
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1445

Session of
1983

INTRODUCED BY LLOYD, IRVIS, MANDERINO, McMONAGLE, OLIVER,
CALTAGIRONE, SEVENTY, LINTON, BLAUM, TRUMAN, RIEGER,
McINTYRE, MURPHY AND GRUITZA, SEPTEMBER 19, 1983

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
OCTOBER 25, 1983

AN ACT

1 Amending the act of May 26, 1947 (P.L.318, No.140), entitled, as
2 reenacted and amended, "An act relating to the public
3 practice of certified public accountants; providing for the
4 certification of persons desiring to practice, the
5 registrations of public accountants, requiring continuing
6 education for registrants, and the listing of persons engaged
7 in practicing as certified public accountants and public
8 accountants, and for the suspension and revocation of such
9 certificates, subject to appeal and for their reinstatement;
10 prescribing the powers and duties of the State Board of
11 Examiners of Public Accountants and the Department of State;
12 providing for ownership of working papers; defining unlawful
13 acts and acts not unlawful; providing penalties, and
14 repealing existing laws," creating the State Board of
15 Accountancy and granting it powers and duties; further
16 providing for education and experience requirements and
17 permits to practice; and providing for injunctions and
18 penalties.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 Section 1. The title and section 2 of the act of May 26,
22 1947 (P.L.318, No.140), known as The C.P.A. Law, reenacted and
23 amended December 8, 1976 (P.L.1280, No.286), are amended to
24 read:

1 AN ACT

2 Relating to the public practice of certified public accountants;
3 providing for the certification of persons desiring to
4 practice, the registrations of public accountants, requiring
5 continuing education for registrants, [and the listing of
6 persons engaged in practicing as certified public accountants
7 and public accountants,] and for the suspension and
8 revocation of such certificates, subject to appeal and for
9 their reinstatement; prescribing the powers and duties of the
10 State Board of [Examiners of Public Accountants] Accountancy
11 and the Department of State; providing for ownership of
12 working papers; defining unlawful acts and acts not unlawful;
13 providing penalties, and repealing existing laws.

14 Section 2. Definitions.--The following words and phrases
15 when used in this act shall have the meanings ascribed to them
16 in this section:

17 "BIENNIAL PERIOD" THE TWO-YEAR PERIOD BEGINNING MAY 1, 1986 <—
18 AND ENDING APRIL 30, 1988 AND EACH SUBSEQUENT TWO-YEAR PERIOD.

19 "Current licensee" The holder of a certificate to practice
20 as a certified public accountant under this act or a
21 registration to practice as a public accountant under this act,
22 which certificate or registration has not been suspended or
23 revoked and has not expired, AND A CURRENT LICENSE ISSUED UNDER <—
24 SECTION 8.2, 8.3, 8.4, 8.5 OR 8.6.

25 "Board" The State Board of [Examiners of Public Accountants
26 as constituted by The Administrative Code of 1929 and its
27 amendments] Accountancy.

28 "Certified public accountant" Persons to whom a certificate
29 of certified public accountant has been issued under "The C.P.A.
30 Law" and partnerships, professional corporations or professional

1 associations, composed of certified public accountants, which if
2 engaged in the practice of public accounting, are registered and
3 are [holders of live permits] current licensees as herein
4 provided.

5 "Corporations" Professional corporations and professional
6 associations as defined by the act of July 9, 1970 (P.L.461,
7 No.160), known as the "Professional Corporation Law," and the
8 act of August 7, 1961 (P.L.941, No.416), known as the
9 "Professional Association Act," and any amendments thereof.

10 "Department" The [Commissioner of Professional and
11 Occupational Affairs in the Department of State of this
12 Commonwealth as constituted by The Administrative Code of 1929
13 and its amendments] Department of State ACTING THROUGH THE <—
14 COMMISSION OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS.

15 ["In good standing" The holder of a certificate of certified
16 public accountant, registration or permit which is not revoked
17 or suspended or the holder of a registration or permit issued to
18 a public accountant registered under this act which is not
19 revoked or suspended.]

20 ["Masculine terms" shall also include the feminine.]

21 "Opinions on financial statements" ~~Any reporting or~~ <—
22 ~~attesting~~ ANY REPORT, OPINION OR ASSURANCE based upon <—
23 examinations in accordance with generally accepted auditing
24 standards OR STANDARDS FOR ACCOUNTING AND REVIEW SERVICES as to <—
25 whether the presentation of information used for guidance in
26 financial transactions or for accounting for or assessing the
27 status or performance of commercial and noncommercial
28 enterprises, whether public, private or governmental, is in
29 conformity with generally accepted accounting principles or
30 other comprehensive basis of accounting.

1 "Person" Includes a corporation, partnership and
2 association, as well as a natural person.

3 "Public accountant" Persons who are qualified and accepted
4 for registration in accordance with this act and partnerships,
5 professional corporations or professional associations engaged
6 in practice as public accountants which are registered and are
7 [holders of live permits] current licensees as herein provided.

8 "Public accounting" The practice of examining financial
9 statements of commercial or noncommercial enterprises and
10 issuing a report expressing or disclaiming an opinion on such
11 statements or expressing assurance on such statements, which
12 opinion or assurance, when issued, is based on examinations in
13 accordance with generally accepted auditing standards OR

14 STANDARDS FOR ACCOUNTING AND REVIEW SERVICES as to whether the
15 presentation of information is in conformity with generally
16 accepted accounting principles or other comprehensive basis of
17 accounting, and which opinion or assurance may assist in the
18 making of judgments by others. THE TERM ALSO INCLUDES THE
19 PERFORMANCE OF OTHER PROFESSIONAL SERVICES IN ANY OR ALL MATTERS
20 RELATING TO ACCOUNTING PROCEDURE AND TO THE RECORDING,
21 PRESENTATION OR CERTIFICATION OF FINANCIAL INFORMATION OR DATA.

22 "REPORTING PERIOD" THE TWO-YEAR PERIOD BEGINNING JANUARY 1,
23 1986 AND ENDING DECEMBER 31, 1987 AND EACH SUBSEQUENT TWO-YEAR
24 PERIOD.

25 Section 2. Section 2.2 of the act, added December 8, 1976
26 (P.L.1280, No.286), is amended to read:

27 Section 2.2. Public Accountants' Advisory Committee.--(a)
28 There is hereby created a Public Accountants' Advisory Committee
29 to consist of five members to be appointed by the Governor.
30 Members [first appointed shall be appointed for initially

1 staggered terms, two members to serve for one year, two members
2 to serve for two years, and one member to serve for three years.
3 Thereafter, members] shall be appointed for staggered terms of
4 three years. Upon expiration of a term of office, a member shall
5 continue to serve [until his successor shall have been appointed
6 and shall have qualified] for a period not to exceed six months,
7 if a successor has yet to be duly appointed and qualified
8 according to law. Members shall not serve for more than two
9 consecutive full three year terms and shall not be eligible for
10 reappointment until after three years have elapsed.

11 (b) Members of the advisory committee [first appointed shall
12 be qualified to be registered as public accountants pursuant to
13 this act. Successor members of the advisory committee] shall be
14 registered pursuant to this act as public accountants[. The
15 Governor may appoint members to the committee from a list of
16 qualified persons submitted to him by the Pennsylvania Society
17 of Public Accountants.] and shall be current licensees.

18 (c) Three members of the committee shall constitute a
19 quorum. The committee shall select, from among their number, a
20 chairman who shall conduct meetings of the committee.

21 (d) The committee shall advise and aid the board in matters
22 which would affect public accountants. [The committee may
23 receive, review and recommend to the board for registration as a
24 public accountant, such applicants as may be qualified pursuant
25 to the act.] The committee shall recommend to the board courses,
26 meetings, or conferences to fulfill the requirements of
27 continuing education for public accountants.

28 Section 3. The act is amended by adding a section to read:

29 Section 2.3. State Board of Accountancy.--(a) The State
30 Board of Accountancy shall consist of ~~thirteen~~ FIFTEEN members, <—

one of whom shall be the Commissioner of Professional and Occupational Affairs in the Department of State, one of whom shall be the Director of the Bureau of Consumer Protection in the Office of Attorney General or his designee, and the remaining ~~eleven~~ THIRTEEN of whom shall be appointed by the Governor as follows:

(1) ~~Six~~ EIGHT members shall be certified public accountants who have held certificates of certified public accountant issued by this Commonwealth, all of whom are current licensees as required by this act and four of whom have been actively engaged in the practice of public accounting as their principal occupation at the time of their appointment. Two members shall be appointed from the eastern part of the State, two from the western part, ~~and~~ two from the central part, AND TWO FROM ANY PART OF THE STATE. No member of the board shall be a teacher or instructor in any coaching school which has as its primary purpose preparation for the examination under this act or any person who has a financial interest in such coaching school.

