensed firm must meet competency requirements
30 established by rule by the board.

31 (5) A limited liability company required to obtain a license
32 under subsection (1) of this section shall license as a firm every
33 three years with the board, and shall meet the following
34 requirements:

35 (a) At least one member of the limited liability company shall
36 hold a license under RCW 18.04.105 and 18.04.215, or, in the case of
37 a limited liability company that must obtain a license pursuant to
38 subsection (1)(a)(iii) of this section, be a licensee of another
39 state who meets the requirements in RCW 18.04.350(2);

1 (b) Each resident manager or member in charge of an office
2 located in this state shall hold and renew a license under RCW
3 18.04.105 and 18.04.215;

4 (c) At least a simple majority of the ownership of the licensed
5 firm in terms of financial interests and voting rights of all owners
6 shall be held by persons who are licensees or holders of a valid
7 license issued under this chapter or by another state. The principal
8 member or manager of the limited liability company and any member
9 having authority over issuing reports on financial statements shall
10 hold a license under this chapter or issued by another state; and

11 (d) The licensed firm must meet competency requirements
12 established by rule by the board.

13 (6) Application for a license as a firm with an office in this
14 state shall be made upon the affidavit of the proprietor or
15 individual designated as managing partner, member, or shareholder for
16 Washington. This individual shall hold a license under RCW 18.04.215.

17 (7) In the case of a firm licensed in another state and required
18 to obtain a license under subsection (1)(a)(iii) of this section, the
19 application for the firm license shall be made upon the affidavit of
20 an individual who qualifies for practice privileges in this state
21 under RCW 18.04.350(2) who has been authorized by the applicant firm
22 to make the application. The board shall determine in each case
23 whether the applicant is eligible for a license.

24 (8) The board shall be given notification within ninety days
25 after the admission or withdrawal of a partner, shareholder, or
26 member engaged in this state in the practice of public accounting
27 from any partnership, corporation, or limited liability company so
28 licensed.

29 (9) Licensed firms that fall out of compliance with the
30 provisions of this section due to changes in firm ownership, after
31 receiving or renewing a license, shall notify the board in writing
32 within ninety days of its falling out of compliance and propose a
33 time period in which they will come back into compliance. The board
34 may grant a reasonable period of time for a firm to be in compliance
35 with the provisions of this section. Failure to bring the firm into
36 compliance within a reasonable period of time, as determined by the
37 board, may result in suspension, revocation, or imposition of
38 conditions on the firm's license.

39 (10) Fees for the license as a firm and for notification of the
40 board of the admission or withdrawal of a partner, shareholder, or

1 member shall be determined by the board. Fees shall be paid by the
2 firm at the time the license application form or notice of admission
3 or withdrawal of a partner, shareholder, or member is filed with the
4 board.

5 (11) Nonlicensee owners of licensed firms are:

6 (a) Required to fully comply with the provisions of this chapter
7 and board rules;

8 (b) Required to be an individual;

9 (c) Required to be of good character and an active individual
10 participant in the licensed firm or affiliated entities as these
11 terms are defined by board rule; and

12 (d) Subject to discipline by the board for violation of this
13 chapter.

14 (12) Resident nonlicensee owners of licensed firms are required
15 to meet:

16 (a) The ethics examination, registration, and fee requirements as
17 established by the board rules; and

18 (b) The ethics CPE requirements established by the board rules.

19 (13)(a) Licensed firms must notify the board within thirty days
20 after:

21 (i) Sanction, suspension, revocation, or modification of their
22 professional license or practice rights by the securities exchange
23 commission, internal revenue service, or another state board of
24 accountancy;

25 (ii) Sanction or order against the licensee or nonlicensee firm
26 owner by any federal or other state agency related to the licensee's
27 practice of public accounting or violation of ethical or technical
28 standards established by board rule; or

29 (iii) The licensed firm is notified that it has been charged with
30 a violation of law that could result in the suspension or revocation
31 of the firm's license by a federal or other state agency, as
32 identified by board rule, related to the firm's professional license,
33 practice rights, or violation of ethical or technical standards
34 established by board rule.

35 (b) The board must adopt rules to implement this subsection and
36 may also adopt rules specifying requirements for licensees to report
37 to the board sanctions or orders relating to the licensee's practice
38 of public accounting or violation of ethical or technical standards
39 entered against the licensee by a nongovernmental professionally
40 related standard-setting entity.

