

NASBA

National Association of State Boards of Accountancy

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June 1, 2023

Dear Executive Director:

The CBT Administration Committee recommends policies regarding examination credit be consistent among all boards to reduce confusion and shifting candidate application behaviors based upon differing board policies. Because questions have been raised regarding implementation of moving from an 18-month window to a 30-month window for scores the CBT Administration Committee strongly recommends the following:

All boards of accountancy accept the approved model UAA rules to allow candidates 30 months from the date initial credit is earned to successfully complete remaining sections of the Uniform CPA Examination. The date of initial credit earned should be calculated on the date NASBA provides scores to the boards and/or candidates. We recommend a targeted implementation date of January 1, 2024 but no later than July 1, 2025.

In addition, the board should grant the Executive Director the authority to extend credit up to 12 months from the current expiration date on a case-by-case basis until the 30-month rule is effective.

We urge you to adopt the above recommendation. If you have any questions, please contact any member of the CBT Administration Committee or Patricia Hartman, NASBA Director of Client Services (615-880-4273 or phartman@nasba.org). Pat and other NASBA senior staff are available to attend your Board meetings virtually over the coming months to answer questions and provide further background information regarding the recommendation of the Committee.

Also, please let Pat know if your Board will adopt the recommended policy, as she will be tracking status of this matter for all Boards and reporting it periodically to you. Our intent is to share this information widely and NASBA will communicate the timing the announcements with the Boards before they are published. Thank you for your consideration of this matter.

Sincerely,

Jerry Weinstein

Gerald Weinstein, PhD, CPA
Chair, CBT Administration Committee

NASBA ANNOUNCES HISTORIC CPA EXAM MODEL RULE AMENDMENT

NASHVILLE, TENN (April 24, 2023) – The National Association of State Boards of Accountancy (NASBA) announces the adoption of an eagerly anticipated amendment to the Uniform Accountancy Act (UAA) Model Rules pertaining to the Uniform CPA Examination (Exam).

For nearly 20 years, since the launch of the computer-based Exam in early 2004, candidates have had 18 months from the date of passing the first section of the Exam to complete the remaining three sections without losing credit (the “conditioning” rule). All 55 U.S. states and territories adopted that rule. With the disruptions of the COVID pandemic, the reduction of candidates in the pipeline, and the increased workload of firms, there has been increasing interest in providing candidates and firms relief by extending the conditioning period.

On April 21, 2023, the NASBA Board of Directors voted to adopt an amendment to UAA Model Rule 5-7. The amendment increases the length of conditional credit from 18 months to 30 months, bases the calculation of conditional credit for Exam sections passed on the date that scores are released, and adds descriptive language to provide greater clarity for when Boards of Accountancy may extend conditional credit.

The UAA Model Rules have no immediate effect on state board rules. As the membership organization of the 55 U.S. Boards of Accountancy, NASBA, through its Uniform Accountancy Act Committee, provides the Model Rules as recommendations to boards for adoption whereby uniform adoption is encouraged. As such, each individual board may consider the amendment to the Model Rule 5-7 and, if so choose, commence a process to change the rules at the state level. Current Exam candidates remain under existing rules until, if and when, the board to which they applied makes changes.

The approved amendments cover the granting of credit requirements for sections passed on the Exam for those who wish to enter the CPA profession. The revised rule provides that once a candidate has successfully passed one section of the Exam, they will then be provided with a rolling 30-month period to pass the remaining three sections of the Exam. The exposure draft proposed a six-month extension of the credit period to 24 months, but based on further consideration and input, the NASBA Board of Directors elected to approve a 12-month extension to 30 months.

R156. Commerce, Occupational and Professional Licensing. R156-26a. Certified Public Accountant Licensing Act Rule.

R156-26a-101. Title: – Authority – Organization.

(1) This rule ~~is shall be~~ known as the "Certified Public Accountant Licensing Act Rule".
(2) ~~This rule is adopted by the Division under the authority of Subsection 58-1-106(1)(a) to enable the Division to administer Title 58, Chapter 26a, Certified Public Accountant Licensing Act.~~
(3) ~~The organization of this rule and its relationship to Rule R156-1 is as described in Section R156-1-107.~~

R156-26a-102. Definitions.

In addition to the definitions in Title 58, Chapters 1 and 26a, as defined or used in this rule:

(1) "Administering organization" means an organization approved by the Division of Occupational and Professional Licensing and the Utah Board of Accountancy which will administer peer reviews in the Peer Review Program.

(2) "CPE Audit Service" means the online continuing professional education reporting system administered by NASBA.

(2) "Accepted university accreditation" mean the following:

(a) the Association to Advance Collegiate Schools of Business ("AACSB");
(b) the Accreditation Council for Business Schools and Programs ("ACBSP"); or
(c) an institution receiving "regional accreditation", meaning an institution receiving accreditation through:
(i) the Northwest Accreditation Commission ("NAC");
(ii) the North Central Association of Colleges and Schools ("NCA");
(iii) the Middle States Association of Colleges and Schools ("MSA");
(iv) the New England Association of Schools and Colleges ("NEASC");
(v) the Southern Association of Colleges and Schools ("SACS"); or
(vi) the Western Association of Schools and Colleges ("WASC").

(3) "Mobility", a practice privilege included in Section 58-26a-305 regarding exemptions from licensure, is defined and further clarified in Section R156-26a-305.

(4) "Nationally accredited" as used in this rule means an education program accredited by:

(a) the Association to Advance Collegiate Schools of Business "AACSB";
(b) the Accreditation Council for Business Schools and Programs "ACBSP".