(2) Three members shall be persons representing the public at large. Such public members shall not be affiliated in any manner with the profession and shall not hold public office during the term of membership on the board.

(3) Two members shall be public accountants registered under this act and shall be current licensees.

(b) The terms of the members of the board shall be four years from the respective dates of their appointment, provided that a member may continue to serve for a period not to exceed six months beyond the expiration of his term, if a successor has yet to be duly appointed and qualified according to law. A board member shall not serve more than two consecutive four-year terms

1 and shall not be eligible for reappointment until after four
2 years have elapsed.

3 (c) ~~Seven~~ EIGHT members of the board shall constitute a <—
4 quorum. The board shall select, from among their number, a
5 chairman and a secretary.

6 (d) Each member of the State Board of Accountancy shall be
7 paid traveling and other necessary expenses and per diem
8 compensation at the rate of sixty dollars (\$60) for each day of
9 actual service while on board business.

10 (e) A member who fails to attend three consecutive meetings
11 shall forfeit his seat unless the Commissioner of Occupational
12 and Professional Affairs, upon written request from the member,
13 finds that the member should be excused from a meeting because
14 of illness or the death of an immediate family member.

15 (f) In the event that any of the said members of the board
16 shall die or resign during his term of office, his successor
17 shall be appointed in the same way and with the same
18 qualifications as above set forth and shall hold office for the
19 unexpired term.

20 Section 4. Section 3(1), (2), (3), (4), (5), (6), (7), (10)
21 and (11) of the act are amended and ~~a clause is~~ CLAUSES ARE <—
22 added to read:

23 Section 3. General Powers of the Board.--The Board shall
24 have the power:

25 (1) To provide ~~for~~ [and to], regulate [the issuance of <—
26 certificates] and [issue] approve the issuance of a certificate
27 of certified public accountant to any person (a) who meets the
28 general qualifications and education and experience requirements
29 provided herein and who passes the examination required by the
30 board, or (b) who meets the requirements for the issuance of a

1 certificate by reciprocity.

2 (2) To provide for and to regulate registration and
3 [permits] licenses to practice as provided herein BUT THE BOARD <—
4 SHALL NOT HAVE THE POWER TO REQUIRE A PHOTOGRAPH AS PART OF AN
5 APPLICATION FOR A CERTIFICATE OF CERTIFIED PUBLIC ACCOUNTANT.

6 (3) [To prescribe the subject, manner, time and place of
7 examination for the certificate of certified public accountant:
8 Provided, That an] To contract with a professional testing
9 service for the testing ORGANIZATION FOR THE PREPARATION and <—
10 administration of the examination, in accordance with section
11 812.1(a) of the act of April 9, 1929 (P.L.177, No.175), known as
12 "The Administrative Code of 1929," and to establish prior to the
13 administration of each examination an appropriate minimum
14 passing score, in keeping with the purposes of this act. The
15 examination shall be held at least twice in each calendar year,
16 and simultaneously in at least two counties of the Commonwealth,
17 and shall be a written examination in general accounting, theory
18 of accounts, accounting practice, auditing and [such other
19 subjects as the board shall determine to be appropriate] related
20 subjects. The board may make such use of all or any part of the
21 Uniform Certified Public Accountants' examination {and/or <—
22 Advisory Grading service} of the American Institute of Certified <—
23 Public Accountants as it deems appropriate to assist in
24 performing its duties hereunder.

25 (4) To keep a [roster] record showing the names and the
26 places of business of persons to whom the certificate of
27 certified public accountant has been issued under this act and
28 under prior laws and all others registered or holding [permits] <—
29 LICENSES under this act. [The department shall publish such <—
30 roster biennially in booklet form and shall mail copies thereof

1 to all permit holders listed and shall furnish the same to
2 others upon request.] THE DEPARTMENT SHALL FURNISH COPIES OF
3 SUCH RECORD TO THE PUBLIC UPON REQUEST AND MAY ESTABLISH A
4 REASONABLE FEE FOR SUCH COPIES WHICH SHALL NOT EXCEED THE COST
5 OF REPRODUCTION.

6 (5) To suspend for a fixed term or revoke the certificate
7 and [permit] license of any certified public accountant or the
8 registration and [permit] license of all others registered under
9 this act or to censure the holder of such certificate,
10 registration or [permit] license as provided for in this act.

11 (6) To collect fees as provided for in this act and to
12 submit annually, to the department, and to the House and Senate
13 Appropriations Committees, fifteen days after the Governor has
14 submitted his budget to the General Assembly, an estimate of the
15 financial requirements of the board for its administrative,
16 investigative, legal and miscellaneous expenses.

17 (7) To arrange for assistance in the performance of its
18 duties, and to administer and enforce the laws of the
19 Commonwealth relating to registration of and practice by
20 certified public accountants, and all others registered or
21 holding [permits] licenses under this act and to instruct and
22 require its agents to seek an injunction, or bring prosecution
23 for a violation of this act.

24 * * *

25 (10) To adopt, promulgate and enforce such rules and
26 regulations consistent with the provisions of this act
27 establishing requirements of continuing education to be met by
28 certified public accountants[,] and public accountants [and
29 foreign accountants] registered under this act as a condition
30 for renewal of biennial [permits] licenses to engage in the

1 practice of public accounting in this Commonwealth.

2 (11) To promulgate and amend rules of professional conduct,
3 uniformly applicable to certified public accountants[, foreign
4 accountants] and public accountants registered under this act,
5 appropriate to establish and maintain a high standard of
6 integrity and dignity in the profession of public accounting.
7 [The board may, in its discretion, adopt as its rules of
8 professional conduct the Code of Professional Ethics of the
9 Pennsylvania Institute of Certified Public Accountants or any
10 part thereof.]

11 * * *

12 (13) To submit annually, to the Professional Licensure
13 Committee of the House and the Consumer Protection and
14 Professional Licensure Committee of the Senate, a description of
15 the types of complaints received, status of the cases, board
16 action which has been taken and length of time from the initial
17 complaint to final board resolution.

18 (14) TO SUBMIT WITHIN A REASONABLE TIME FOLLOWING THE <—
19 BIENNIAL REPORTING PERIOD ENDING DECEMBER 31, 1985, TO THE
20 PROFESSIONAL LICENSURE COMMITTEE OF THE HOUSE AND THE CONSUMER
21 PROTECTION AND PROFESSIONAL LICENSURE COMMITTEE OF THE SENATE, A
22 LIST OF NAMES OF CONTINUING EDUCATION SPONSORS APPROVED BY THE
23 BOARD AND A SUMMARY OF THE TYPES OF CONTINUING EDUCATION
24 COURSES, INDICATING THE COURSE CONTENT AND SUBJECT MATTER, TAKEN
25 BY CURRENT LICENSEES IN ACCORDANCE WITH SECTION 8.2 OF THIS ACT
26 DURING SUCH BIENNIAL REPORTING PERIOD.

27 Section 5. Section 3.1 of the act is amended to read:

28 Section 3.1. General Qualifications.--A person shall be
29 permitted to take the examination {for the certificate of <—
30 certified public accountant} and the certificate [of certified <—

1 public accountant] shall be granted by the board to any person
2 (a) who is a resident of this Commonwealth[†], is enrolled in a <—
3 college or university in this Commonwealth, or is engaged in
4 public accounting therein at the time he first sits for the
5 examination,[‡] and (b) who has attained the age of eighteen years <—
6 and (c) who is of good moral character, and (d) who meets the
7 requirements of education and experience as hereinafter provided
8 and (e) who, with respect to granting a certificate shall have
9 passed a written examination [in general accounting, theory of
10 accounts, accounting practice, auditing and such other subjects
11 as the board shall determine to be appropriate] as provided in
12 section 3.