1 **Sec. 3.** RCW 18.04.345 and 2009 c 116 s 1 are each amended to
2 read as follows:

3 (1) No individual may assume or use the designation "certified
4 public accountant-inactive" or "CPA-inactive" or any other title,
5 designation, words, letters, abbreviation, sign, card, or device
6 tending to indicate that the individual is a certified public
7 accountant-inactive or CPA-inactive unless the individual holds a
8 certificate. Individuals holding only a certificate may not practice
9 public accounting.

10 (2) No individual may hold himself or herself out to the public
11 or assume or use the designation "certified public accountant" or
12 "CPA" or any other title, designation, words, letters, abbreviation,
13 sign, card, or device tending to indicate that the individual is a
14 certified public accountant or CPA unless the individual qualifies
15 for the privileges authorized by RCW 18.04.350(2) or holds a license
16 under RCW 18.04.105 and 18.04.215.

17 (3) No firm with an office in this state may perform or offer to
18 perform attest services as defined in RCW 18.04.025(1) or compilation
19 services as defined in RCW 18.04.025(6) or assume or use the
20 designation "certified public accountant" or "CPA" or any other
21 title, designation, words, letters, abbreviation, sign, card, or
22 device tending to indicate that the firm is composed of certified
23 public accountants or CPAs, unless the firm is licensed under RCW
24 18.04.195 and all offices of the firm in this state are maintained
25 and registered under RCW 18.04.205. This subsection does not limit
26 the services permitted under RCW 18.04.350(10) by persons not
27 required to be licensed under this chapter.

28 (4) No firm may perform the services defined in RCW 18.04.025(1)
29 (~~((a), (c), or (d) for a client with its home office))~~) in this state
30 unless the firm is licensed under RCW 18.04.195, renews the firm
31 license as required under RCW 18.04.215, and all offices of the firm
32 in this state are maintained and registered under RCW 18.04.205.

33 (5) No individual, partnership, limited liability company, or
34 corporation offering public accounting services to the public may
35 hold himself, herself, or itself out to the public, or assume or use
36 along, or in connection with his, hers, or its name, or any other
37 name the title or designation "certified accountant," "chartered
38 accountant," "licensed accountant," "licensed public accountant,"
39 "public accountant," or any other title or designation likely to be
40 confused with "certified public accountant" or any of the

1 abbreviations "CA," "LA," "LPA," or "PA," or similar abbreviations
2 likely to be confused with "CPA."

3 (6) No licensed firm may operate under an alias, a firm name,
4 title, or "DBA" that differs from the firm name that is registered
5 with the board.

6 (7) No individual with an office in this state may sign, affix,
7 or associate his or her name or any trade or assumed name used by the
8 individual in his or her business to any report prescribed by
9 professional standards unless the individual holds a license to
10 practice under RCW 18.04.105 and 18.04.215, a firm holds a license
11 under RCW 18.04.195, and all of the individual's offices in this
12 state are registered under RCW 18.04.205.

13 (8) No individual licensed in another state may sign, affix, or
14 associate a firm name to any report prescribed by professional
15 standards, or associate a firm name in conjunction with the title
16 certified public accountant, unless the individual:

17 (a) Qualifies for the practice privileges authorized by RCW
18 18.04.350(2); or

19 (b) Is licensed under RCW 18.04.105 and 18.04.215, and all of the
20 individual's offices in this state are maintained and registered
21 under RCW 18.04.205.

22 (9) No individual, partnership, limited liability company, or
23 corporation not holding a license to practice under RCW 18.04.105 and
24 18.04.215, or firm not licensed under RCW 18.04.195 or firm not
25 registering all of the firm's offices in this state under RCW
26 18.04.205, or not qualified for the practice privileges authorized by
27 RCW 18.04.350(2), may hold himself, herself, or itself out to the
28 public as an "auditor" with or without any other description or
29 designation by use of such word on any sign, card, letterhead, or in
30 any advertisement or directory.

31 (10) For purposes of this section, because individuals practicing
32 using practice privileges under RCW 18.04.350(2) are deemed
33 substantially equivalent to licensees under RCW 18.04.105 and
34 18.04.215, every word, term, or reference that includes the latter
35 shall be deemed to include the former, provided the conditions of
36 such practice privilege, as set forth in RCW 18.04.350 (4) and (5)
37 are maintained.