(5) "Non-duplicative" as used in Sections 302a and 302c means each course shall only be counted once and shall not be applied towards meeting the requirements of multiple categories simultaneously.

(4)(6) "Qualified continuing professional education (CPE)" as used in this rule means continuing education that meets the standards set forth in Section R156-26a-303b.

(5) "Standard setting bodies" means any generally recognized accounting standard setting bodies.

(7) "Regionally accredited" as used in this rule means an education program accredited by:

(a) the Northwest Commission on Colleges and Universities "NWCCU";
(b) the North Central Association of Colleges and Schools "NCA";
(c) the Middle States Commission on Higher Education "MSCHE";
(d) the New England Commission on Higher Education "NECHE";
(e) the Southern Association of Colleges and Schools Commission on Colleges "SACSCOC";
(f) the Western Association of Schools and Colleges "WASC".

(6)(8) "Unprofessional conduct" as defined in Title 58, Chapters 1 and 26a, is further defined, in accordance with Subsection 58-1-203(1)(e), in Section R156-26a-501.

(7)(9) "Year of review" means the calendar year during which a peer review is to be conducted.

R156-26a-103. Authority.

~~This rule is adopted by the Division under the authority of Subsection 58-1-106(1)(a) to enable the Division to administer Title 58, Chapter 26a.~~

R156-26a-104. Organization – Relationship to Rule R156-1.

~~The organization of this rule and its relationship to Rule R156-1 is as described in Section R156-1-107.~~

R156-26a-201. Advisory Peer Committees Created - Membership - Duties.

(1) There is created in accordance with Subsection 58-1-203(1)(f) the Education Advisory Committee to the Utah Board of Accountancy, consisting of one full-time faculty member from each of five or more colleges or universities in Utah which has an accredited program as ~~defined set forth~~ in Subsections R156-26a-~~302a(1)(a) through (e), 102(4) and (7)~~, a majority of which shall be licensed CPAs.

(2) The Education Advisory Committee shall be appointed and serve in accordance with Section R156-1-205. The duties and responsibilities of the Education Advisory Committee shall include assisting the Division in collaboration with the Board in their duties, functions, and responsibilities and shall include:

(a) advising the Board as to the acceptability of an educational institution;
(b) assisting the Board to make a final determination pursuant to R156-26a-302~~ca(5)(e)~~ of whether an applicant is qualified to sit for the AICPA Uniform CPA Examination; and examination; and
(c) advising the Board regarding proposed changes to rules.

(3) The committee shall consider, when advising the Board of the acceptability of the educational institution, the following:

(a) the institution's accreditation;
(b) the acceptability by other state licensing boards;
(c) the faculty qualifications; and
(d) other educational resources.

(4) There is created in accordance with Subsection 58-1-203(1)(f), the Peer Review Committee to the Utah Board of Accountancy consisting of not more than ten licensed CPAs. The committee shall be appointed and serve in accordance with Section R156-1-205.

(5) The duties and responsibilities of the Peer Review Committee shall be advising the Board on peer reviews matters and shall include:

- (a) reviewing the results of peer reviews administered by approved organizations and requiring corrective action of firms with significant deficiencies noted in the review process when considered necessary in addition to those required by the administering organization;
- (b) evaluating compliance of CPE programs;
- (c) performing random audits to determine compliance with the CPE requirements and the standards for CPE programs;
- (d) reviewing complaints and recommending whether certain acts, practices or omissions violate the ethical standards of the profession;
- (e) providing technical assistance to the Division; and
- (f) serving as expert witnesses at administrative hearings.

R156-26a-302a. Qualifications for CPA Licensure - Education Requirements.

The education requirements for CPA licensure in Subsection 58-26a-302(1)(d) are defined, clarified, or established as follows:

(1) An applicant shall submit transcripts showing completion of course work consisting of a minimum of 150 semester hours (225 quarter hours), and one of the following:

- (a) a graduate degree in accounting or taxation ~~from an that is nationally accredited; institution whose business education is accredited by the AACSB or the ACBSP;~~
- (b) a Master of Business Administration degree ~~from an that is nationally accredited institution whose business education program is accredited by the AACSB or the ACBSP~~ and which includes no less than:
 - (i) 24 semester hours (36 quarter hours) in upper division or graduate level accounting courses covering the following subjects: (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation; ~~and~~
 - (D) ~~management managerial or cost~~ accounting;
 - (E) accounting information systems or data analytics; and
 - (ii) ~~15-12~~ semester hours (~~23-18~~ quarter hours) graduate level accounting courses covering any of the following subjects:
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation; ~~and~~
 - (D) ~~management managerial or cost~~ accounting; ~~or~~
 - (E) accounting information systems or data analytics;
 - (iii) ~~an equivalent combination of graduate and upper division accounting courses covering the subjects of financial accounting, auditing, taxation, and management accounting, with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work;~~
- (c) a baccalaureate degree in business or accounting ~~from an that is nationally accredited institution whose business education program is accredited by the AACSB or the ACBSP~~, and which includes no less than:
 - (i) 24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses covering at least one course in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation; ~~and~~
 - (D) ~~management managerial or cost~~ accounting; ~~and~~
 - (E) accounting information systems or data analytics; and
 - (ii) 30 additional semester hours (~~45 quarter hours~~) in graduate or upper division or graduate level accounting and business courses (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work); or
- (d) ~~Aa~~ baccalaureate or graduate degree in business or accounting ~~from an that is regionally accredited institution accredited by a regional accrediting body with~~ and includes no less than:
 - (i) 24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses with a minimum of two semester hours (three quarter hours) in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation;
 - (D) managerial or cost accounting;
 - (E) accounting information systems or data analytics; and
 - (ii) 24 semester hours (36 quarter hours) in non-accounting business or related courses providing a minimum of two semester hours (three quarter hours) in each of the following subjects:
 - (A) business law;
 - (B) Computers information systems;
 - (C) economics;
 - (D) business ethics;
 - (E) finance;
 - (F) ~~business~~ statistics and or quantitative methods;
 - (G) written and oral business communications;
 - (H) business administration such as marketing, production operations, management, policy or organizational behavior; and

