

THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1445

Session of  
1983

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

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AS REPORTED FROM COMMITTEE ON PROFESSIONAL LICENSURE, HOUSE OF  
REPRESENTATIVES, AS AMENDED, SEPTEMBER 27, 1983

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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 "Current licensee" The holder of a certificate to practice  
18 as a certified public accountant under this act or a  
19 registration to practice as a public accountant under this act,  
20 which certificate or registration has not been suspended or  
21 revoked and has not expired.

22 "Board" The State Board of [Examiners of Public Accountants  
23 as constituted by The Administrative Code of 1929 and its  
24 amendments] Accountancy.

25 "Certified public accountant" Persons to whom a certificate  
26 of certified public accountant has been issued under "The C.P.A.  
27 Law" and partnerships, professional corporations or professional  
28 associations, composed of certified public accountants, which if  
29 engaged in the practice of public accounting, are registered and  
30 are [holders of live permits] current licensees as herein

1 provided.

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

7 "Department" The [Commissioner of Professional and  
8 Occupational Affairs in the Department of State of this  
9 Commonwealth as constituted by The Administrative Code of 1929  
10 and its amendments] Department of State.

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

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

17 "Opinions on financial statements" Any reporting or  
18 attesting based upon examinations in accordance with generally  
19 accepted auditing standards as to whether the presentation of  
20 information used for guidance in financial transactions or for  
21 accounting for or assessing the status or performance of  
22 commercial and noncommercial enterprises, whether public,  
23 private or governmental, is in conformity with generally  
24 accepted accounting principles or other comprehensive basis of  
25 accounting.

26 "Person" Includes a corporation, partnership and  
27 association, as well as a natural person.

28 "Public accountant" Persons who are qualified and accepted  
29 for registration in accordance with this act and partnerships,  
30 professional corporations or professional associations engaged

1 in practice as public accountants which are registered and are  
2 [holders of live permits] current licensees as herein provided.

3 "Public accounting" The practice of examining financial  
4 statements of commercial or noncommercial enterprises and  
5 issuing a report expressing or disclaiming an opinion on such  
6 statements or expressing assurance on such statements, which  
7 opinion or assurance, when issued, is based on examinations in  
8 accordance with generally accepted auditing standards as to  
9 whether the presentation of information is in conformity with  
10 generally accepted accounting principles or other comprehensive  
11 basis of accounting, and which opinion or assurance may assist  
12 in the making of judgments by others.

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

15 Section 2.2. Public Accountants' Advisory Committee.--(a)  
16 There is hereby created a Public Accountants' Advisory Committee  
17 to consist of five members to be appointed by the Governor.  
18 Members [first appointed shall be appointed for initially  
19 staggered terms, two members to serve for one year, two members  
20 to serve for two years, and one member to serve for three years.  
21 Thereafter, members] shall be appointed for staggered terms of  
22 three years. Upon expiration of a term of office, a member shall  
23 continue to serve [until his successor shall have been appointed  
24 and shall have qualified] for a period not to exceed six months,  
25 if a successor has yet to be duly appointed and qualified  
26 according to law. Members shall not serve for more than two  
27 consecutive full three year terms and shall not be eligible for  
28 reappointment until after three years have elapsed.

29 (b) Members of the advisory committee [first appointed shall  
30 be qualified to be registered as public accountants pursuant to

1 this act. Successor members of the advisory committee] shall be  
2 registered pursuant to this act as public accountants[. †The <—  
3 Governor may appoint members to the committee from a list of  
4 qualified persons submitted to him by the Pennsylvania Society  
5 of Public Accountants.] and shall be current licensees.

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

9 (d) The committee shall advise and aid the board in matters  
10 which would affect public accountants. [The committee may  
11 receive, review and recommend to the board for registration as a  
12 public accountant, such applicants as may be qualified pursuant  
13 to the act.] The committee shall recommend to the board courses,  
14 meetings, or conferences to fulfill the requirements of  
15 continuing education for public accountants.

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

17 Section 2.3. State Board of Accountancy.--(a) The State  
18 Board of Accountancy shall consist of ~~twelve~~ THIRTEEN members, <—  
19 one of whom shall be the Commissioner of Professional and  
20 Occupational Affairs in the Department of State, ~~who shall serve~~ <—  
21 ~~as a participating but nonvoting member,~~ one of whom shall be  
22 the Director of the Bureau of Consumer Protection in the Office  
23 of Attorney General or his designee, and the remaining ~~ten~~ <—  
24 ELEVEN of whom shall be appointed by the Governor as follows: <—

25 (1) Six members shall be certified public accountants who  
26 have held certificates of certified public accountant issued by  
27 this Commonwealth, ~~for at least ten years immediately preceding~~ <—  
28 ~~their appointment,~~ all of whom are current licensees as required  
29 by this act and four of whom have been actively engaged in the  
30 practice of public accounting as their principal occupation at

1 the time of their appointment. Two members shall be appointed  
2 from the eastern part of the State, two from the western part,  
3 and two from the central part. No member of the board shall be a  
4 teacher or instructor in any coaching school which has as its  
5 primary purpose preparation for the examination under this act  
6 or any person who has a financial interest in such coaching  
7 school.

8 (2) ~~Two~~ THREE members shall be persons representing the <—  
9 public at large. Such public members shall not be affiliated in  
10 any manner with the profession and shall not hold public office  
11 during the term of membership on the board.

12 (3) Two members shall be public accountants registered under  
13 this act AND SHALL BE CURRENT LICENSEES. <—

14 (b) The terms of the members of the board shall be four  
15 years from the respective dates of their appointment, provided  
16 that a member may continue to serve for a period not to exceed  
17 six months beyond the expiration of his term, if a successor has  
18 yet to be duly appointed and qualified according to law. A board  
19 member shall not serve more than two consecutive four-year terms  
20 and shall not be eligible for reappointment until after four  
21 years have elapsed.

22 (c) ~~Six~~ SEVEN members of the board shall constitute a <—  
23 quorum. The board shall select, from among their number, a  
24 chairman and a secretary.