38 (11) Notwithstanding anything to the contrary in this section, it
39 is not a violation of this section for a firm that does not hold a
40 valid license under RCW 18.04.195 and that does not have an office in

1 this state to use the title "CPA" or "certified public accountant" as
2 part of the firm's name to provide its professional services in this
3 state and licensees and individuals with practice privileges may
4 provide services on behalf of such firms so long as it complies with
5 the requirements of RCW 18.04.195(1)((b)). An individual or firm
6 authorized under this subsection to use practice privileges in this
7 state must comply with the requirements otherwise applicable to
8 licensees in this section.

9 **Sec. 4.** RCW 18.04.350 and 2008 c 16 s 6 are each amended to read
10 as follows:

11 (1) Nothing in this chapter prohibits any individual not holding
12 a license and not qualified for the practice privileges authorized by
13 subsection (2) of this section from serving as an employee of a firm
14 licensed under RCW 18.04.195 and 18.04.215. However, the employee
15 shall not issue any (~~compilation, review, audit, or examination~~)
16 report (~~on financial or other information~~) as defined in this
17 chapter, on the information of any other persons, firms, or
18 governmental units over his or her name.

19 (2) An individual whose principal place of business is not in
20 this state shall be presumed to have qualifications substantially
21 equivalent to this state's requirements and shall have all the
22 privileges of licensees of this state without the need to obtain a
23 license under RCW 18.04.105 if the individual:

24 (a) Holds a valid license as a certified public accountant from
25 any state that requires, as a condition of licensure, that an
26 individual:

27 (i) Have at least one hundred fifty semester hours of college or
28 university education including a baccalaureate or higher degree
29 conferred by a college or university;

30 (ii) Achieve a passing grade on the uniform certified public
31 accountant examination; and

32 (iii) Possess at least one year of experience including service
33 or advice involving the use of accounting, attest, compilation,
34 management advisory, financial advisory, tax, or consulting skills,
35 all of which was verified by a licensee; or

36 (b) Holds a valid license as a certified public accountant from
37 any state that does not meet the requirements of (a) of this
38 subsection, but such individual's qualifications are substantially
39 equivalent to those requirements. Any individual who passed the

1 uniform certified public accountant examination and holds a valid
2 license issued by any other state prior to January 1, 2012, may be
3 exempt from the education requirements in (a)(i) of this subsection
4 for purposes of this section.

5 (3) Notwithstanding any other provision of law, an individual who
6 qualifies for the practice privilege under subsection (2) of this
7 section may offer or render professional services, whether in person
8 or by mail, telephone, or electronic means, and no notice, fee, or
9 other submission shall be provided by any such individual. Such an
10 individual shall be subject to the requirements of subsection (4) of
11 this section.

12 (4) Any individual licensee of another state exercising the
13 privilege afforded under subsection (2) of this section and the firm
14 that employs that licensee simultaneously consent, as a condition of
15 exercising this privilege:

16 (a) To the personal and subject matter jurisdiction and
17 disciplinary authority of the board;

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

19 (c) That in the event the license from the state of the
20 individual's principal place of business is no longer valid, the
21 individual will cease offering or rendering professional services in
22 this state individually and on behalf of a firm; and

23 (d) To the appointment of the state board which issued the
24 certificate or license as their agent upon whom process may be served
25 in any action or proceeding by this state's board against the
26 certificate holder or licensee.

27 (5) An individual who qualifies for practice privileges under
28 subsection (2) of this section (~~may, for any entity with its home~~
29 ~~office in this state, perform the following services only through a~~
30 ~~firm that has obtained a license under RCW 18.04.195 and 18.04.215:~~

31 ~~(a) Any financial statement audit or other engagement to be~~
32 ~~performed in accordance with statements on auditing standards;~~

33 ~~(b) Any examination of prospective financial information to be~~
34 ~~performed in accordance with statements on standards for attestation~~
35 ~~engagements; or~~

36 ~~(c) Any engagement to be performed in accordance with public~~
37 ~~company accounting oversight board auditing standards)) who performs~~

38 any attest service described in RCW 18.04.025(1) may only do so
39 through a firm which has obtained a license under RCW 18.04.195 and

1 18.04.215 or which meets the requirements for an exception from the
2 firm licensure requirements under RCW 18.04.195(1) (a)(iii) or (b).