- (A) auditing;
- (B) finance;
- (C) managerial or cost;
- (D) systems; and
- (E) taxes; and

(iii) 30 additional semester hours (45 quarter hours) in graduate or upper division or graduate level accounting and business courses (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work).

(2) The Division in collaboration with the Board or the Education Advisory Committee may accept a baccalaureate degree in business or accounting from an institution not having an accepted accreditation that is not accredited, as defined in Subsection R156-26a-102(4), if the applicant:

- (a) has obtained a graduate degree in accounting from an institution whose business education program is accredited by the AACSB or the ACBSP;
- (b) (a)(i) has obtained a graduate degree in accounting, taxation or a Master of Business Administration from an that is nationally accredited; and institution whose business education program is accredited by the AACSB or the ACBSP; and
 - (ii) meets the requirements in Subsection R156-26a-302a(1)(b)(i) or (ii), or (iii); or
- (c) (b)(i) has obtained a graduate degree in accounting, taxation, or a Master of Business Administration from an that is regionally accredited; and institution accredited by a regional accrediting body; and
 - (ii) meets the requirements in Subsection R156-26a-302a(1)(d).

(3) The Division in collaboration with the Board or the Education Advisory Committee may make a written finding for cause that a particular accredited institution or program is not acceptable.

(4) The Division in collaboration with the Board or the Education Advisory Committee may accept education of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of an current Mutual Recognition aAgreement for reciprocal licensure between the foreign country and the International Qualifications Appraisal Board of NASBA, which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the Eighth Edition, January 2018 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

R156-26a-302b. Qualifications for Licensure - Experience Requirements.

In accordance with Subsections 58-1-203(1)(b) and 58-1-301(3), the experience requirements for licensure in Section 58-26a-302 are clarified, or supplemented as follows:

(1) The Division in collaboration with the board may accept experience of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of an Mutual Recognition aAgreement for reciprocal licensure between the foreign country and the International Qualifications Appraisal Board of NASBA, which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the Eighth Edition, January 2018 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

R156-26a-302c. Qualifications for Licensure - Examinations.

The examination requirements in Subsection 58-26a-306 are defined, clarified, or established as follows:

(1) In accordance with Subsection 58-26a-306(1)(a), the form of application approved by the Division shall be the application that NASBA CPA Examination Services ("CPAES") requires to sit for the AICPA Uniform CPA Examination.

(2) In accordance with Subsection 58-26a-306(1)(b), the fee shall be the fee charged by CPAES. No additional fee shall be due to the Division.

(3) In accordance with Subsection 58-26a-306(1)(c), the minimum 120 semester hours (180 quarter hours) of the education requirement that an applicant shall complete before sitting for the AICPA Uniform CPA Examination shall include completion of:

- (i) 24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses covering at least one course in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation;
 - (D) managerial or cost accounting;
 - (E) accounting information systems or data analytics;

(3)(4) In accordance with Subsection 58-26a-306(1)(c) and (d), the Board designates CPAES as the organization that shall determine whether an applicant has met the education requirements and is approved to sit for the AICPA Uniform CPA eExaminations. However, if an applicant disputes CPAES's determination, the Board shall make the final determination.

(4) In accordance with Subsection 58-26a-306(1)(c), the minimum 120 semester hours (180 quarter hours) of the education requirement that an applicant shall complete before sitting for the AICPA Uniform CPA Examination, shall include completion of at least the following requirements as described in Section R156-26a-302a:

- (a) 24 semester hours (36 quarter hours) in upper division or graduate level accounting courses covering the following subjects:
 - (i) financial accounting;
 - (ii) auditing;
 - (iii) taxation; and
 - (iv) management accounting; and
- (b) 24 semester hours (36 quarter hours) in non accounting business or related courses covering the following subjects:
 - (i) business law;
 - (ii) computers;
 - (iii) economics;

- (iv) business ethics;
- (v) finance;
- (vi) business statistics and quantitative methods;
- (vii) written and oral business related communications; and
- (viii) business administration such as marketing, production, management, policy or organizational behavior.

(5) An applicant for licensure as a certified public accountant shall also pass:

- (a) the AICPA Examination of Professional Ethics for CPAs with a score of at least 90%; and
- (b) the Utah (CPA) Laws and Rules Examination with a score of at least 75%.

(6) The Division in collaboration with the Board may accept testing of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of an ~~current Mutual Recognition Agreement for reciprocal licensure~~ between the foreign country and the International Qualifications Appraisal Board of NASBA, ~~which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the Eighth Edition, January 2018 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.~~

R156-26a-303a. Renewal Requirements - Peer Review.

(1) General.

In accordance with Subsections 58-1-308(3)(b) and 58-26a-303(2)(b), there is created a peer review requirement as a condition for renewal of licenses issued under the Certified Public Accountant Licensing Act, providing for review of the work products of CPA and CPA firm licensees.

(a) The purpose of the program is to monitor compliance with professional standards.