13 Section 6. Section 4 of the act is amended to read:

14 Section 4. Education and Experience Requirements.--(a)
15 Before any person is permitted to take the examination or is
16 issued a certificate of certified public accountant, the board
17 shall be satisfied that he has complied with the following
18 requirements:

19 (1) Graduation with a baccalaureate degree from a college or
20 university approved at the time of graduation by the Department
21 of Education, pursuant to policies and standards promulgated by
22 the State Board of Education, or an education which is the
23 equivalent thereof, and completion of at least twelve semester
24 credits in accounting subjects of a content satisfactory to the
25 board, not necessarily as part of his undergraduate work, and at
26 least two years of public accounting experience [of a caliber <—
27 satisfactory to the board,] or two years experience as an <—
28 auditor with a unit of Federal, State or local government
29 including, but not limited to, employment with the Department of
30 the Auditor General, provided the position required the use of <—

~~accounting skills and the applicant was supervised by a
certified public accountant, or~~ GENERAL; PROVIDED THAT THE
PUBLIC ACCOUNTING EXPERIENCE OR THE EXPERIENCE AS AN AUDITOR
WITH A UNIT OF GOVERNMENT WAS OF A CALIBER SATISFACTORY TO THE
BOARD, REQUIRED THE USE OF AUDITING SKILLS AND WAS SUPERVISED BY
A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT, OR

(2) Graduation with a Master's Degree in Accounting or
Business Administration or an equivalent Master's Degree from a
college or university approved at the time of graduation by the
Department of Education, pursuant to policies and standards
promulgated by the State Board of Education, and completion of
at least twelve semester credits in accounting subjects of a
content satisfactory to the board, not necessarily as part of
his undergraduate or graduate work, and at least one year of
public accounting experience [of a caliber satisfactory to the
board] or one year experience as an auditor with a unit of
Federal, State or local government including, but not limited
to, employment with the Department of the Auditor General,
~~provided the position required the use of accounting skills and
the applicant was supervised by a certified public accountant. ;~~

PROVIDED THAT THE PUBLIC ACCOUNTING EXPERIENCE OR THE EXPERIENCE
AS AN AUDITOR WITH A UNIT OF GOVERNMENT WAS OF A CALIBER
SATISFACTORY TO THE BOARD, REQUIRED THE USE OF AUDITING SKILLS
AND WAS SUPERVISED BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC
ACCOUNTANT.

(3) Subject to the general qualifications of section 3.1,
the department, upon authorization by the board [may], shall
issue a certificate of certified public accountant to a person
who has qualified for permission to take the examination under
section 4(a)(1) or (2) provided he has passed the written

1 examination of the board in general accounting, theory of
2 accounts, accounting practice, auditing and [such other subjects
3 as the board shall determine to be appropriate] related
4 subjects.

5 (b) As an alternative to [sections] section 4(a)(1) and (2),
6 a person [may] shall be permitted to take the examination
7 without meeting the experience requirements as provided in
8 [sections] section 4(b)(3) and (4) hereof, if the board shall be
9 satisfied that he has complied with one of the following
10 requirements:

11 (1) Graduation with a baccalaureate degree from a college or
12 university approved at the time of graduation by the Department
13 of Education, or an education which is the equivalent thereof,
14 and completion of at least twenty-four semester credits in
15 accounting subjects of a content satisfactory to the board, not
16 necessarily as a part of his undergraduate work, or

17 (2) Graduation with a Master's Degree or a Doctor's Degree
18 from a college or university approved at the time of graduation
19 by the Department of Education and completion of at least
20 twenty-four semester credits in accounting subjects of a content
21 satisfactory to the board, not necessarily as part of his
22 undergraduate or graduate work.

23 (3) Subject to the general qualifications of section 3.1,
24 the [board may] department, upon authorization by the board,
25 shall issue a certificate of certified public accountant to a
26 person who has qualified for permission to take the examination
27 under section 4(b)(1) provided he has passed the written
28 examination of the board in general accounting, theory of
29 accounts, accounting practice, auditing and [such other subjects
30 as the board shall determine to be appropriate] related subjects

1 and, further provided he has at least two years of public
2 accounting experience [of a caliber satisfactory to the board] <—
3 or two years experience as an auditor with a unit of Federal,
4 State or local government including, but not limited to,
5 employment with the Department of the Auditor General, provided <—
6 the position required the use of accounting skills and the
7 applicant was supervised by a certified public accountant.; <—
8 PROVIDED THAT THE PUBLIC ACCOUNTING EXPERIENCE OR THE EXPERIENCE
9 AS AN AUDITOR WITH A UNIT OF GOVERNMENT WAS OF A CALIBER
10 SATISFACTORY TO THE BOARD, REQUIRED THE USE OF AUDITING SKILLS
11 AND WAS SUPERVISED BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC
12 ACCOUNTANT.

13 (4) Subject to the general qualifications of section 3.1,
14 the [board may] department, upon authorization by the board,
15 shall issue a certificate of certified public accountant to a
16 person who has qualified for permission to take the examination
17 under section 4(b)(2) provided he has passed the written
18 examination of the board in general accounting, theory of
19 accounts, accounting practice, auditing and [such other subjects
20 as the board shall determine to be appropriate,] related
21 subjects, further provided he has at least one year of public
22 accounting experience [of a caliber satisfactory to the board] <—
23 or one year experience as an auditor with a unit of Federal,
24 State or local government including, but not limited to,
25 employment with the Department of the Auditor General, provided <—
26 the position required the use of accounting skills and the
27 applicant was supervised by a certified public accountant.; <—
28 PROVIDED THAT THE PUBLIC ACCOUNTING EXPERIENCE OR THE EXPERIENCE
29 AS AN AUDITOR WITH A UNIT OF GOVERNMENT WAS OF A CALIBER
30 SATISFACTORY TO THE BOARD, REQUIRED THE USE OF AUDITING SKILLS

1 AND WAS SUPERVISED BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC
2 ACCOUNTANT.

3 (c) Notwithstanding the provisions of section 4(b) above,
4 the board [may, in its discretion,] shall permit an applicant to
5 take the examination during the final term, semester or quarter
6 of the school year in which he will graduate, if it is
7 reasonably expected that he will fulfill the educational
8 requirements of section 4(b) and receive the required degree:
9 Provided, however, That he must receive the required degree
10 within ninety days after the date of the examination in order to
11 fulfill the educational requirements set forth in section 4(b).

12 (d) Subject to such regulations as the board may adopt
13 governing reexaminations, a candidate shall be entitled to
14 retake the examination referred to in [sections] section
15 4(a)(3)[, 4] and (b)(3) and (4).

16 (e) Service in the Armed Forces of the United States
17 subsequent to July 1, 1940, shall be substituted for the
18 experience requirements in [sections] section 4(a)(1) and
19 [4](b)(3) above, on the basis of one month's experience credit
20 for each six months' service: Provided, That the maximum credit
21 for such service shall be six months.

22 (f) A person who has previously taken the examination under
23 the provisions of a prior CPA Law of this Commonwealth shall
24 continue to be permitted to take the examination and receive a
25 certificate subject to such prior provisions.

26 Section 7. Section 5 of the act is amended to read:

27 Section 5. Certificates Issued by Reciprocity.--Without
28 requiring a written examination the board may, in its
29 discretion, issue a certificate of certified public accountant
30 to a holder of a certificate of certified public accountant then

1 in full force and effect issued as the result of a written
2 examination by any other state or [political subdivision]
3 Federal district, territory or insular possession of the United
4 States: Provided, That the applicant shall submit evidence
5 satisfactory to the board that he possesses the general
6 qualifications specified in this act; that he [possesses the
7 equivalent of the education and experience requirements for
8 issuance of a certificate of certified public accountant in this
9 Commonwealth in effect at the time he received his original
10 certificate] has passed the written examination required to
11 practice as a certified public accountant under the laws of such
12 other state or [political subdivision] Federal district,
13 territory or insular possession of the United States [or the
14 education and experience requirements in effect in this
15 Commonwealth at the time of filing his application for a
16 reciprocal certificate; and]; that he meets the continuing <—
17 education requirements specified in section 8.2(b) of this act.} <—
18 ; and that he has at least two years of public accounting
19 experience.

20 Section 8. Section 6 of the act is amended to read:

21 Section 6. Fees.--(a) All fees required under the
22 provisions of this act shall be fixed by the [department in
23 accordance with existing law. All fees collected under the
24 provisions of this act shall be received by the department and
25 shall be paid into the State Treasury through the Department of
26 Revenue for the use of the General Fund of the Commonwealth.]
27 board, by regulation and shall be subject to review in
28 accordance with the act of June 25, 1982 (P.L.633, No.181),
29 known as the "Regulatory Review Act." If the revenues generated
30 by fees, fines and civil penalties imposed in accordance with

1 the provisions of this act are not sufficient to match
2 expenditures over a two-year period, the board shall increase
3 those fees by regulation, subject to review in accordance with
4 the "Regulatory Review Act," such that the projected revenues
5 will meet or exceed projected expenditures.

6 (b) If the Bureau of Professional and Occupational Affairs
7 determines that the fees established by the board are inadequate
8 to meet the minimum enforcement efforts required, then the
9 bureau, after consultation with the board, shall increase the
10 fees by regulation, subject to review in accordance with the
11 "Regulatory Review Act," such that adequate revenues are raised
12 to meet the required enforcement effort.