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

29 (e) A member who fails to attend three consecutive meetings  
30 shall forfeit his seat unless the Commissioner of Occupational

1 and Professional Affairs, upon written request from the member,  
2 finds that the member should be excused from a meeting because  
3 of illness or the death of an immediate family member.

4 (f) In the event that any of the said members of the board  
5 shall die or resign during his term of office, his successor  
6 shall be appointed in the same way and with the same  
7 qualifications as above set forth and shall hold office for the  
8 unexpired term.

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

11 Section 3. General Powers of the Board.--The Board shall  
12 have the power:

13 (1) To provide [for and to], regulate [the issuance of  
14 certificates] and [issue] approve the issuance of a certificate  
15 of certified public accountant to any person (a) who meets the  
16 general qualifications and education and experience requirements  
17 provided herein and who passes the examination required by the  
18 board, or (b) who meets the requirements for the issuance of a  
19 certificate by reciprocity.

20 \* \* \* <—

21 (2) TO PROVIDE FOR AND TO REGULATE REGISTRATION AND <—  
22 [PERMITS] LICENSES TO PRACTICE AS PROVIDED HEREIN.

23 (3) [To prescribe the subject, manner, time and place of  
24 examination for the certificate of certified public accountant:  
25 Provided, That an] To contract with a professional testing  
26 service for the testing and administration of the examination,  
27 in accordance with section 812.1(a) of the act of April 9, 1929  
28 (P.L.177, No.175), known as "The Administrative Code of 1929,"  
29 and to establish prior to the administration of each examination  
30 an appropriate minimum passing score, in keeping with the

1 purposes of this act. The examination shall be held at least  
2 twice in each calendar year, and simultaneously in at least two  
3 counties of the Commonwealth, and shall be a written examination  
4 in general accounting, theory of accounts, accounting practice,  
5 auditing and [such other subjects as the board shall determine  
6 to be appropriate] related subjects. The board may make such use  
7 of all or any part of the Uniform Certified Public Accountants'  
8 examination [and/or Advisory Grading service] of the American  
9 Institute of Certified Public Accountants as it deems  
10 appropriate to assist in performing its duties hereunder.

11 (4) To keep a [roster] record showing the names and the  
12 places of business of persons to whom the certificate of  
13 certified public accountant has been issued under this act and  
14 under prior laws and all others registered or holding permits  
15 under this act. [The department shall publish such roster  
16 biennially in booklet form and shall mail copies thereof to all  
17 permit holders listed and shall furnish the same to others upon  
18 request.]

19 \* \* \*

20 (5) TO SUSPEND FOR A FIXED TERM OR REVOKE THE CERTIFICATE  
21 AND [PERMIT] LICENSE OF ANY CERTIFIED PUBLIC ACCOUNTANT OR THE  
22 REGISTRATION AND [PERMIT] LICENSE OF ALL OTHERS REGISTERED UNDER  
23 THIS ACT OR TO CENSURE THE HOLDER OF SUCH CERTIFICATE,  
24 REGISTRATION OR [PERMIT] LICENSE AS PROVIDED FOR IN THIS ACT.

25 (6) To collect fees as provided for in this act and to  
26 submit annually, to the department, and to the House and Senate  
27 Appropriations Committees, fifteen days after the Governor has  
28 submitted his budget to the General Assembly, an estimate of the  
29 financial requirements of the board for its administrative,  
30 investigative, legal and miscellaneous expenses.



1 (7) TO ARRANGE FOR ASSISTANCE IN THE PERFORMANCE OF ITS <—  
2 DUTIES, AND TO ADMINISTER AND ENFORCE THE LAWS OF THE  
3 COMMONWEALTH RELATING TO REGISTRATION OF AND PRACTICE BY  
4 CERTIFIED PUBLIC ACCOUNTANTS, AND ALL OTHERS REGISTERED OR  
5 HOLDING [PERMITS] LICENSES UNDER THIS ACT AND TO INSTRUCT AND  
6 REQUIRE ITS AGENTS TO SEEK AN INJUNCTION, OR BRING PROSECUTION  
7 FOR A VIOLATION OF THIS ACT.

8 \* \* \*

9 (10) TO ADOPT, PROMULGATE AND ENFORCE SUCH RULES AND <—  
10 REGULATIONS CONSISTENT WITH THE PROVISIONS OF THIS ACT  
11 ESTABLISHING REQUIREMENTS OF CONTINUING EDUCATION TO BE MET BY  
12 CERTIFIED PUBLIC ACCOUNTANTS[, ] AND PUBLIC ACCOUNTANTS [AND  
13 FOREIGN ACCOUNTANTS] REGISTERED UNDER THIS ACT AS A CONDITION  
14 FOR RENEWAL OF BIENNIAL [PERMITS] LICENSES TO ENGAGE IN THE  
15 PRACTICE OF PUBLIC ACCOUNTING IN THIS COMMONWEALTH.

16 (11) To promulgate and amend rules of professional conduct,  
17 uniformly applicable to certified public accountants[, foreign <—  
18 accountants] and public accountants registered under this act, <—  
19 appropriate to establish and maintain a high standard of  
20 integrity and dignity in the profession of public accounting.  
21 [The board may, in its discretion, adopt as its rules of  
22 professional conduct the Code of Professional Ethics of the  
23 Pennsylvania Institute of Certified Public Accountants or any  
24 part thereof.]

25 \* \* \*

26 (13) To submit annually, to the Professional Licensure  
27 Committee of the House and the Consumer Affairs PROTECTION and <—  
28 Professional Licensure Committee of the Senate, a description of  
29 the types of complaints received, status of the cases, board  
30 action which has been taken and length of time from the initial

1 complaint to final board resolution.