(b) The program shall emphasize education and may include other remedial actions when non-compliance is found.

(c) If a licensee is unwilling or unable to comply with or intentionally disregards professional standards, the administering organization shall refer the matter to the Division for consultation and determination of appropriate action.

(2) Scheduling of the Peer Review.

(a) A firm's initial peer review shall be assigned a due date to require that the initial review be started no later than 18 months after the date of the issuance of its initial report as defined in Subsection 58-26a-102(20).

(b) At least once every three years a firm engaged in the practice of public accounting shall undergo, at its own expense, a peer review commensurate in scope with its practice.

(c) The administering organization shall assign the year of review.

(d) A portion of the peer review may be performed by a regulatory body if the Board approves the regulatory body as an administering organization. This does not by itself satisfy the peer review requirement unless the other standards as specified in this rule are fulfilled by the regulatory body.

(3) Selection of a Peer Reviewer or inspector in the case of inspections mandated by law or regulatory bodies.

A firm scheduled for peer review shall engage a reviewer qualified to conduct the peer review. Regulatory bodies shall assign inspectors.

(4) Qualifications of a Peer Reviewer and inspectors.

(a) Peer reviewers must provide evidence of one of the two following minimum qualifications to the administering organization:

- (i) acceptance as a peer reviewer by the AICPA; or
- (ii) compliance with the qualifications required by the AICPA to qualify as a peer reviewer.

(b) Peer reviewers shall be licensed or hold a permit to practice as a CPA in Utah or another state or jurisdiction of the United States.

(c) The administering organization shall approve reviewers for reviews not administered by the AICPA.

(d) Regulatory bodies shall determine the qualifications of inspectors.

(5) Conduct of the Peer Review or inspection. Peer reviews shall be conducted as follows:

(a) Peer reviews shall be conducted according to the "Standards for Performing and Reporting on Peer Reviews" promulgated by the AICPA, effective ~~May 1, 2022~~ April 2019, which are hereby incorporated by reference and adopted as the minimum standards for peer reviews of all firms. This section shall not require any firm or licensee to become a member of the AICPA or any administering organization.

(b) The Board may review the standards used by the regulatory body to determine if those standards are sufficient to satisfy all or part of the peer review requirements, or what additional review may be required to meet the peer review requirements under this rule.

(6) If an administering organization finds that a peer review was not performed in accordance with this rule or the peer review results in a pass with deficiencies or fail report, the Peer Review Committee may require remedial action to assure that the review or performance of the CPA or CPA firm being reviewed meets the objectives of the peer review program.

(7) Review of Multi-State Firms.

(a) With respect to a multi-state firm, the Division may accept a peer review based solely upon work conducted outside of this state as satisfying the requirement to undergo peer review under this rule, if:

- (i) the peer review is conducted during the year scheduled or rescheduled under R156-26a-303a(2);
- (ii) the peer review is performed in accordance with requirements equivalent to those of this state;
- (iii) the peer review:

(A) studies, evaluates, and reports on the quality control system of the firm as a whole in the case of system reviews; or

(B) results in an evaluation and report on selected engagements in the case of engagement reviews;

(iv) the firm's internal inspection procedures require that the firm's personnel from another office outside the state perform the inspection of the office located in this state not less than once in each three year period; and

(v) at the conclusion of the peer review, the peer reviewer issues a report equivalent to that required by R156-26a-303a(5) or in the case of an approved regulatory body, a report is issued under their standards.

(b) A multi-state firm seeking approval under R156-26a-303a(7)(a) shall submit an application to the administering organization by February 1 of the year of review establishing that the peer review it proposes to undergo meets all of the requirements of R156-26a-303a(5).

(8) A firm which does not perform services encompassed in the scope of minimum standards as set out in R156-26a-303a(5)(a) or (b) is exempt from peer review and shall notify the Division of the exemption at the time of renewal of its registration. A firm which begins providing these services must commence a peer review within 18 months of the date of the issuance of its initial report as defined in Subsection 58-26a-102(16).

(9) Mergers, Combinations, Dissolutions or Separations.

(a) Mergers or combinations: If two or more firms are merged or sold and combined, the surviving firm shall retain the year of review of the largest firm.

(b) Dissolutions or separations: If a firm is divided, the new firms shall retain the year of review of the former firm. If this period is less than 12 months, a new year shall be assigned so that the review occurs after 12 months of operation.

(c) Upon application to the administering organization and a showing of hardship caused solely by compliance with R156-26a-303a(10), the Division may authorize a change in a firm's year of review.

(10) If a firm can demonstrate that the time established for the conduct of a peer review will create an unreasonable hardship upon the firm, the Division may approve an extension not to exceed 180 days from the date the peer review was originally scheduled, as follows:

(a) A request for extension shall be addressed in writing by the firm to the Division with a copy to the administering organization responsible for administration of that firm's peer review.

(b) The written request for extension shall be received by both the Division and the administering organization at least 30 days prior to the date of scheduled review or the request will not be considered.

(c) The Division shall inform the administering organization of the approval of any extension.

(11) Retention of Documents Relating to Peer Reviews.

(a) All documentation necessary to establish that each peer review was performed in conformity with peer review standards adopted by the Board, including the peer review working papers, the peer review report, comment letters and related correspondence indicating the firm's concurrence or nonconcurrence, and any proposed remedial actions and related implementation, shall be retained for the relevant administering organization's designated retention period or 120 days, whichever is longer.

(12) Costs and Fees for Peer Review.