13 Section 9. Section 8.1 of the act is repealed.

14 Section 10. Section 8.2 of the act is amended to read:

15 Section 8.2. [Permits] Licenses to Practice.--(a) Biennial
16 [permits] licenses to engage in practice in this Commonwealth
17 shall be issued by the department to (i) holders of the
18 certificate of certified public accountant issued by this
19 Commonwealth[, foreign accountants] and public accountants
20 registered under [sections 8.1 and 8.7 respectively of] this act
21 who shall have furnished evidence satisfactory to the board of
22 compliance with the requirements of subsection (b) of this
23 section and (ii) partnerships and corporations registered under
24 sections 8.3 to 8.6 of this act. [There shall be a biennial
25 permit fee in an amount to be determined, from time to time, by
26 the department not to exceed thirty dollars (\$30). Permits]
27 Licenses to practice ISSUED SEPTEMBER 1, 1983 shall expire on <—
28 the [last day of August of 1977 and on the] last day of [August] <—
29 APRIL OF 1986 AND ON THE LAST DAY OF APRIL of alternate years <—
30 {thereafter}, or on such other biennial expiration dates as the <—

1 department may fix. [Permits] Licenses may be renewed,
2 biennially, for a period of two years by [such certificate
3 holders and registrants in good standing] ~~current licensees~~ SUCH <—
4 CERTIFIED PUBLIC ACCOUNTANTS AND PUBLIC ACCOUNTANTS UPON
5 COMPLETION OF THE CONTINUING EDUCATION REQUIREMENT AND upon
6 payment of the biennial fee. [Failure of a certificate holder or <—
7 registrant to apply for such ~~{permit} license~~ to practice within <—
8 (a) three years from the expiration date of the ~~{permit} license~~ <—
9 to practice last obtained or renewed, or (b) three years from
10 the date upon which the certificate holder or registrant was
11 granted his certificate or registration, if no ~~{permit} license~~ <—
12 was ever issued, shall deprive the certificate holder or
13 registrant of the right to such ~~{permit} license~~: Provided, That <—
14 a] A certified public accountant or a public accountant <—
15 registered under this act who is not engaged in the practice of
16 public accounting may request the board, in writing, to place
17 his name on the inactive roll and thus protect his right to
18 obtain a [permit] license at such time as he may become engaged
19 in the practice of public accounting. The board, in its
20 discretion, may also review each case of failure to apply for
21 such biennial [permit] license and determine whether such
22 failure was due to [excusable neglect] reasonable cause. [In <—
23 such case the renewal fee or the fee for the issuance of the
24 original ~~{permit} license~~, as the case may be, shall be such <—
25 amount as the department shall, from time to time, determine.] <—
26 (b) [Effective with respect to biennial ~~{permits} licenses~~ <—
27 to be issued for the two-year period beginning September 1,
28 ~~{1981} 1985~~ and for each] EACH subsequent period, each certified <—
29 public accountant[, public accountant and foreign] and public
30 accountant filing an application for a [permit] license or a

1 renewal thereof to engage in the practice of public accounting
2 in this Commonwealth must, [during the two-year period
3 immediately preceding] ~~by June 1, of the same year in which~~ <—
4 DURING THE REPORTING PERIOD IMMEDIATELY PRECEDING a biennial <—
5 date ~~occurs~~, complete ~~[eighty]~~ ~~forty eight~~ hours of continuing <—
6 education, [as defined by and acceptable to the board, which
7 shall include a specified number of hours dealing with
8 accounting, auditing and tax subjects.] in programs approved by <—
9 the board which directly relate to public accounting, as it is <—
10 defined in this act. THE REPORTING PERIOD FOR LICENSES TO BE <—
11 ISSUED MAY 1, 1986 SHALL BE SEPTEMBER 1, 1983 TO DECEMBER 31,
12 1985. No carry-over of credits shall be permitted from one
13 biennial [permit] license period to another. The continuing
14 education requirement shall not apply to partnerships,
15 corporations or associations but shall apply to all natural
16 persons who apply for a license or a renewal thereof under this
17 section.

18 (c) Failure by an applicant for renewal of his biennial
19 [permit] license to furnish evidence of completion of [eighty]
20 the required number of hours of acceptable continuing education
21 shall constitute grounds for denial or refusal to renew such
22 [permit] license, unless the board, in its discretion, shall
23 determine such failure to have been due to reasonable cause, in
24 which case the board shall grant an extension.

25 (d) In issuing rules, regulations and individual orders [in]
26 with respect [of] to requirements of continuing education, the
27 board, in its discretion, may [among other things, use and] rely
28 upon guidelines and pronouncements of recognized educational and
29 professional organizations; may prescribe for content, duration
30 and organization of courses; shall take into account the

1 accessibility of such continuing education as it may require,
2 and any impediments to interstate practice of public accounting
3 which may result from differences in such requirements in other
4 states; and may provide for relaxation or suspension of such
5 requirements in instances of individual hardship such as for
6 reasons of health, military service or other good cause.

7 Section 11. Sections 8.3, 8.4(3), 8.5 and 8.6(3) of the act,
8 added December 8, 1976 (P.L.1280, No.286), are amended to read:

9 Section 8.3. Partnerships Composed Solely of Certified
10 Public Accountants.--A partnership composed solely of certified
11 public accountants engaged in this Commonwealth in the practice
12 of public accounting shall[, within six (6) months after the
13 enactment of this act,] register with the board as a partnership
14 of certified public accountants, provided it meets the following
15 requirements:

16 (1) At least one partner thereof must be a certified public
17 accountant of this Commonwealth [in good standing and the holder
18 of a live permit issued under section 8.2 of this act,] and a
19 current licensee, and

20 (2) Each partner thereof personally engaged within this
21 Commonwealth in the practice of public accounting as a member
22 thereof (i) must be a certified public accountant of this
23 Commonwealth [in good standing and the holder of a live permit
24 issued under section 8.2 of this act] and a current licensee, or
25 (ii) must be a certified public accountant of some state or
26 [political subdivision] Federal district, territory or insular
27 possession of the United States in good standing and must have
28 filed with the board, but not have been refused by the board, an
29 application for a certificate of certified public accountant of
30 this Commonwealth by reciprocity and after having received such

1 certificate must have filed for, but not been refused, a
2 [permit] license under section 8.2 of this act, and

3 (3) Each partner thereof engaged in the practice of public
4 accounting in the United States must be a certified public
5 accountant of some state or [political subdivision] Federal
6 district, territory or insular possession of the United States
7 in good standing, and

8 (4) Each [manager] individual in charge of an office of a
9 partnership in this Commonwealth must be a certified public
10 accountant of this Commonwealth [in good standing and the holder
11 of a live permit issued under section 8.2 of this act] and a
12 current licensee.

13 Section 8.4. Corporations Composed Solely of Certified
14 Public Accountants.--A professional corporation or a
15 professional association composed solely of certified public
16 accountants organized in this Commonwealth or any other state or
17 territory of the United States or District of Columbia, and
18 engaged in the practice of public accounting in this
19 Commonwealth as certified public accountants, shall register
20 with the board and file with the board a copy of its Articles of
21 Incorporation, or Articles of Association, and a copy of its
22 bylaws, and such professional corporation, or professional
23 association shall at all times have the following
24 characteristics:

25 * * *

26 (3) All shareholders of the professional corporation or
27 associates of the professional association shall be persons duly
28 qualified to practice as certified public accountants in a state
29 or territory of the United States or the District of Columbia,
30 and engaged in the practice of public accounting. At least one

1 shareholder of a professional corporation must be a certified
2 public accountant of this Commonwealth, and each shareholder
3 thereof personally engaged within this Commonwealth in the
4 practice of public accounting as a shareholder thereof, must be
5 a certified public accountant of this Commonwealth. Each
6 [manager] individual in charge of an office of a professional
7 corporation in this Commonwealth must be a certified public
8 accountant of this Commonwealth [in good standing and the holder
9 of a live permit issued under section 8.2 of this act] and a
10 current licensee. At least one associate of a professional
11 association must be a certified public accountant of this
12 Commonwealth and each associate thereof personally engaged
13 within this Commonwealth in the practice of public accounting as
14 an associate thereof, must be a certified public accountant of
15 this Commonwealth. Each [manager] individual in charge of an
16 office of a professional association in this Commonwealth must
17 be a certified public accountant of this Commonwealth [in good
18 standing and the holder of a live permit issued under section
19 8.2 of this act] and a current licensee. Shareholders or
20 associates shall at all times own their shares or interest in
21 their own right and shall be the real and beneficial owners of
22 such equity capital or interest ascribed to them.