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

3 Section 3.1. General Qualifications.--A person shall be  
4 permitted to take the examination [for the certificate of  
5 certified public accountant] and the certificate [of certified  
6 public accountant] shall be granted by the board to any person  
7 (a) who is a resident of this Commonwealth[, is enrolled in a  
8 college or university in this Commonwealth, or is engaged in  
9 public accounting therein at the time he first sits for the  
10 examination,] and (b) who has attained the age of eighteen years  
11 and (c) who is of good moral character, and (d) who meets the  
12 requirements of education and experience as hereinafter provided  
13 and (e) who, with respect to granting a certificate shall have  
14 passed a written examination [in general accounting, theory of  
15 accounts, accounting practice, auditing and such other subjects  
16 as the board shall determine to be appropriate] as provided in  
17 section 3.

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

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

24 (1) Graduation with a baccalaureate degree from a college or  
25 university approved at the time of graduation by the Department  
26 of Education, pursuant to policies and standards promulgated by  
27 the State Board of Education, or an education which is the  
28 equivalent thereof, and completion of at least twelve semester  
29 credits in accounting subjects of a content satisfactory to the  
30 board, not necessarily as part of his undergraduate work, and at

1 least two years of public accounting experience of a caliber  
2 satisfactory to the board, or two years experience as an auditor  
3 with a unit of Federal, State or local government including, but  
4 not limited to, employment with the Department of the Auditor  
5 General, provided the position required the use of accounting  
6 skills and the applicant was supervised by a certified public  
7 accountant, or

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

22 (3) Subject to the general qualifications of section 3.1,  
23 the department, upon authorization by the board [may], SHALL <—  
24 issue a certificate of certified public accountant to a person  
25 who has qualified for permission to take the examination under  
26 section 4(a)(1) or (2) provided he has passed the written  
27 examination of the board in general accounting, theory of  
28 accounts, accounting practice, auditing and [such other subjects  
29 as the board shall determine to be appropriate] related  
30 subjects.

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

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

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

19 (3) Subject to the general qualifications of section 3.1,  
20 the [board may] department, upon authorization of BY the board, <—  
21 shall issue a certificate of certified public accountant to a  
22 person who has qualified for permission to take the examination  
23 under section 4(b)(1) provided he has passed the written  
24 examination of the board in general accounting, theory of  
25 accounts, accounting practice, auditing and [such other subjects  
26 as the board shall determine to be appropriate] related subjects  
27 and, further provided he has at least two years of public  
28 accounting experience of a caliber satisfactory to the board or  
29 two years experience as an auditor with a unit of Federal, State  
30 or local government including, but not limited to, employment

1 with the Department of the Auditor General, provided the  
2 position required the use of accounting skills and the applicant  
3 was supervised by a certified public accountant.

4 (4) Subject to the general qualifications of section 3.1,  
5 the [board may] department, upon authorization of BY the board, <—  
6 shall issue a certificate of certified public accountant to a  
7 person who has qualified for permission to take the examination  
8 under section 4(b)(2) provided he has passed the written  
9 examination of the board in general accounting, theory of  
10 accounts, accounting practice, auditing and [such other subjects  
11 as the board shall determine to be appropriate,] related  
12 subjects, further provided he has at least one year of public  
13 accounting experience of a caliber satisfactory to the board or  
14 one year experience as an auditor with a unit of Federal, State  
15 or local government including, but not limited to, employment  
16 with the Department of the Auditor General, provided the  
17 position required the use of accounting skills and the applicant  
18 was supervised by a certified public accountant.

19 (c) Notwithstanding the provisions of section 4(b) above,  
20 the board [may, in its discretion,] shall permit an applicant to  
21 take the examination during the final term, semester or quarter  
22 of the school year in which he will graduate, if it is  
23 reasonably expected that he will fulfill the educational  
24 requirements of section 4(b) and receive the required degree:  
25 Provided, however, That he must receive the required degree  
26 within ninety days after the date of the examination in order to  
27 fulfill the educational requirements set forth in section 4(b).

28 (d) Subject to such regulations as the board may adopt  
29 governing reexaminations, a candidate shall be entitled to  
30 retake the examination referred to in [sections] section

1 4(a)(3)[, 4] and (b)(3) and (4).

2 (e) Service in the Armed Forces of the United States  
3 subsequent to July 1, 1940, shall be substituted for the  
4 experience requirements in [sections] section 4(a)(1) and  
5 [4](b)(3) above, on the basis of one month's experience credit  
6 for each six months' service: Provided, That the maximum credit  
7 for such service shall be six months.

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

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

13 Section 5. Certificates Issued by Reciprocity.--Without  
14 requiring a written examination the board may, in its  
15 discretion, issue a certificate of certified public accountant  
16 to a holder of a certificate of certified public accountant then  
17 in full force and effect issued as the result of a written  
18 examination by any other state or [political subdivision]  
19 Federal district, territory or insular possession of the United  
20 States: Provided, That the applicant shall submit evidence  
21 satisfactory to the board that he possesses the general  
22 qualifications specified in this act; that he [possesses the  
23 equivalent of the education and experience requirements for  
24 issuance of a certificate of certified public accountant in this  
25 Commonwealth in effect at the time he received his original  
26 certificate] has passed the written examination required to  
27 practice as a certified public accountant under the laws of such  
28 other state or [political subdivision] Federal district,  
29 territory or insular possession of the United States [or the  
30 education and experience requirements in effect in this

1 Commonwealth at the time of filing his application for a  
2 reciprocal certificate; and that he meets the continuing  
3 education requirements specified in section 8.2(b) of this act.]  
4 ; and that he has at least two years of public accounting  
5 experience.