3 (6) A licensee of this state offering or rendering services or
4 using their CPA title in another state shall be subject to
5 disciplinary action in this state for an act committed in another
6 state for which the licensee would be subject to discipline for an
7 act committed in the other state. Notwithstanding RCW 18.04.295 and
8 this section, the board shall cooperate with and investigate any
9 complaint made by the board of accountancy of another state or
10 jurisdiction.

11 (7) Nothing in this chapter prohibits a licensee, a licensed
12 firm, any of their employees, or persons qualifying for practice
13 privileges by this section from disclosing any data in confidence to
14 other certified public accountants, quality assurance or peer review
15 teams, partnerships, limited liability companies, or corporations of
16 certified public accountants or to the board or any of its employees
17 engaged in conducting quality assurance or peer reviews, or any one
18 of their employees in connection with quality or peer reviews of that
19 accountant's accounting and auditing practice conducted under the
20 auspices of recognized professional associations.

21 (8) Nothing in this chapter prohibits a licensee, a licensed
22 firm, any of their employees, or persons qualifying for practice
23 privileges by this section from disclosing any data in confidence to
24 any employee, representative, officer, or committee member of a
25 recognized professional association, or to the board, or any of its
26 employees or committees in connection with a professional
27 investigation held under the auspices of recognized professional
28 associations or the board.

29 (9) Nothing in this chapter prohibits any officer, employee,
30 partner, or principal of any organization:

31 (a) From affixing his or her signature to any statement or report
32 in reference to the affairs of the organization with any wording
33 designating the position, title, or office which he or she holds in
34 the organization; or

35 (b) From describing himself or herself by the position, title, or
36 office he or she holds in such organization.

37 (10) Nothing in this chapter prohibits any person or firm
38 composed of persons not holding a license under this chapter from
39 offering or rendering to the public bookkeeping, accounting, tax
40 services, the devising and installing of financial information

1 systems, management advisory, or consulting services, the preparation
2 of tax returns, or the furnishing of advice on tax matters, the
3 preparation of financial statements, written statements describing
4 how such financial statements were prepared, or similar services,
5 provided that persons, partnerships, limited liability companies, or
6 corporations not holding a license who offer or render these services
7 do not designate any written statement as (~~(an "audit report,"~~
8 ~~"review report," or "compilation report," do not issue any written~~
9 ~~statement which purports to express or disclaim an opinion on~~
10 ~~financial statements which have been audited, and do not issue any~~
11 ~~written statement which expresses assurance on financial statements~~
12 ~~which have been reviewed)) a report as defined in RCW 18.04.025(21)
13 or use any language in any statement relating to the financial
14 affairs of a person or entity which is conventionally used by
15 licensees in reports on financial statements or any attest service as
16 defined in this chapter.~~

17 (11) Nothing in this chapter prohibits any act of or the use of
18 any words by a public official or a public employee in the
19 performance of his or her duties.

20 (12) Nothing contained in this chapter prohibits any person who
21 holds only a valid certificate from assuming or using the designation
22 "certified public accountant-inactive" or "CPA-inactive" or any other
23 title, designation, words, letters, sign, card, or device tending to
24 indicate the person is a certificate holder, provided, that such
25 person does not perform or offer to perform for the public one or
26 more kinds of services involving the use of accounting or auditing
27 skills, including issuance of reports on financial statements or of
28 one or more kinds of management advisory, financial advisory,
29 consulting services, the preparation of tax returns, or the
30 furnishing of advice on tax matters.

31 (13) Nothing in this chapter prohibits the use of the title
32 "accountant" by any person regardless of whether the person has been
33 granted a certificate or holds a license under this chapter. Nothing
34 in this chapter prohibits the use of the title "enrolled agent" or
35 the designation "EA" by any person regardless of whether the person
36 has been granted a certificate or holds a license under this chapter
37 if the person is properly authorized at the time of use to use the
38 title or designation by the United States department of the treasury.
39 The board shall by rule allow the use of other titles by any person
40 regardless of whether the person has been granted a certificate or

1 holds a license under this chapter if the person using the titles or
2 designations is authorized at the time of use by a nationally
3 recognized entity sanctioning the use of board authorized titles.

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