23 * * *

24 Section 8.5. Partnerships, Composed of Certified Public
25 Accountants and Public Accountants or Solely of Public
26 Accountants.--A partnership, composed of certified public
27 accountants and public accountants or solely of public
28 accountants, engaged in this Commonwealth in the practice of
29 public accounting shall[, within six (6) months after the
30 enactment of this act,] register with the board as a partnership

1 of public accountants provided it meets the following
2 requirements:

3 (1) At least one partner thereof must be a certified public
4 accountant or a public accountant registered under this act[, in
5 good standing and the holder of a live permit issued under
6 section 8.2 of this act] and a current licensee, and

7 (2) Each partner thereof personally engaged within this
8 Commonwealth in the practice of public accounting as a member
9 thereof (i) must be a certified public accountant or a public
10 accountant registered under this act[, in good standing and the
11 holder of a live permit issued under section 8.2 of this act]
12 and a current licensee, or (ii) must be a certified public
13 accountant of some state or [political subdivision] Federal
14 district, territory or insular possession of the United States
15 in good standing and must have filed with the board, but not
16 have been refused by the board, an application for certificate
17 of certified public accountant of this Commonwealth by
18 reciprocity and after having received such certificate, must
19 have filed for, but not have been refused, a [permit] license
20 under section 8.2 of this act, and

21 (3) Each [manager] individual in charge of an office of a
22 partnership in this Commonwealth must be a certified public
23 accountant or a public accountant of this Commonwealth [in good
24 standing and the holder of a live permit issued under section
25 8.2 of this act] and a current licensee.

26 Section 8.6. Corporations, Composed of Certified Public
27 Accountants and Public Accountants or Solely of Public
28 Accountants.--A professional corporation or a professional
29 association, composed of certified public accountants and public
30 accountants or solely of public accountants, organized under the

1 laws of this Commonwealth and engaged in the practice of public
2 accounting in this Commonwealth as public accountants, shall[,
3 within twelve (12) months after the enactment of this act,]
4 register with the board and file with the board a copy of its
5 Articles of Incorporation, or Articles of Association, and a
6 copy of its bylaws, and such professional corporation, or
7 professional association shall at all times have the following
8 characteristics:

9 * * *

10 (3) All shareholders of the professional corporation or
11 associates of the professional association shall be persons duly
12 qualified to practice as certified public accountants in a state
13 or territory of the United States or the District of Columbia,
14 or as public accountants registered under this act, and engaged
15 in the practice of public accounting. At least one shareholder
16 of a professional corporation must be a certified public
17 accountant, or a public accountant registered under this act and
18 each shareholder thereof personally engaged within this
19 Commonwealth in the practice of public accounting as a
20 shareholder thereof, must be a certified public accountant, or a
21 public accountant registered under this act. Each [manager]
22 individual in charge of an office of a professional corporation
23 in this Commonwealth must be a certified public accountant[, or
24 a public accountant registered under this act, in good standing
25 and the holder of a live permit issued under section 8.2 of this
26 act] and a current licensee. At least one associate of a
27 professional association must be a certified public accountant,
28 or a public accountant registered under this act and each
29 associate thereof personally engaged within this Commonwealth in
30 the practice of public accounting as an associate thereof, must

1 be a certified public accountant, or a public accountant
2 registered under this act. Each [manager] individual in charge
3 of an office of a professional association in this Commonwealth
4 must be a certified public accountant, or a public accountant
5 registered under this act[, in good standing and the holder of a
6 live permit issued under section 8.2 of this act] and a current
7 licensee. Shareholders or associates shall at all times own
8 their shares of interest in their own right and shall be the
9 real and beneficial owners of such equity capital or interest
10 ascribed to them.

11 * * *

12 Section 12. Section ~~8.7(4)~~ 8.7 of the act, added December 8, <—
13 1976 (P.L.1280, No.286), is amended to read:

14 Section 8.7. Registration of Public Accountants.--Any person
15 (i) who is a resident of this Commonwealth or has a place of
16 business therein, and (ii) who has attained the age of eighteen
17 years, and (iii) who is of good moral character, and (iv) meets
18 the requirements of clause (1) or (2) to the satisfaction of the
19 board as set forth in clause (3) may register with the board as
20 a public accountant within twelve (12) months from publication
21 in the Pennsylvania Bulletin of the announcement that
22 application forms are available and not thereafter:

23 ~~* * *~~

24 ~~(4) The board shall in each case determine whether the~~
25 ~~applicant qualified for registration. Any individual who is so~~
26 ~~registered and who [holds a permit issued under section 8.2 of~~
27 ~~this act] is a current licensee shall be styled and known as a~~
28 ~~"public accountant."~~

29 ~~* * *~~

30 (1) PERSONS WHO HELD THEMSELVES OUT TO THE PUBLIC AS PUBLIC <—

1 ACCOUNTANTS AND WHO WERE ENGAGED AS PRINCIPALS (AS DISTINGUISHED
2 FROM EMPLOYES) WITHIN THIS COMMONWEALTH (I) [AT THE EFFECTIVE
3 DATE OF THIS ACT] ON OR BEFORE DECEMBER 8, 1976 IN THE PRACTICE
4 OF PUBLIC ACCOUNTING AS THEIR PRINCIPAL OCCUPATION, OR (II) AT
5 ANY TIME WITHIN SIX (6) YEARS PRIOR TO [THE EFFECTIVE DATE OF
6 THIS ACT] DECEMBER 8, 1976.

7 (2) PERSONS SERVING IN THE ARMED FORCES OF THE UNITED STATES
8 OF AMERICA [AT THE EFFECTIVE DATE OF THIS ACT] ON OR BEFORE
9 DECEMBER 8, 1976 WHO IMMEDIATELY PRIOR TO ENTERING SUCH SERVICE
10 HELD THEMSELVES OUT TO THE PUBLIC AS PUBLIC ACCOUNTANTS AND WERE
11 ENGAGED AS PRINCIPALS (AS DISTINGUISHED FROM EMPLOYES) WITHIN
12 THIS COMMONWEALTH IN THE PRACTICE OF PUBLIC ACCOUNTING AS THEIR
13 PRINCIPAL OCCUPATION. [IN THE CASE OF ANY SUCH PERSON, THE TIME
14 FOR REGISTRATION SHALL BE EXTENDED FOR A PERIOD OF SIX (6)
15 MONTHS FROM THE TIME SUCH PERSON IS SEPARATED FROM ACTIVE DUTY
16 WITH SUCH SERVICE.]

17 (2.1) THE TIME FOR REGISTRATION FOR PERSONS WHO MEET THE
18 REQUIREMENTS OF CLAUSES (1) OR (2) SHALL BE TWELVE (12) MONTHS
19 FROM PUBLICATION IN THE PENNSYLVANIA BULLETIN OF THE
20 ANNOUNCEMENT THAT THEY ARE ELIGIBLE FOR REGISTRATION AND THAT
21 APPLICATION FORMS ARE AVAILABLE.

22 (3) IN ORDER TO MEET THE REQUIREMENTS OF CLAUSES (1) AND
23 (2), THE APPLICANT MUST FURNISH THE BOARD WITH EVIDENCE THAT HE,
24 AS A PRINCIPAL (AS DISTINGUISHED FROM AN EMPLOYEE), HAS HELD
25 HIMSELF OUT TO THE PUBLIC AS BEING ENGAGED IN THE PRACTICE OF
26 PUBLIC ACCOUNTING AS HIS PRINCIPAL OCCUPATION.

27 (4) THE BOARD SHALL IN EACH CASE DETERMINE WHETHER THE
28 APPLICANT QUALIFIED FOR REGISTRATION. ANY INDIVIDUAL WHO IS SO
29 REGISTERED AND WHO HOLDS A PERMIT ISSUED UNDER SECTION 8.2 OF
30 THIS ACT SHALL BE STYLED AND KNOWN AS A "PUBLIC ACCOUNTANT."

(5) THE DEPARTMENT SHALL CHARGE A FEE FOR REGISTRATION
HEREUNDER.

(6) PERSONS WHO HAVE REGISTERED AS PROVIDED IN THIS SECTION
AND WHOSE QUALIFICATIONS AS SET FORTH IN THEIR REGISTRATION
APPLICATIONS ARE IN COMPLIANCE WITH THIS SECTION MAY CONTINUE TO
HOLD THEMSELVES OUT TO THE PUBLIC AS PUBLIC ACCOUNTANTS AND
ENGAGE AS PRINCIPALS IN THE PRACTICE OF PUBLIC ACCOUNTING WITHIN
THIS COMMONWEALTH AND SHALL NOT BE SUBJECT TO SECTIONS 12, 14,
15, 16 AND 16.2 FOR A PERIOD OF ONE (1) YEAR FROM THE ENACTMENT
HEREOF BUT THEREAFTER SHALL BE SUBJECT TO THE PROVISIONS OF
SECTIONS 12, 14, 15, 16 AND 16.2.

Section 13. Sections 9, 9.1(1), (2), (5), (6), (7), (10) and
9.2 of the act are amended to read:

Section 9. Procedure for the Suspension and Revocation of
Certificates; Appeals.--The procedure to be followed in the
suspension and revocation of certificates, registrations or
[permits] licenses to practice under this act, censure of
certificate holders or registrants, and in appeals taken from
actions of the board shall be that prescribed by the act,
approved the fourth day of June, one thousand nine hundred
forty-five (Pamphlet Laws 1388), known as the Administrative
Agency Law, and its amendments, and any General Rules of
Administrative Practice and Procedure promulgated by the board
pursuant to said act.