(a) All costs associated with firm-on-firm reviews will be negotiated between the firm and the reviewer and paid directly to the reviewer. All costs associated with committee assigned review team (CART) reviews will be set by the administering organization. The administering organization will collect the fees associated with CART reviews and pay the reviewer.

(b) All costs associated with the administration of the review process shall be paid from fees charged to the firms. The fees shall be collected by the administering organization. The schedule of fees shall be included in the administering organization's proposal. The fee schedule shall specify how much is to be paid each year and shall be based on the firm size.

(13) All financial statements, working papers, or other documents reviewed are confidential. Access to those documents shall be limited to being made available, upon request, to the Peer Review Committee or the technical reviewer for purposes of assuring that peer reviews are performed according to professional standards.

R156-26a-303b. Continuing Professional Education (CPE).

The continuing professional education (CPE) requirements in Section 58-26a-304 are defined, clarified, or established as follows:

(1) A CPA shall complete at least 80 CPE hours in each two-year licensure cycle ending on December 31 of each even-numbered year, except that no CPE hours are required at a first renewal after initial licensure.

(2) CPE hours shall include at least:

(a) one hour of CPE that covers Title 58, Chapter 26a, the Certified Public Accountant Licensing Act, and Rule R156-26a, the Certified Public Accountant Licensing Act Rule; and

(b) three hours of ethics education that cover one or more of the following areas:

- (i) the AICPA Code of Professional Conduct;
- (ii) case-based instruction focusing on real-life situational learning;
- (iii) ethical dilemmas faced by accounting professionals; or
- (iv) business ethics.

(3) A CPA shall maintain current knowledge, skills, and abilities in all areas in which the CPA provides services, in order to provide services in a competent manner. To maintain or to obtain the knowledge, skills, and abilities to competently provide services, a CPA may be required to obtain CPE above and beyond the 80 minimum CPE credits specified in Section 58-26a-304.

(4) The Division incorporates and adopts by reference the AICPA/NASBA Statement on Standards for Continuing Professional Education (CPE) Programs, revised December 2019–August 2016. These standards have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that CPAs maintain the required knowledge, skills, and abilities necessary to competently provide services and to enable the CPA to provide evidence of meeting the minimum CPE requirements.

(5) Reporting Requirements.

(a) The license renewal deadline and the CPE reporting period deadline shall have the same date of December 31 of even-numbered years.

(b) Except as otherwise authorized by the Division, CPE shall be entered in CPE Audit Service for online reporting and auditing of CPE compliance reported online on the Division website.

(c) A licensee applying for license renewal shall report by December 31 of each even-numbered year, demonstrating completion of at least the minimum number of CPE hours required under Section 58-26a-304 and this Section.

(d) Each person applying for license reinstatement shall report to the Division at the time of application, demonstrating completion of the CPE required under Section R156-26a-307.

(e) If a licensee reports required CPE and renews their license prior to December 31 of an even-numbered year, any additional CPE completed by that licensee through the remainder of the even-numbered year may be reported and carried forward toward the next succeeding CPE reporting period.

(6) Carry Forward Provision.

(a) A licensee who completes more than the required hours of CPE during the reporting period may carry forward up to 40 hours to the next succeeding reporting period.

(b) CPE taken in the current reporting period and CPE hours carried forward from the previous reporting period shall qualify as general CPE hours only for the current reporting period.

(7) Failure to comply with CPE requirements.

(a) A licensee who fails to complete the required minimum CPE by the reporting deadline may not renew their license until the required CPE hours have been completed and reported.

(b) Pursuant to Subsection 58-26a-304(4), a licensee may request the Board to waive the requirements or grant an extension for CPE on the basis that the licensee was not able to complete the continuing professional education due to medical or related conditions confirmed by a qualified health care provider.

(i) Such medical confirmation shall include the beginning and ending dates during which the medical condition would have prevented the licensee from completing the CPE, the extent of the medical condition and the effect that the medical condition had upon the ability of the licensee to continue to engage in the practice of accountancy.

(ii) The Board in determining whether the waiver is appropriate shall consider whether or not the licensee continued to be engaged in the practice of accountancy practice on a full or part time basis during the period specified by the medical confirmation.

(iii) Granting a waiver of meeting the minimum CPE hours is not a waiver of a CPA being required to provide services in a competent manner with current knowledge, skill and ability. When medical or other conditions prevent the CPA from providing services in a competent manner, the CPA shall refrain from providing such services.

R156-26a-303c. Renewal Cycle.

In accordance with Subsection 58-1-308(1), the renewal date for the two-year renewal cycle applicable to licensees under Title 58, Chapter 26a is established by rule in Section R156-1-308.

R156-26a-303d. Renewal Procedures.

Renewal procedures shall be in accordance with Section R156-1-308.

R156-26a-305. Exemptions from Licensure - Mobility.

The mobility practice privilege included in Section 58-26a-305 is further clarified, defined defined, and established as follows:

(1) As used in this section and Section 58-26a-305:

(a) "Mobility" means a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state/jurisdiction where their principal place of business is located, to practice outside of that state/jurisdiction without obtaining another license. CPA mobility is a uniform approach endorsed by the AICPA and NASBA through the AICPA/NASBA Uniform Accountancy Act (UAA), allowing no-notification interstate practice by CPAs whose home jurisdiction or who individually are substantially equivalent where they meet the UAA licensure standard. The individual and firm automatically consent to the jurisdiction of the mobility state, and the mobility state's ability to discipline under the provision is based on the performance of services within the mobility state, whether physically, electronically, or otherwise.