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

7 Section 6. Fees.--All fees required under the provisions of  
8 this act shall be fixed by the department ~~after consultation~~ <—  
9 ~~with the board~~ [in accordance with existing law. {All fees <—  
10 collected under the provisions of this act shall be received by  
11 the department and shall be paid into the State Treasury through  
12 the Department of Revenue for the use of the General Fund of the  
13 Commonwealth.}], AFTER CONSULTATION WITH THE BOARD, BY REGULATION <—  
14 AND SHALL BE SUBJECT TO REVIEW IN ACCORDANCE WITH THE ACT OF  
15 JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE "REGULATORY REVIEW  
16 ACT." IF THE PROJECTED REVENUES TO BE GENERATED BY FEES, FINES  
17 AND CIVIL PENALTIES IMPOSED IN ACCORDANCE WITH THE PROVISIONS OF  
18 THIS ACT WILL NOT BE SUFFICIENT TO MATCH PROJECTED EXPENDITURES  
19 OVER A TWO-YEAR PERIOD, THE DEPARTMENT, AFTER CONSULTATION WITH  
20 THE BOARD, SHALL INCREASE THOSE FEES BY REGULATION, SUBJECT TO  
21 REVIEW IN ACCORDANCE WITH THE "REGULATORY REVIEW ACT," SUCH THAT  
22 THE PROJECTED REVENUES WILL MEET OR EXCEED PROJECTED  
23 EXPENDITURES, INCLUDING REPAYMENT TO THE PROFESSIONAL LICENSURE  
24 AUGMENTATION ACCOUNT OF ANY MONEYS USED TO FINANCE THE OPERATION  
25 OF THE BOARD UNTIL SUFFICIENT REVENUES HAVE BEEN RECEIVED TO  
26 MEET EXPENDITURES.

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

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

29 Section 8.2. [Permits] Licenses to Practice.--(a) Biennial  
30 [permits] licenses to engage in practice in this Commonwealth

1 shall be issued by the department to (i) holders of the  
2 certificate of certified public accountant issued by this  
3 Commonwealth[, foreign accountants] and public accountants <—  
4 registered under [sections 8.1 and 8.7 respectively of] this act <—  
5 who shall have furnished evidence satisfactory to the board of  
6 compliance with the requirements of subsection (b) of this  
7 section and (ii) partnerships and corporations registered under  
8 sections 8.3 to 8.6 of this act. [There shall be a biennial  
9 permit fee in an amount to be determined, from time to time, by  
10 the department not to exceed thirty dollars (\$30). Permits]  
11 Licenses to practice shall expire on the [last day of August of  
12 1977 and on the] last day of August of alternate years  
13 [thereafter], or on such other biennial expiration dates as the  
14 department may fix. [Permits] Licenses may be renewed,  
15 biennially, for a period of two years by [such certificate  
16 holders and registrants in good standing] current licensees upon  
17 payment of the biennial fee. Failure of a certificate holder or  
18 registrant to apply for such [permit] license to practice within  
19 (a) three years from the expiration date of the [permit] license  
20 to practice last obtained or renewed, or (b) three years from  
21 the date upon which the certificate holder or registrant was  
22 granted his certificate or registration, if no [permit] license  
23 was ever issued, shall deprive the certificate holder or  
24 registrant of the right to such [permit] license: Provided, That  
25 a certified public accountant or a public accountant registered  
26 under this act who is not engaged in the practice of public  
27 accounting may request the board, in writing, to place his name  
28 on the inactive roll and thus protect his right to obtain a  
29 [permit] license at such time as he may become engaged in the  
30 practice of public accounting. The board, in its discretion, may



1 also review each case of failure to apply for such biennial  
2 [permit] license and determine whether such failure was due to  
3 [excusable neglect] reasonable cause. In such case the renewal  
4 fee or the fee for the issuance of the original [permit]  
5 license, as the case may be, shall be such amount as the  
6 department shall, from time to time, determine.

7 (b) Effective with respect to biennial [permits] licenses to  
8 be issued for the two-year period beginning September 1, [1981]  
9 1985 and for each subsequent period, each certified public  
10 accountant[, public accountant and foreign] AND PUBLIC <—  
11 accountant filing an application for a [permit] license or a  
12 renewal thereof to engage in the practice of public accounting  
13 in this Commonwealth must, [during the two-year period  
14 immediately preceding] by June 1, of the same year in which a  
15 biennial date occurs, complete [eighty] forty-eight hours of  
16 continuing education, [as defined by and acceptable to the  
17 board, which shall include a specified number of hours dealing  
18 with accounting, auditing and tax subjects] in programs approved  
19 by the board which directly relate to public accounting, as it  
20 is defined in this act. No carry-over of credits shall be  
21 permitted from one biennial [permit] license period to another.  
22 The continuing education requirement shall not apply to  
23 partnerships, corporations or associations but shall apply to  
24 all natural persons who apply for a license or a renewal thereof  
25 under this section.

26 (c) Failure by an applicant for renewal of his biennial  
27 [permit] license to furnish evidence of completion of [eighty]  
28 the required number of hours of acceptable continuing education  
29 shall constitute grounds for denial or refusal to renew such  
30 [permit] license, unless the board, in its discretion, shall

1 determine such failure to have been due to reasonable cause, in  
2 which case the board shall grant an extension.

3 (d) In issuing rules, regulations and individual orders [in]  
4 with respect [of] to requirements of continuing education, the  
5 board, in its discretion, may [among other things, use and] rely  
6 upon guidelines and pronouncements of recognized educational and  
7 professional organizations; may prescribe for content, duration  
8 and organization of courses; shall take into account the  
9 accessibility of such continuing education as it may require,  
10 and any impediments to interstate practice of public accounting  
11 which may result from differences in such requirements in other  
12 states; and may provide for relaxation or suspension of such  
13 requirements in instances of individual hardship such as for  
14 reasons of health, military service or other good cause.

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

17 Section 8.3. Partnerships Composed Solely of Certified  
18 Public Accountants.--A partnership composed solely of certified  
19 public accountants engaged in this Commonwealth in the practice  
20 of public accounting shall[, within six (6) months after the <—  
21 enactment of this act,] register with the board as a partnership <—  
22 of certified public accountants, provided it meets the following  
23 requirements:

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

28 (2) Each partner thereof personally engaged within this  
29 Commonwealth in the practice of public accounting as a member  
30 thereof (i) must be a certified public accountant of this

1 Commonwealth [in good standing and the holder of a live permit  
2 issued under section 8.2 of this act] and a current licensee, or  
3 (ii) must be a certified public accountant of some state or  
4 [political subdivision] Federal district, territory or insular  
5 possession of the United States in good standing and must have  
6 filed with the board, but not have been refused by the board, an  
7 application for a certificate of certified public accountant of  
8 this Commonwealth by reciprocity and after having received such  
9 certificate must have filed for, but not been refused, a  
10 [permit] license under section 8.2 of this act, and

11 (3) Each partner thereof engaged in the practice of public  
12 accounting in the United States 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

16 (4) Each [manager] INDIVIDUAL in charge of an office of a <—  
17 partnership in this Commonwealth must be a certified public  
18 accountant of this Commonwealth [in good standing and the holder  
19 of a live permit issued under section 8.2 of this act] and a  
20 current licensee.