Section 9.1. Revocation or Suspension of Certificate,
Registration or [Permit] License.--In accordance with the
procedure referred to in section 9 of this act, the board, by [a
two-third's vote] a majority vote of its maximum authorized
membership as provided by law, or by a majority vote of the duly
qualified and confirmed membership or a minimum of [five] SEVEN

<—

1 affirmative votes, whichever is greater, if the membership of
2 the board is less than its authorized membership as provided by
3 law, may revoke or suspend any certificate of certified public
4 accountant or the registration of those registered under
5 [sections 8.1 and 8.7 of] this act, or may revoke, suspend or
6 refuse to renew any [permit] license issued under [section
7 8.2(a)(i) of] this act, or may censure the holder of any such
8 certificate, registration or [permit] license, for any one or
9 any combination of the following causes:

10 (1) Fraud or deceit in obtaining a certificate as certified
11 public accountant or in obtaining registration under this act or
12 in obtaining a [permit] license to practice under this act.

13 (2) Dishonesty, fraud or gross negligence in the practice of
14 public accounting.

15 * * *

16 (5) Pleading guilty, entering a plea of nolo contendere, or
17 being found guilty of a felony under the laws of any state or
18 [political subdivision] Federal district, territory or insular
19 possession of the United States or of the United States.

20 (6) Pleading guilty, entering a plea of nolo contendere, or
21 being found guilty of any crime, an element of which is
22 dishonesty or fraud under the laws of any state or [political
23 subdivision] Federal district, territory or insular possession
24 of the United States or of the United States.

25 (7) Cancellation, revocation, suspension or refusal to renew
26 authority to practice as a certified public accountant, public
27 accountant or foreign accountant by any other state or
28 [political subdivision] Federal district, territory or insular
29 possession of the United States for any cause other than failure
30 to pay a registration or other fee in such other state or

1 [political subdivision] Federal district, territory or insular
2 possession.

3 * * *

4 (10) Failure [(1) of a certificate holder or registrant to <—
5 obtain a biennial ~~{permit}~~ license under section 8.2 within <—
6 either (a) three years from the expiration date of the ~~{permit}~~ <—
7 license to practice last obtained or renewed by said certificate
8 holder or registrant, or (b) three years from the date upon
9 which the certificate holder or registrant was granted a
10 certificate or registration if no ~~{permit}~~ license was ever <—
11 issued, unless under section 8.2, such failure shall have been
12 excused by the board; or (2)] of a certificate holder or <—
13 registrant to furnish evidence of satisfaction of requirements
14 of continuing education as required by the board under and
15 pursuant to section 8.2 or to meet any conditions in respect of
16 continuing education which the board may have ordered in respect
17 of such certificate holder or registrant under that section.

18 * * *

19 Section 9.2. Reinstatement.--Upon application in writing and
20 after hearing pursuant to notice, the board [may issue a new
21 certificate to a certified public accountant whose certificate
22 has been revoked, or may permit the re-registration of any
23 person, partnership or corporation whose registration has been
24 revoked, or] may reissue or modify the suspension of any
25 [permit] license to practice which has been [revoked or]
26 suspended. Unless ordered to do so by a court, the board shall
27 not reinstate the certificate of a person to practice as a
28 certified public accountant or the registration of a person to
29 practice as a public accountant which has been revoked, and such
30 person shall be required to apply for a certificate in

1 accordance with section 3.1 if he desires to practice at any
2 time after such revocation.

3 Section 14. Section 9.3 of the act, added December 8, 1976
4 (P.L.1280, No.286), is amended to read:

5 Section 9.3. Revocation or Suspension of Partnership or
6 Corporation Registration or [Permit] License.--In accordance
7 with the procedure referred to in section 9 of this act, the
8 board shall revoke the registration and [permit] license to
9 practice of a partnership or corporation if at any time it does
10 not have all the qualifications prescribed by the section of
11 this act under which it qualified for registration.

12 Section 15. Sections 11, 11.1, 12, 13, 14 and 16 of the act
13 are amended to read:

14 Section 11. Ownership of Working Papers.--[All original <—
15 statements, records, schedules, working papers and memoranda
16 prepared by or for a certified public accountant, public
17 accountant, partnership or corporation incident to or in the
18 course of professional service to clients by such certified
19 public accountant, public accountant, partnership or
20 corporation], except reports submitted to a client, shall be and <—
21 remain the property of such certified public accountant, public
22 accountant, partnership or corporation in the absence of an
23 express agreement between the parties to the contrary] shall be <—
24 and remain the property of the client. No such statement,
25 record, schedule, working paper or memorandum shall be sold,
26 transferred, or bequeathed, without the consent of the client or
27 his personal representative, successor or assignee, to anyone
28 other than one or more surviving partners, shareholders or
29 associates of such certified public accountant or such public
30 accountant.] (A) ALL STATEMENTS, RECORDS, SCHEDULES, WORKING <—

1 PAPERS AND MEMORANDA PREPARED BY A LICENSEE OR A PARTNER,
2 SHAREHOLDER, OFFICER, DIRECTOR OR EMPLOYE OF A LICENSEE INCIDENT
3 TO OR IN THE COURSE OF RENDERING SERVICES TO A CLIENT PURSUANT
4 TO THE PRACTICE OF PUBLIC ACCOUNTANCY, EXCEPT REPORTS SUBMITTED
5 TO A CLIENT AND STATEMENTS, RECORDS, SCHEDULES, WORKING PAPERS
6 AND MEMORANDA PROVIDED BY A CLIENT TO A LICENSEE OR A PARTNER,
7 SHAREHOLDER, OFFICER, DIRECTOR OR EMPLOYE OF A LICENSEE, SHALL
8 BE AND REMAIN THE PROPERTY OF THE LICENSEE IN THE ABSENCE OF AN
9 EXPRESS AGREEMENT BETWEEN THE LICENSEE AND THE CLIENT TO THE
10 CONTRARY. NO SUCH STATEMENT, RECORD, SCHEDULE, WORKING PAPER OR
11 MEMORANDUM SHALL BE SOLD, TRANSFERRED OR BEQUEATHED, WITHOUT THE
12 CONSENT OF THE CLIENT OR HIS PERSONAL REPRESENTATIVE, SUCCESSOR
13 OR ASSIGNEE, TO ANYONE OTHER THAN ONE OR MORE SURVIVING PARTNERS
14 OR SHAREHOLDERS OR NEW PARTNERS OR SHAREHOLDERS OF THE LICENSEE
15 OR ANY COMBINED OR MERGED FIRM OR SUCCESSOR IN INTEREST TO THE
16 LICENSEE.

17 (B) IN ADDITION TO ANY STATEMENTS, RECORDS, SCHEDULES,
18 WORKING PAPERS, MEMORANDA OR REPORTS REQUIRED TO BE FURNISHED OR
19 RETURNED TO THE CLIENT IN ACCORDANCE WITH SUBSECTION (A), A
20 LICENSEE SHALL FURNISH TO HIS CLIENT OR FORMER CLIENT, UPON
21 REQUEST MADE WITHIN A REASONABLE TIME AFTER ORIGINAL ISSUANCE OF
22 THE DOCUMENT IN QUESTION:

23 (1) A COPY OF A TAX RETURN OF THE CLIENT.

24 (2) A COPY OF ANY REPORT OR OTHER DOCUMENT ISSUED BY THE
25 LICENSEE TO OR FOR SUCH CLIENT AND NOT FORMALLY WITHDRAWN OR
26 DISAVOWED BY THE LICENSEE PRIOR TO THE REQUEST.

27 (3) A COPY OF THE LICENSEE'S WORKING PAPERS TO THE EXTENT
28 THAT SUCH WORKING PAPERS INCLUDE RECORDS THAT WOULD ORDINARILY
29 CONSTITUTE PART OF THE CLIENT'S RECORDS AND ARE NOT OTHERWISE
30 AVAILABLE TO THE CLIENT.

1 (4) ANY ACCOUNTING OR OTHER RECORDS BELONGING TO, OR
2 OBTAINED FROM OR ON BEHALF OF, THE CLIENT WHICH THE LICENSEE
3 REMOVED FROM THE CLIENT'S PREMISES OR RECEIVED FOR THE CLIENT'S
4 ACCOUNT. THE LICENSEE MAY MAKE AND RETAIN COPIES OF SUCH
5 DOCUMENTS OF THE CLIENT WHENEVER THOSE DOCUMENTS FORM THE BASIS
6 FOR WORK DONE BY HIM.