(b) "Individual mobility" means an individual CPA meets the requirements of Subsection 58-26a-305(1)(a) and Section R156-26a-305 to perform services through mobility in Utah. A CPA with individual mobility does not need to obtain a Utah CPA license or otherwise register with the Division.

(c) "Firm mobility" means a CPA firm meets the requirements of Subsection 58-26a-305(1)(a) and Section R156-26a-305 to perform services through mobility in Utah. A CPA firm with firm mobility does not need to obtain a Utah CPA firm license or register with the Division.

(d) "Home jurisdiction", for purposes of Section 58-26a-305 and this Section, means the jurisdiction where a CPA or CPA firm is licensed and their principal place of business is located.

(e) "Mobility tool" means the online tool developed by the AICPA and NASBA to help CPAs and CPA firms understand mobility and determine their eligibility for mobility, available at <https://cpamobility.org>.

(2) A CPA or CPA firm performing services through mobility in Utah shall hold an active, unrestricted license in good standing in their home jurisdiction. An inactive or restricted CPA or CPA firm license is invalid pursuant to Subsection 58-26a-[305](1)(a)(ii)(C).

(3) A CPA performing services through mobility shall only perform the same level of services (attest or non-attest) in the mobility jurisdiction as they are permitted to perform in their home jurisdiction.

(4) A CPA firm not licensed in Utah may perform services through mobility in Utah as a person exempt from licensure pursuant to Subsection 58-26a-305(1)(a), if:

(a) the CPA firm's principal place of business is not in Utah;

(b) the CPA firm holds an active, unrestricted CPA firm license in good standing in its home jurisdiction; and

(c) the CPA firm meets the ownership and peer review requirements of the mobility jurisdiction pursuant to Subsection 58-26a-302(3)(a)(iii) and Subsection R156-26a-303a.

(5) A licensed CPA or CPA firm may obtain information regarding their eligibility for mobility by using the mobility tool at <https://cpamobility.org>.

R156-26a-307. Reinstatement of Licenses.

(1) An individual who held a Utah license which has expired for failure to renew for nonpayment of fees, or an individual applying for reinstatement from emeritus status, may be relicensed upon satisfactory completion of:

(a) submission of an application on forms supplied by the Division which shall contain information as to why the individual allowed their license to lapse; and

(b) 80 hours of qualified CPE completed within the 12 months preceding the submission of the application for reinstatement, which shall include:

(i) at least 16 hours in accounting or auditing or both; and

(ii) successful completion of the AICPA Professional Ethics for CPAs Examination and the Utah CPA Laws and Rules Examination with minimum scores of at least the minimum score required for initial licensure, which shall count as eight hours of CPE towards the 80 hour requirement.

(2) The requirements in Subsection R156-26a-307(1)(b) may be waived if the reinstatement applicant:

- (a) has not been practicing within Utah since the expiration of the license being reinstated;
- (b) has continuously since the expiration been licensed and practicing in another state; and
- (c) demonstrates that the applicant has met all the CPE requirements that would have been applicable in Utah during the time the license was expired in Utah.

(3) The requirements in Subsection R156-26a-307(1)(b) may be waived if:

- (a) the applicant failed to renew because of inadvertent failure to pay the renewal fees, to sign application documents, or to meet similar technical application requirements;
- (b) the application for reinstatement is filed with the Division within 24 months after expiration date of the license; and
- (c) at time of application for reinstatement the applicant demonstrates by proof of attendance at acceptable CPE courses that at all times the applicant was in full compliance with the CPE requirements.

(4) The number of hours required to reinstate a license may not satisfy in whole or part any of the minimum hours of CPE that may be required for subsequent renewal of the license.

R156-26a-501. Unprofessional Conduct.

"Unprofessional conduct" includes:

- (1) willfully failing to comply with continuing professional education [requirements](#) or fraudulently reporting continuing professional education;
- (2) commission of an act or omission that fails to conform to the accepted and recognized standards and ethics of the profession including those stated in the AICPA Code of Professional Conduct, effective December 15, 2014, updated through [January 2023, August 31, 2016](#), which is hereby incorporated by reference; or
- (3) a CPA firm using the name of a person who is not a licensed certified public accountant as part of the CPA firm name, with the exception that a CPA firm may continue to use the name of a former owner who was a CPA but who has retired or is no longer active in the CPA firm.

KEY: accountants, licensing, peer review, continuing professional education Date of Last Change: November 7, 2019

Notice of Continuation: September 27, 2021

Authorizing, and Implemented or Interpreted Law: 58-26a-101; 58-1-106(1)(a); 58-1-202(1)(a)

R156. Commerce, Occupational and Professional Licensing. R156-26a. Certified Public Accountant Licensing Act Rule.

R156-26a-101. Title—Authority – Organization.

(1) This rule is shall be known as the "Certified Public Accountant Licensing Act Rule".
(2) This rule is adopted by the Division under the authority of Subsection 58-1-106(1)(a) to enable the Division to administer Title 58, Chapter 26a, Certified Public Accountant Licensing Act.
(3) The organization of this rule and its relationship to Rule R156-1 is as described in Section R156-1-107.

R156-26a-102. Definitions.

In addition to the definitions in Title 58, Chapters 1 and 26a, as defined or used in this rule:

(1) "Administering organization" means an organization approved by the Division of Occupational and Professional Licensing and the Utah Board of Accountancy which will administer peer reviews in the Peer Review Program.

(2) "CPE Audit Service" means the online continuing professional education reporting system administered by NASBA.