21 Section 8.4. Corporations Composed Solely of Certified  
22 Public Accountants.--A professional corporation or a  
23 professional association composed solely of certified public  
24 accountants organized in this Commonwealth or any other state or  
25 territory of the United States or District of Columbia, and  
26 engaged in the practice of public accounting in this  
27 Commonwealth as certified public accountants, shall register  
28 with the board and file with the board a copy of its Articles of  
29 Incorporation, or Articles of Association, and a copy of its  
30 bylaws, and such professional corporation, or professional

1 association shall at all times have the following  
2 characteristics:

3 \* \* \*

4 (3) All shareholders of the professional corporation or  
5 associates of the professional association shall be persons duly  
6 qualified to practice as certified public accountants in a state  
7 or territory of the United States or the District of Columbia,  
8 and engaged in the practice of public accounting. At least one  
9 shareholder of a professional corporation must be a certified  
10 public accountant of this Commonwealth, and each shareholder  
11 thereof personally engaged within this Commonwealth in the  
12 practice of public accounting as a shareholder thereof, must be  
13 a certified public accountant of this Commonwealth. Each  
14 **[manager]** INDIVIDUAL in charge of an office of a professional <—  
15 corporation in this Commonwealth must be a certified public  
16 accountant of this Commonwealth [in good standing and the holder  
17 of a live permit issued under section 8.2 of this act] and a  
18 current licensee. At least one associate of a professional  
19 association must be a certified public accountant of this  
20 Commonwealth and each associate thereof personally engaged  
21 within this Commonwealth in the practice of public accounting as  
22 an associate thereof, must be a certified public accountant of  
23 this Commonwealth. Each **[manager]** INDIVIDUAL in charge of an <—  
24 office of a professional association in this Commonwealth must  
25 be a certified public accountant of this Commonwealth [in good  
26 standing and the holder of a live permit issued under section  
27 8.2 of this act] and a current licensee. Shareholders or  
28 associates shall at all times own their shares or interest in  
29 their own right and shall be the real and beneficial owners of  
30 such equity capital or interest ascribed to them.

1       \* \* \*

2       Section 8.5. Partnerships, Composed of Certified Public

3 Accountants and Public Accountants or Solely of Public

4 Accountants.--A partnership, composed of certified public

5 accountants and public accountants or solely of public

6 accountants, engaged in this Commonwealth in the practice of

7 public accounting shall[, within six (6) months after the       <—

8 enactment of this act,] register with the board as a partnership   <—

9 of public accountants provided it meets the following

10 requirements:

11       (1) At least one partner thereof must be a certified public

12 accountant or a public accountant registered under this act[, in

13 good standing and the holder of a live permit issued under

14 section 8.2 of this act] and a current licensee, and

15       (2) Each partner thereof personally engaged within this

16 Commonwealth in the practice of public accounting as a member

17 thereof (i) must be a certified public accountant or a public

18 accountant registered under this act[, in good standing and the

19 holder of a live permit issued under section 8.2 of this act]

20 and a current licensee, or (ii) must be a certified public

21 accountant of some state or [political subdivision] Federal

22 district, territory or insular possession of the United States

23 in good standing and must have filed with the board, but not

24 have been refused by the board, an application for certificate

25 of certified public accountant of this Commonwealth by

26 reciprocity and after having received such certificate, must

27 have filed for, but not have been refused, a [permit] license

28 under section 8.2 of this act, and

29       (3) Each [manager] INDIVIDUAL in charge of an office of a       <—

30 partnership in this Commonwealth must be a certified public

1 accountant or a public accountant of this Commonwealth [in good  
2 standing and the holder of a live permit issued under section  
3 8.2 of this act] and a current licensee.

4 Section 8.6. Corporations, Composed of Certified Public  
5 Accountants and Public Accountants or Solely of Public  
6 Accountants.--A professional corporation or a professional  
7 association, composed of certified public accountants and public  
8 accountants or solely of public accountants, organized under the  
9 laws of this Commonwealth and engaged in the practice of public  
10 accounting in this Commonwealth as public accountants, shall[, <—  
11 within twelve (12) months after the enactment of this act,] <—  
12 register with the board and file with the board a copy of its  
13 Articles of Incorporation, or Articles of Association, and a  
14 copy of its bylaws, and such professional corporation, or  
15 professional association shall at all times have the following  
16 characteristics:

17 \* \* \*

18 (3) All shareholders of the professional corporation or  
19 associates of the professional association shall be persons duly  
20 qualified to practice as certified public accountants in a state  
21 or territory of the United States or the District of Columbia,  
22 or as public accountants registered under this act, and engaged  
23 in the practice of public accounting. At least one shareholder  
24 of a professional corporation must be a certified public  
25 accountant, or a public accountant registered under this act and  
26 each shareholder thereof personally engaged within this  
27 Commonwealth in the practice of public accounting as a  
28 shareholder thereof, must be a certified public accountant, or a  
29 public accountant registered under this act. Each [manager] <—  
30 INDIVIDUAL in charge of an office of a professional corporation <—

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

19 \* \* \*

20 Section 12. Section 8.7(4) of the act, added December 8,  
21 1976 (P.L.1280, No.286), is amended to read:

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

1       \* \* \*

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

7       \* \* \*

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

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

21      Section 9.1. Revocation or Suspension of Certificate,  
22 Registration or [Permit] License.--In accordance with the  
23 procedure referred to in section 9 of this act, the board, by [a  
24 two-third's vote] a majority vote of its maximum authorized  
25 membership as provided by law, or by a majority vote of the duly  
26 qualified and confirmed membership or a minimum of five  
27 affirmative votes, whichever is greater, if the membership of  
28 the board is less than its authorized membership as provided by  
29 law, may revoke or suspend any certificate of certified public  
30 accountant or the registration of those registered under



1    [sections 8.1 and 8.7 of] this act, or may revoke, suspend or       <—  
2    refuse to renew any [permit] license issued under [section       <—  
3    8.2(a)(i) of] this act, or may censure the holder of any such       <—  
4    certificate, registration or [permit] license, for any one or  
5    any combination of the following causes:

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

9        (2)    Dishonesty, fraud or ~~gross~~ negligence in the practice       <—  
10   of public accounting.