7 Section 11.1. Privileged Communication.--Except by
8 permission of the client or person or entity engaging him or the
9 heirs, successors or personal representatives of such client or
10 person or entity, a certified public accountant, public
11 accountant, partnership or corporation, holding a [permit]
12 license to practice under this act, or a person employed by a
13 certified public accountant, public accountant, partnership, or
14 a director of or a person employed by a professional corporation
15 holding a [permit] license to practice under this act, or an
16 associate of or a person employed by a professional association
17 holding a [permit] license to practice under this act shall not
18 be required to, and shall not voluntarily, disclose or divulge
19 information of which he may have become possessed relative to
20 and in connection with any professional services as a certified
21 public accountant, public accountant, partnership or
22 corporation. The information derived from or as the result of
23 such professional services shall be deemed confidential and
24 privileged: Provided, however, That nothing herein shall be
25 taken or construed as prohibiting the disclosure of information
26 required to be disclosed by the standards of the profession in
27 reporting on the examination of financial statements, or in
28 making disclosures in a court of law or in disciplinary
29 investigations or proceedings when the professional services of
30 the certified public accountant, public accountant, partnership

1 or corporation are at issue in an action, investigation or
2 proceeding in which the certified public accountant, public
3 accountant, partnership or corporation are parties.

4 Section 12. Unlawful Acts.--(a) It is unlawful for any
5 person (1) to assume or use the title or designation "certified
6 public accountant," or the abbreviation "CPA," or any other
7 title, designation, words, letters, abbreviation, sign, card or
8 device, tending to indicate that such person is a certified
9 public accountant unless such person has received, or has been
10 notified in writing by the board that he has qualified to
11 receive a certificate of certified public accountant issued by
12 this Commonwealth, which is not revoked or suspended, or (2) to
13 assume or use such title, designation or abbreviation in the
14 practice of public accounting unless he has received or has been
15 notified in writing that he has qualified to receive a
16 certificate of certified public accountant by this Commonwealth
17 and unless he [also holds a permit issued under section 8.2 of
18 this act, which is not revoked or suspended, hereinafter
19 referred to as a "live permit": Provided, That a foreign
20 accountant who has registered under the provisions of section
21 8.1 of this act, and who holds a live permit issued under
22 section 8.2 of this act, may use the title under which he is
23 permitted to practice in his country, followed by the name of
24 the country from which he received his certificate, license or
25 degree] is a current licensee.

26 (b) It is unlawful for any person to use the title
27 "certified public accountant," "public accountant" or any
28 abbreviation thereof, or the letters "CPA" or "PA" by virtue of
29 any certificate, registration or permit illegally or
30 fraudulently obtained by such person, or issued unlawfully or

1 through any fraudulent representation or deceit, or misstatement
2 of material fact or fraudulent concealment of a material fact
3 made or induced or aided or abetted by such person.

4 (c) It is unlawful for any partnership or corporation to
5 assume or use the title or designation "certified public
6 accountant," or the abbreviation "CPA," or any other title,
7 designation, words, letters, abbreviation, sign, card or device,
8 tending to indicate that such partnership or corporation is
9 composed of certified public accountants, unless such
10 partnership or corporation is registered as a partnership or
11 corporation of certified public accountants under sections 8.3
12 and 8.4 of this act and [holds a live permit issued under
13 section 8.2 of this act] is a current licensee.

14 (d) It is unlawful for any person, partnership or
15 corporation to sell or offer to sell or fraudulently obtain,
16 furnish or procure any certificate, registration or [permit]
17 license under the provisions of this act or cause or aid or abet
18 another person so to do.

19 (e) It is unlawful for any person or persons to engage in
20 the practice of public accounting in this Commonwealth as a
21 limited partnership providing for limited liability of the
22 members or partners.

23 (f) Except as prescribed in subsections (a) and (c), [in
24 respect of] with respect to certified public accountants, it is
25 unlawful for any person, partnership, or corporation to use a
26 title, including the word "certified" as a part thereof, or any
27 other title or designation likely to be confused with "certified
28 public accountant," or any title or designation implying or
29 connoting accreditation by a state or [political subdivision]
30 Federal district, territory or insular possession of the United

1 States, for the practice of any type of bookkeeping, accounting,
2 auditing, tax or other professional practice related thereto, or
3 to use any abbreviation of such title or designation.

4 (g) It is unlawful for any person to assume or use the title
5 or designation "certified public accountant" or "public
6 accountant" in conjunction with names indicating or implying
7 that there is a partnership or corporation, or in conjunction
8 with the designation "and Company" or "and Co" or a similar
9 designation, if there is, in fact, no bona fide partnership or
10 corporation registered under sections 8.3 through 8.6: Provided,
11 That a sole proprietor or partnership lawfully using such title
12 or designation in conjunction with such names or designation
13 prior to November 1, 1961 may continue to do so if he, or it,
14 otherwise complies with the provisions of this act: And further
15 provided, That any public accountant registered under this act
16 using the title or designation public accountant or the
17 abbreviation "PA" in conjunction with such names or designation
18 prior to the effective date of this act may continue to do so if
19 he otherwise complies with the provisions of this act.

20 (h) [No person shall] It is unlawful for any person to sign
21 or affix a partnership or corporate name to any opinion or
22 certificate attesting in any way to the reliability of any
23 representation or estimate in regard to any person or
24 organization embracing (1) financial information or (2) facts
25 respecting compliance with conditions established by law or
26 contract, including but not limited to, statutes, ordinances,
27 regulations, grants, loans, and appropriations, together with
28 any wording, accompanying or contained in such opinion or
29 certificate, which indicates that such partnership or
30 corporation is composed of or employs (i) accountants or

1 auditors or (ii) persons having expert knowledge in accounting
2 or auditing, unless the partnership or corporation [holds a live
3 permit issued under section 8.2 of this act] is a current
4 licensee.

5 (i) [It is unlawful for a certified public accountant, <—
6 public accountant, partnership or corporation, engaged in the
7 practice of public accounting, to use an impersonal fictitious
8 name or a name which indicates a specialty. Firm names may
9 contain the names of one or more of the present or former
10 associates or shareholders or of partners who were associated
11 with a predecessor accounting firm.] IT IS UNLAWFUL FOR A <—
12 CERTIFIED PUBLIC ACCOUNTANT, PUBLIC ACCOUNTANT, PARTNERSHIP OR
13 CORPORATION, ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY, TO
14 USE A PROFESSIONAL OR FIRM NAME WHICH IS MISLEADING AS TO THE
15 LEGAL FORM OF THE FIRM, OR AS TO THE PERSONS WHO ARE PARTNERS,
16 OFFICERS OR SHAREHOLDERS OF THE FIRM, OR AS TO ANY OTHER MATTER:
17 PROVIDED, HOWEVER, THAT THE NAMES OF ONE OR MORE FORMER PARTNERS
18 OR SHAREHOLDERS MAY BE INCLUDED IN THE NAME OF A FIRM OR ITS
19 SUCCESSOR.

20 (j) It is unlawful for any person to assume or use the title
21 or designation "public accountant" or the abbreviation "PA" or
22 any other title, designation, words, letters, abbreviation,
23 sign, card or device, tending to indicate that such person is a
24 public accountant, unless such person is registered as a public
25 accountant under section 8.7 of this act and [holds a live
26 permit issued under section 8.2 of this act] is a current
27 licensee, or unless such person has received, or has been
28 notified in writing by the board that he has qualified to
29 receive a certificate as certified public accountant issued by
30 this Commonwealth and [holds a live permit issued under section

1 8.2 of this act] is a current licensee.

2 (k) It is unlawful for any partnership or corporation to
3 assume or use the title or designation "public accountant" or
4 the abbreviation "PA" or any other title, designation, words,
5 letters, abbreviation, sign, card or device, tending to indicate
6 that such partnership or corporation is composed of public
7 accountants, unless such partnership or corporation is
8 registered as a partnership or corporation of public accountants
9 under section 8.5 or 8.6 of this act, or as a partnership or
10 corporation of certified public accountants under section 8.3 or
11 8.4 of this act and [holds a live permit issued under section
12 8.2 of this act] is a current licensee; and each manager in
13 charge of an office of the firm in this Commonwealth is a
14 certified public accountant or a public accountant registered
15 under this act[, in good standing and the holder of a live
16 permit issued under section 8.2 of this act] and is a current
17 licensee.