11        \* \* \*

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

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

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

29        \* \* \*

30        (10)   Failure (1) of a certificate holder or registrant to

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

14 \* \* \*

15 Section 9.2. Reinstatement.--Upon application in writing and  
16 after hearing pursuant to notice, the board [may issue a new  
17 certificate to a certified public accountant whose certificate  
18 has been revoked, or may permit the re-registration of any  
19 person, partnership or corporation whose registration has been  
20 revoked, or] may reissue or modify the suspension of any  
21 [permit] license to practice which has been [revoked or]  
22 suspended. Unless ordered to do so by a court, the board shall  
23 not reinstate the certificate of a person to practice as a  
24 certified public accountant or the registration of a person to  
25 practice as a public accountant which ~~had~~ HAS been revoked, and <—  
26 such person shall be required to apply for a certificate in  
27 accordance with section 3.1 if he desires to practice at any  
28 time after such revocation.

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

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

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

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

27       Section 11.1. Privileged Communication.--Except by  
28 permission of the client or person or entity engaging him or the  
29 heirs, successors or personal representatives of such client or  
30 person or entity, a certified public accountant, public

1 accountant, partnership or corporation, holding a [permit]  
2 license to practice under this act, or a person employed by a  
3 certified public accountant, public accountant, partnership, or  
4 a director of or a person employed by a professional corporation  
5 holding a [permit] license to practice under this act, or an  
6 associate of or a person employed by a professional association  
7 holding a [permit] license to practice under this act shall not  
8 be required to, and shall not voluntarily, disclose or divulge  
9 information of which he may have become possessed relative to  
10 and in connection with any professional services as a certified  
11 public accountant, public accountant, partnership or  
12 corporation. The information derived from or as the result of  
13 such professional services shall be deemed confidential and  
14 privileged: Provided, however, That nothing herein shall be  
15 taken or construed as prohibiting the disclosure of information  
16 required to be disclosed by the standards of the profession in  
17 reporting on the examination of financial statements, or in  
18 making disclosures in a court of law or in disciplinary  
19 investigations or proceedings when the professional services of  
20 the certified public accountant, public accountant, partnership  
21 or corporation are at issue in an action, investigation or  
22 proceeding in which the certified public accountant, public  
23 accountant, partnership or corporation are parties.

24 Section 12. Unlawful Acts.--(a) It is unlawful for any  
25 person (1) to assume or use the title or designation "certified  
26 public accountant," or the abbreviation "CPA," or any other  
27 title, designation, words, letters, abbreviation, sign, card or  
28 device, tending to indicate that such person is a certified  
29 public accountant unless such person has received, or has been  
30 notified in writing by the board that he has qualified to

1 receive a certificate of certified public accountant issued by  
2 this Commonwealth, which is not revoked or suspended, or (2) to  
3 assume or use such title, designation or abbreviation in the  
4 practice of public accounting unless he has received or has been  
5 notified in writing that he has qualified to receive a  
6 certificate of certified public accountant by this Commonwealth  
7 and unless he [also holds a permit issued under section 8.2 of  
8 this act, which is not revoked or suspended, hereinafter  
9 referred to as a "live permit": Provided, That a foreign  
10 accountant who has registered under the provisions of section  
11 8.1 of this act, and who holds a live permit issued under  
12 section 8.2 of this act, may use the title under which he is  
13 permitted to practice in his country, followed by the name of  
14 the country from which he received his certificate, license or  
15 degree] is a current licensee.

16 (b) It is unlawful for any person to use the title  
17 "certified public accountant," "public accountant" or any  
18 abbreviation thereof, or the letters "CPA" or "PA" by virtue of  
19 any certificate, registration or permit illegally or  
20 fraudulently obtained by such person, or issued unlawfully or  
21 through any fraudulent representation or deceit, or misstatement  
22 of material fact or fraudulent concealment of a material fact  
23 made or induced or aided or abetted by such person.

24 (c) It is unlawful for any partnership or corporation to  
25 assume or use the title or designation "certified public  
26 accountant," or the abbreviation "CPA," or any other title,  
27 designation, words, letters, abbreviation, sign, card or device,  
28 tending to indicate that such partnership or corporation is  
29 composed of certified public accountants, unless such  
30 partnership or corporation is registered as a partnership or

1 corporation of certified public accountants under sections 8.3  
2 and 8.4 of this act and [holds a live permit issued under  
3 section 8.2 of this act] is a current licensee.

4 (d) It is unlawful for any person, partnership or  
5 corporation to sell or offer to sell or fraudulently obtain,  
6 furnish or procure any certificate, registration or [permit]  
7 license under the provisions of this act or cause or aid or abet  
8 another person so to do.

9 (e) It is unlawful for any person or persons to engage in  
10 the practice of public accounting in this Commonwealth as a  
11 limited partnership providing for limited liability of the  
12 members or partners.

13 (f) Except as prescribed in subsections (a) and (c), [in  
14 respect of] with respect to certified public accountants, it is  
15 unlawful for any person, partnership, or corporation to use a  
16 title, including the word "certified" as a part thereof, or any  
17 other title or designation likely to be confused with "certified  
18 public accountant," or any title or designation implying or  
19 connoting accreditation by a state or [political subdivision]  
20 Federal district, territory or insular possession of the United  
21 States, for the practice of any type of bookkeeping, accounting,  
22 auditing, tax or other professional practice related thereto, or  
23 to use any abbreviation of such title or designation.

24 (g) It is unlawful for any person to assume or use the title  
25 or designation "certified public accountant" or "public  
26 accountant" in conjunction with names indicating or implying  
27 that there is a partnership or corporation, or in conjunction  
28 with the designation "and Company" or "and Co" or a similar  
29 designation, if there is, in fact, no bona fide partnership or  
30 corporation registered under sections 8.3 through 8.6: Provided,

1 That a sole proprietor or partnership lawfully using such title  
2 or designation in conjunction with such names or designation  
3 prior to November 1, 1961 may continue to do so if he, or it,  
4 otherwise complies with the provisions of this act: And further  
5 provided, That any public accountant registered under this act  
6 using the title or designation public accountant or the  
7 abbreviation "PA" in conjunction with such names or designation  
8 prior to the effective date of this act may continue to do so if  
9 he otherwise complies with the provisions of this act.

10 (h) [No person shall] It is unlawful for any person to sign  
11 or affix a partnership or corporate name to any opinion or  
12 certificate attesting in any way to the reliability of any  
13 representation or estimate in regard to any person or  
14 organization embracing (1) financial information or (2) facts  
15 respecting compliance with conditions established by law or  
16 contract, including but not limited to, statutes, ordinances,  
17 regulations, grants, loans, and appropriations, together with  
18 any wording, accompanying or contained in such opinion or  
19 certificate, which indicates that such partnership or  
20 corporation is composed of or employs (i) accountants or  
21 auditors or (ii) persons having expert knowledge in accounting  
22 or auditing, unless the partnership or corporation [holds a live  
23 permit issued under section 8.2 of this act] is a current  
24 licensee.

25 (i) It is unlawful for a certified public accountant, public  
26 accountant, partnership or corporation, engaged in the practice  
27 of public accounting, to use an impersonal fictitious name or a  
28 name which indicates a specialty. Firm names may contain the  
29 names of one or more of the present or former associates or  
30 shareholders or of partners who were associated with a

1 predecessor accounting firm.

2 (j) It is unlawful for any person to assume or use the title  
3 or designation "public accountant" or the abbreviation "PA" or  
4 any other title, designation, words, letters, abbreviation,  
5 sign, card or device, tending to indicate that such person is a  
6 public accountant, unless such person is registered as a public  
7 accountant under section 8.7 of this act and [holds a live  
8 permit issued under section 8.2 of this act] is a current  
9 licensee, or unless such person has received, or has been  
10 notified in writing by the board that he has qualified to  
11 receive a certificate as certified public accountant issued by  
12 this Commonwealth and [holds a live permit issued under section  
13 8.2 of this act] is a current licensee.

14 (k) It is unlawful for any partnership or corporation to  
15 assume or use the title or designation "public accountant" or  
16 the abbreviation "PA" or any other title, designation, words,  
17 letters, abbreviation, sign, card or device, tending to indicate  
18 that such partnership or corporation is composed of public  
19 accountants, unless such partnership or corporation is  
20 registered as a partnership or corporation of public accountants  
21 under section 8.5 or 8.6 of this act, or as a partnership or  
22 corporation of certified public accountants under section 8.3 or  
23 8.4 of this act and [holds a live permit issued under section  
24 8.2 of this act] is a current licensee; and each manager in  
25 charge of an office of the firm in this Commonwealth is a  
26 certified public accountant or a public accountant registered  
27 under this act[, in good standing and the holder of a live  
28 permit issued under section 8.2 of this act] and is a current  
29 licensee.

30 (l) It is unlawful for any person, partnership or



1 corporation to assume or use the title or designation "certified  
2 accountant," "chartered accountant," "enrolled accountant,"  
3 "licensed accountant," "registered accountant," "licensed public  
4 accountant," "registered public accountant," or "accredited  
5 accountant," or any other title or designation likely to be  
6 confused with "certified public accountant" or "public  
7 accountant," or any of the abbreviations "CA," "EA," "RA," "LA,"  
8 "RPA," "LPA," or "AA," or similar abbreviations likely to be  
9 confused with "CPA": Provided, however, That anyone who [holds a  
10 live permit issued under section 8.2 of this act] is a current  
11 licensee may hold himself out to the public as an "accountant,"  
12 "auditor" or "accountant and auditor": Provided, however, That  
13 a foreign accountant registered under section 8.1 of this act  
14 and who holds a live permit issued under section 8.2 of this act  
15 may use the title under which he is permitted to practice in his  
16 own country, followed by the name of the country from which he  
17 received his certificate, license or degree].

18 (m) It is unlawful for any person to sign or affix his name  
19 or any trade or assumed name used by him in his profession or  
20 business to any opinion or certificate attesting in any way to  
21 the reliability of any representation or estimate in regard to  
22 any person or organization embracing (1) financial information  
23 or (2) facts respecting compliance with conditions established  
24 by law or contract, including, but not limited to statutes,  
25 ordinances, regulations, grants, loans, and appropriations,  
26 together with any wording accompanying or contained in such  
27 opinion or certificate, which indicates (i) that he is an  
28 accountant or auditor, or (ii) that he has expert knowledge in  
29 accounting or auditing, unless he [holds a live permit issued  
30 under section 8.2 of this act] is a current licensee: Provided,

1 however, That the provisions of this subsection shall not  
2 prohibit any officer, employe, partner, or principal of any  
3 organization from affixing his signature to any statement or  
4 report in reference to the affairs of said organization with any  
5 wording designating the position, title, or office which he  
6 holds in said organization, nor shall the provisions of this  
7 subsection prohibit any act of a public official or public  
8 employe in the performance of his duties as such.

9 (n) It is unlawful for any person, partnership or  
10 corporation not [holding a live permit under section 8.2 of this  
11 act] a current licensee to hold himself or itself out to the  
12 public as an "auditor" or as an accountant and auditor by use of  
13 either designation on any sign, card, letterhead, or in any  
14 advertisement or directory: Provided, however, That this  
15 subsection shall not prohibit any officer, employe, partner, or  
16 principal of any organization from describing himself by the  
17 position, title or office he holds in such organization, nor  
18 shall this subsection prohibit any action of a public official  
19 or public employe in the performance of his duties as such.