18 (l) It is unlawful for any person, partnership or
19 corporation to assume or use the title or designation "certified
20 accountant," "chartered accountant," "enrolled accountant,"
21 "licensed accountant," "registered accountant," "licensed public
22 accountant," "registered public accountant," or "accredited
23 accountant," or any other title or designation likely to be
24 confused with "certified public accountant" or "public
25 accountant," or any of the abbreviations "CA," "EA," "RA," "LA,"
26 "RPA," "LPA," or "AA," or similar abbreviations likely to be
27 confused with "CPA": Provided, however, That anyone who [holds a
28 live permit issued under section 8.2 of this act] is a current
29 licensee may hold himself out to the public as an "accountant,"
30 "auditor" or "accountant and auditor"[: Provided, however, That

1 a foreign accountant registered under section 8.1 of this act
2 and who holds a live permit issued under section 8.2 of this act
3 may use the title under which he is permitted to practice in his
4 own country, followed by the name of the country from which he
5 received his certificate, license or degree].

6 (m) It is unlawful for any person to sign or affix his name
7 or any trade or assumed name used by him in his profession or
8 business to any opinion or certificate attesting in any way to
9 the reliability of any representation or estimate in regard to
10 any person or organization embracing (1) financial information
11 or (2) facts respecting compliance with conditions established
12 by law or contract, including, but not limited to statutes,
13 ordinances, regulations, grants, loans, and appropriations,
14 together with any wording accompanying or contained in such
15 opinion or certificate, which indicates (i) that he is an
16 accountant or auditor, or (ii) that he has expert knowledge in
17 accounting or auditing, unless he [holds a live permit issued
18 under section 8.2 of this act] is a current licensee: Provided,
19 however, That the provisions of this subsection shall not
20 prohibit any officer, employe, partner, or principal of any
21 organization from affixing his signature to any statement or
22 report in reference to the affairs of said organization with any
23 wording designating the position, title, or office which he
24 holds in said organization, nor shall the provisions of this
25 subsection prohibit any act of a public official or public
26 employe in the performance of his duties as such.

27 (n) It is unlawful for any person, partnership or
28 corporation not [holding a live permit under section 8.2 of this
29 act] a current licensee to hold himself or itself out to the
30 public as an "auditor" or as an accountant and auditor by use of

1 either designation on any sign, card, letterhead, or in any
2 advertisement or directory: Provided, however, That this
3 subsection shall not prohibit any officer, employee, partner, or
4 principal of any organization from describing himself by the
5 position, title or office he holds in such organization, nor
6 shall this subsection prohibit any action of a public official
7 or public employe in the performance of his duties as such.

8 (o) It is unlawful for any person, partnership or
9 corporation to indicate by printed or written statement, sign,
10 card or other device that such person, foreign accountant,
11 partnership or corporation holds membership in any society,
12 association or organization of certified public accountants or
13 public accountants, unless such person holds a valid certificate
14 of certified public accountant issued by this Commonwealth or by
15 some state or [political subdivision] Federal district,
16 territory or insular possession of the United States, is
17 registered as a foreign accountant under section 8.1 or as a
18 public accountant under section 8.7, and in the case of a
19 partnership or corporation, they are registered under sections
20 8.3 through 8.6 of this act.

21 [(p) The provisions of sections 12, 14, 15, 16 and 16.2 as <—
22 they relate to public accountants permitted to register under
23 section 8.7 and as to partnerships permitted to register under
24 sections 8.3 and 8.5 and as to corporations permitted to
25 register under sections 8.4 and 8.6, the said sections shall
26 become effective one (1) year from the enactment hereof.] <—

27 Section 13. Acts Not Unlawful.--(a) Nothing contained in
28 this act shall prohibit any person not a certified public
29 accountant or a public accountant registered under this act from
30 serving as an employe of or an assistant to a certified public

1 accountant, a public accountant, a partnership of certified
2 public accountants or public accountants or a corporation,
3 holding a [permit to practice] current license issued under
4 section 8.2 of this act, or a foreign accountant registered
5 under section 8.1 of this act: Provided, That such employe or
6 assistant shall not issue any accounting or financial statement
7 over his name.

8 (b) Nothing contained in this act shall prohibit a
9 certified public accountant, or partnership or corporation
10 composed of certified public accountants of another state or
11 [political subdivision] Federal district, territory or insular
12 possession of the United States, [or any accountant who holds a <—
13 certificate, degree or license in a foreign country constituting
14 a recognized qualification for the practice of public accounting
15 in such country,] and who is concurrently engaged in public <—
16 practice in such state, [political subdivision OR COUNTRY] <—
17 Federal district, territory or insular possession ~~or country~~ <—
18 from temporarily practicing in this Commonwealth on professional
19 business [incident to their regular practice outside this <—
20 Commonwealth]: Provided, That such [temporary] practice is <—
21 conducted in conformity with the regulations and rules [of <—
22 professional conduct] GOVERNING TEMPORARY PRACTICE promulgated <—
23 by the board.

24 (c) Persons, partnerships or corporations other than as
25 defined in this act offering and rendering only bookkeeping and
26 similar technical services or engaged in the preparation of tax
27 returns are not required to register under this act and may
28 continue to perform such services. Such persons, partnerships,
29 or corporations may use the title or designation of "accountant"
30 or "accountants."

1 Section 14. Injunction Against Unlawful Act.--Whenever in
2 the judgment of [two-thirds] a majority of the maximum
3 authorized membership of the board as provided by law, or in the
4 judgment of a majority of the duly qualified and confirmed
5 membership or a minimum of [five] SEVEN members, whichever is <—
6 greater, if the membership of the board is less than its
7 authorized membership as provided by law, any person,
8 partnership or corporation, has engaged or is about to engage in
9 any acts or practices which constitute or will constitute a
10 violation of this act the board or its agents may make
11 application to the appropriate court for an order enjoining such
12 acts or practices and, upon a showing by the board that such
13 person, partnership or corporation has engaged or is about to
14 engage in any such acts or practices, an injunction, restraining
15 order or such other order as may be appropriate shall be granted
16 by such court without bond.

17 Section 16. Penalties.--(a) Any person, partnership or
18 corporation violating any of the provisions of this act shall be
19 guilty of a misdemeanor of the third degree and upon conviction
20 thereof shall be sentenced to pay a fine not exceeding [one
21 thousand dollars (\$1,000)] two thousand five hundred dollars
22 (\$2,500) or suffer imprisonment not exceeding one (1) year, or
23 both.

24 (b) The right of the board to suspend and revoke
25 certificates and [permits] licenses issued under this act and
26 the right to censure certificate holders or registrants shall be
27 in addition to the penalties set forth in this section.

28 (c) In addition to any other civil remedy or criminal
29 penalty provided for in this act, the board, by a vote of the
30 majority of the maximum number of the authorized membership of

1 the board as provided by law, or by a vote of the majority of
2 the duly qualified and confirmed membership or a minimum of five <—
3 SIX members, whichever is greater, may levy a civil penalty of <—
4 up to one thousand dollars (\$1,000) on any current licensee who
5 violates any provision of this act or on any person who
6 practices accounting without being properly licensed to do so
7 under this act. The board shall levy this penalty only after
8 affording the accused party the opportunity for a hearing, as
9 provided in Title 2 of the Pennsylvania Consolidated Statutes
10 (relating to administrative law and procedure).

11 (d) All fines and civil penalties imposed in accordance with
12 this section shall be paid into the Professional Licensure
13 Augmentation Account.

14 Section 16. Any reference in any statute of this
15 Commonwealth containing the words "State Board of Examiners of
16 Public Accountants" shall instead refer to the State Board of
17 Accountancy, as provided in this act.

18 Section 17. Persons who are members of the State Board of
19 Examiners of Public Accountants on the effective date of this
20 act shall serve on the State Board of Accountancy until their
21 current terms on the State Board of Examiners of Public
22 Accountants would have expired or until their successors are
23 duly appointed and qualified, but no longer than six months
24 after the expiration of their terms.

25 Section 18. All rules and regulations promulgated by the
26 State Board of Examiners of Public Accountants shall remain in
27 full force and effect until amended or repealed by the State
28 Board of Accountancy.

29 Section 19. Any person who holds a permit to practice as a
30 certified public accountant or as a public accountant, which

1 permit is not suspended, revoked or expired on the effective
2 date of this act shall be deemed to be a "current licensee" and
3 the holder of a "license" to practice as a certified public
4 accountant or as a public accountant as those terms are used
5 pursuant to the amendments made by this act to the act of May
6 26, 1947 (P.L.318, No.140), known as The C.P.A. Law.

7 Section 20. This act, with respect to the State Board of
8 Examiners of Public Accountants, shall constitute the
9 legislation required to reestablish an agency pursuant to the
10 act of December 22, 1981 (P.L.508, No.142), known as the Sunset
11 Act.

12 Section 21. (a) Section 421 of the act of April 9, 1929
13 (P.L.177, No.175), known as The Administrative Code of 1929, is
14 repealed.

15 (b) All other acts and parts of acts are repealed insofar as
16 they are inconsistent with this act.

17 Section 22. This act shall take effect January 1, 1984.