20 (o) It is unlawful for any person, partnership or  
21 corporation to indicate by printed or written statement, sign,  
22 card or other device that such person, foreign accountant,  
23 partnership or corporation holds membership in any society,  
24 association or organization of certified public accountants or  
25 public accountants, unless such person holds a valid certificate  
26 of certified public accountant issued by this Commonwealth or by  
27 some state or [political subdivision] Federal district,  
28 territory or insular possession of the United States, is  
29 registered as a foreign accountant under section 8.1 or as a  
30 public accountant under section 8.7, and in the case of a

1 partnership or corporation, they are registered under sections  
2 8.3 through 8.6 of this act.

3 (p) The provisions of sections 12, 14, 15, 16 and 16.2 as  
4 they relate to public accountants permitted to register under  
5 section 8.7 and as to partnerships permitted to register under  
6 sections 8.3 and 8.5 and as to corporations permitted to  
7 register under sections 8.4 and 8.6, the said sections shall  
8 become effective one (1) year from the enactment hereof.

9 Section 13. Acts Not Unlawful.--(a) Nothing contained in  
10 this act shall prohibit any person not a certified public  
11 accountant or a public accountant registered under this act from  
12 serving as an employe of or an assistant to a certified public  
13 accountant, a public accountant, a partnership of certified  
14 public accountants or public accountants or a corporation,  
15 holding a [permit to practice] current license issued under  
16 section 8.2 of this act, or a foreign accountant registered  
17 under section 8.1 of this act: Provided, That such employe or  
18 assistant shall not issue any accounting or financial statement  
19 over his name.

20 (b) Nothing contained in this act shall prohibit a  
21 certified public accountant, or partnership or corporation  
22 composed of certified public accountants of another state or  
23 [political subdivision] Federal district, territory or insular  
24 possession of the United States, or any accountant who holds a  
25 certificate, degree or license in a foreign country constituting  
26 a recognized qualification for the practice of public accounting  
27 in such country, and who is concurrently engaged in public  
28 practice in such state, [political subdivision] Federal  
29 district, territory or insular possession or country from  
30 temporarily practicing in this Commonwealth on professional

1 business incident to their regular practice outside this  
2 Commonwealth: Provided, That such temporary practice is  
3 conducted in conformity with the regulations and rules of  
4 professional conduct promulgated by the board.

5 (c) Persons, partnerships or corporations other than as  
6 defined in this act offering and rendering only bookkeeping and  
7 similar technical services or engaged in the preparation of tax  
8 returns are not required to register under this act and may  
9 continue to perform such services. Such persons, partnerships,  
10 or corporations may use the title or designation of "accountant"  
11 or "accountants."

12 Section 14. Injunction Against Unlawful Act.--Whenever in  
13 the judgment of [two-thirds] a majority of the maximum  
14 authorized membership of the board as provided by law, or in the  
15 judgment of a majority of the duly qualified and confirmed  
16 membership or a minimum of five members, whichever is greater,  
17 if the membership of the board is less than its authorized  
18 membership as provided by law, any person, partnership or  
19 corporation, has engaged or is about to engage in any acts or  
20 practices which constitute or will constitute a violation of  
21 this act the board or its agents may make application to the  
22 appropriate court for an order enjoining such acts or practices  
23 and, upon a showing by the board that such person, partnership  
24 or corporation has engaged or is about to engage in any such  
25 acts or practices, an injunction, restraining order or such  
26 other order as may be appropriate shall be granted by such court  
27 without bond.

28 Section 16. Penalties.--(a) Any person, partnership or  
29 corporation violating any of the provisions of this act shall be  
30 guilty of a misdemeanor of the third degree and upon conviction

1   thereof shall be sentenced to pay a fine not exceeding [one  
2   thousand dollars (\$1,000)] two thousand five hundred dollars  
3   (\$2,500) or suffer imprisonment not exceeding one (1) year, or  
4   both.

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

9       (c)   In addition to any other civil remedy or criminal  
10   penalty provided for in this act, the board, by a vote of the  
11   majority of the maximum number of the authorized membership of  
12   the board as provided by law, or by a vote of the majority of  
13   the duly qualified and confirmed membership or a minimum of five  
14   members, whichever is greater, may levy a civil penalty of up to  
15   one thousand dollars (\$1,000) on any current licensee who  
16   violates any provision of this act or on any person who  
17   practices accounting without being properly licensed to do so  
18   under this act. The board shall levy this penalty only after  
19   affording the accused party the opportunity for a hearing, as  
20   provided in Title 2 of the Pennsylvania Consolidated Statutes  
21   (relating to administrative law and procedure).

22       (D)   ALL FINES AND CIVIL PENALTIES IMPOSED IN ACCORDANCE WITH   <—  
23   THIS SECTION SHALL BE PAID INTO THE PROFESSIONAL LICENSURE  
24   AUGMENTATION ACCOUNT.

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

29       Section 17. Persons who are members of the State Board of  
30   Examiners of Public Accountants on the effective date of this

1 act shall serve on the State Board of Accountancy until their  
2 current terms on the State Board of Examiners of Public  
3 Accountants would have expired or until their successors are  
4 duly appointed and qualified, but no longer than six months  
5 after the expiration of their terms.

6 Section 18. All rules and regulations promulgated by the  
7 State Board of Examiners of Public Accountants shall remain in  
8 full force and effect until amended or repealed by the State  
9 Board of Accountancy.

10 Section 19. Any person who holds a permit to practice as a  
11 certified public accountant or as a public accountant, which  
12 permit is not suspended, revoked or expired on the effective  
13 date of this act shall be deemed to be a "current licensee" and  
14 the holder of a "license" to practice as a certified public  
15 accountant or as a public accountant as those terms are used  
16 pursuant to the amendments made by this act to the act of May  
17 26, 1947 (P.L.318, No.140), known as The C.P.A. Law.

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

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

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

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