(2) "Accepted university accreditation" mean the following:

- (a) the Association to Advance Collegiate Schools of Business ("AACSB");
- (b) the Accreditation Council for Business Schools and Programs ("ACBSP"); or
- (c) an institution receiving "regional accreditation", meaning an institution receiving accreditation through:
 - (i) the Northwest Accreditation Commission ("NAC");
 - (ii) the North Central Association of Colleges and Schools ("NCA");
 - (iii) the Middle States Association of Colleges and Schools ("MSA");
 - (iv) the New England Association of Schools and Colleges ("NEASC");
 - (v) the Southern Association of Colleges and Schools ("SACS"); or
 - (vi) the Western Association of Schools and Colleges ("WASC").

(3) "Mobility", a practice privilege included in Section 58-26a-305 regarding exemptions from licensure, is defined and further clarified in Section R156-26a-305.

(4) "Nationally accredited" as used in this rule means an education program accredited by:

- (a) the Association to Advance Collegiate Schools of Business "AACSB";
- (b) the Accreditation Council for Business Schools and Programs "ACBSP".

(5) "Non-duplicative" as used in subsections 302a and 302c means each course shall only be counted once and shall not be applied towards meeting the requirements of multiple categories simultaneously.

(4)(6) "Qualified continuing professional education (CPE)" as used in this rule means continuing education that meets the standards set forth in Section R156-26a-303b.

(5) "Standard setting bodies" means any generally recognized accounting standard setting bodies.

(7) "Regionally accredited" as used in this rule means an education program accredited by:

- (a) the Northwest Commission on Colleges and Universities "NWCCU";
- (b) the North Central Association of Colleges and Schools "NCA";
- (c) the Middle States Commission on Higher Education "MSCHE";
- (d) the New England Commission on Higher Education "NECHE";
- (e) the Southern Association of Colleges and Schools Commission on Colleges "SACSCOC";
- (f) the Western Association of Schools and Colleges "WASC".

(6)(8) "Unprofessional conduct" as defined in Title 58, Chapters 1 and 26a, is further defined, in accordance with Subsection 58-1-203(1)(e), in Section R156-26a-501.

(7)(9) "Year of review" means the calendar year during which a peer review is to be conducted.

R156-26a-103. Authority.

This rule is adopted by the Division under the authority of Subsection 58-1-106(1)(a) to enable the Division to administer Title 58, Chapter 26a.

R156-26a-104. Organization—Relationship to Rule R156-1.

The organization of this rule and its relationship to Rule R156-1 is as described in Section R156-1-107.

R156-26a-201. Advisory Peer Committees Created - Membership - Duties.

(1) There is created in accordance with Subsection 58-1-203(1)(f) the Education Advisory Committee to the Utah Board of Accountancy, consisting of one full-time faculty member from each of five or more colleges or universities in Utah which has an accredited program as defined set forth in Subsections R156-26a-302a(1)(a) through (e), 102(4) and (7), a majority of which shall be licensed CPAs.

(2) The Education Advisory Committee shall be appointed and serve in accordance with Section R156-1-205. The duties and responsibilities of the Education Advisory Committee shall include assisting the Division in collaboration with the Board in their duties, functions, and responsibilities and shall include:

- (a) advising the Board as to the acceptability of an educational institution;
- (b) assisting the Board to make a final determination pursuant to R156-26a-302a(5)(e) of whether an applicant is qualified to sit for the AICPA Uniform CPA Examination; and examination; and
- (c) advising the Board regarding proposed changes to rules.

(3) The committee shall consider, when advising the Board of the acceptability of the educational institution, the following:

- (a) the institution's accreditation;
- (b) the acceptability by other state licensing boards;

- (c) the faculty qualifications; and
- (d) other educational resources.

(4) There is created in accordance with Subsection 58-1-203(1)(f), the Peer Review Committee to the Utah Board of Accountancy consisting of not more than ten licensed CPAs. The committee shall be appointed and serve in accordance with Section R156-1-205.

(5) The duties and responsibilities of the Peer Review Committee shall be advising the Board on peer reviews matters and shall include:

- (a) reviewing the results of peer reviews administered by approved organizations and requiring corrective action of firms with significant deficiencies noted in the review process when considered necessary in addition to those required by the administering organization;
- (b) evaluating compliance of CPE programs;
- (c) performing random audits to determine compliance with the CPE requirements and the standards for CPE programs;
- (d) reviewing complaints and recommending whether certain acts, practices or omissions violate the ethical standards of the profession;
- (e) providing technical assistance to the Division; and
- (f) serving as expert witnesses at administrative hearings.

R156-26a-302a. Qualifications for CPA Licensure - Education Requirements.

The education requirements for CPA licensure in Subsection 58-26a-302(1)(d) are defined, clarified, or established as follows:

- (1) An applicant shall submit transcripts showing completion of course work consisting of a minimum of 150 semester hours (225 quarter hours), and one of the following:
 - (a) a graduate degree in accounting or taxation ~~from an~~ that is nationally accredited ~~institution whose business education is accredited by the AACSB or the ACBSP;~~
 - (b) a Master of Business Administration degree ~~from an~~ that is nationally accredited ~~institution whose business education program is accredited by the AACSB or the ACBSP and which~~ includes no less than:
 - (i) 24 semester hours (36 quarter hours) in ~~non-duplicative~~ upper division or graduate level accounting courses covering the following subjects ~~(with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):~~
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation; ~~and~~
 - (D) ~~management~~ ~~managerial~~ or cost accounting;
 - (E) ~~accounting~~ ~~information~~ systems or data analytics; ~~and~~
 - (ii) ~~15-12~~ semester hours ~~(23-18~~ quarter hours) graduate level accounting courses covering ~~any of~~ the following subjects:
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation; ~~and~~
 - (D) ~~management~~ ~~managerial~~ or cost accounting; ~~or~~
 - (E) ~~accounting~~ ~~information~~ systems or data analytics
 - (iii) ~~an equivalent combination of graduate and upper division accounting courses covering the subjects of financial accounting, auditing, taxation, and management accounting, with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work;~~
 - (c) a baccalaureate degree in business or accounting ~~from an~~ that is nationally accredited ~~institution whose business education program is accredited by the AACSB or the ACBSP~~, and which includes no less than:
 - (i) 24 semester hours (36 quarter hours) in ~~non-duplicative~~ upper division or graduate level accounting courses covering at least one course in each of the following subjects ~~(with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):~~
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation; ~~and~~
 - (D) ~~management~~ ~~managerial~~ or cost accounting; ~~and~~
 - (E) ~~accounting~~ ~~information~~ systems or data analytics; ~~and~~
 - (ii) 30 additional ~~semester hours (45 quarter hours) in graduate or upper division or graduate level~~ accounting and business courses ~~(with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work); or~~
 - (d) ~~A~~ a baccalaureate or graduate degree in business or accounting ~~from an~~ that is regionally accredited ~~institution accredited by a regional accrediting body with~~ ~~and includes~~ no less than:
 - (i) 24 semester hours (36 quarter hours) in ~~non-duplicative upper division or graduate level accounting courses with a minimum of two semester hours (three quarter hours) in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):~~
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation;
 - (D) ~~managerial~~ or cost accounting;
 - (E) ~~accounting~~ ~~information~~ systems or data analytics; ~~and~~
 - (ii) 24 semester hours (36 quarter hours) in non-accounting business or related courses providing a minimum of two semester hours (three quarter hours) in each of the following subjects:
 - (A) business law;
 - (B) ~~Computer~~ information systems;
 - (C) economics;

- (D) business ethics;
- (E) finance;
- (F) ~~business statistics and or quantitative methods;~~
- (G) written and oral business communications;
- (H) business administration such as marketing, ~~production operations~~, management, policy or organizational behavior; and

(ii) ~~24 semester hours (36 quarter hours) in upper division or graduate level accounting courses with a minimum of two semester hours (three quarter hours) in each of the following subjects:~~

- (A) auditing;
- (B) finance;
- (C) managerial or cost;
- (D) systems; and
- (E) taxes; and

(iii) ~~30 additional semester hours (45 quarter hours) in graduate or upper division or graduate level accounting and business courses (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work).~~

(2) The Division in collaboration with the Board or the Education Advisory Committee may accept a baccalaureate degree in business or accounting ~~from an institution not having an accepted accreditation that is not accredited~~, as defined in Subsections R156-26a-102(4), if the applicant:

- (a) ~~has obtained a graduate degree in accounting from an institution whose business education program is accredited by the AACSB or the ACBSP;~~
- (b) ~~(a)(i) has obtained a graduate degree in accounting, taxation or a Master of Business Administration from an that is nationally accredited; and institution whose business education program is accredited by the AACSB or the ACBSP; and~~
 - (ii) meets the requirements in Subsection R156-26a-302a(1)(b)(i) or; (ii), or (iii); or
- (c) ~~(b)(i) has obtained a graduate degree in accounting, taxation, or a Master of Business Administration from an that is regionally accredited; and institution accredited by a regional accrediting body; and~~
 - (ii) meets the requirements in Subsection R156-26a-302a(1)(d).

(3) The Division in collaboration with the Board or the Education Advisory Committee may make a written finding for cause that a particular accredited institution or program is not acceptable.

(4) The Division in collaboration with the Board or the Education Advisory Committee may accept education of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of ~~an current Mutual Recognition Agreement for reciprocal licensure between the foreign country and the International Qualifications Appraisal Board of NASBA~~, which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the Eighth Edition, January 2018 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

R156-26a-302b. Qualifications for Licensure - Experience Requirements.

In accordance with Subsections 58-1-203(1)(b) and 58-1-301(3), the experience requirements for licensure in Section 58-26a-302 are clarified, or supplemented as follows:

(1) The Division in collaboration with the board may accept experience of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of ~~an Mutual Recognition Agreement for reciprocal licensure between the foreign country and the International Qualifications Appraisal Board of NASBA~~, which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the Eighth Edition, January 2018 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

R156-26a-302c. Qualifications for Licensure - Examinations.

The examination requirements in Subsection 58-26a-306 are defined, clarified, or established as follows:

(1) In accordance with Subsection 58-26a-306(1)(a), the form of application approved by the Division shall be the application that NASBA CPA Examination Services ("CPAES") requires to sit for the AICPA Uniform CPA Examination.

(2) In accordance with Subsection 58-26a-306(1)(b), the fee shall be the fee charged by CPAES. No additional fee shall be due to the Division.

(3) In accordance with Subsection 58-26a-306(1)(c), the minimum 120 semester hours (180 quarter hours) of the education requirement that an applicant shall complete before sitting for the AICPA Uniform CPA Examination shall include completion of:

- (i) ~~24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses covering at least one course in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):~~
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation;
 - (D) managerial or cost accounting;
 - (E) accounting information systems or data analytics;

(3)(4) In accordance with Subsection 58-26a-306(1)(c) and (d), the Board designates CPAES as the organization that shall determine whether an applicant has met the education requirements and is approved to sit for the AICPA Uniform CPA eExaminations. However, if an applicant disputes CPAES's determination, the Board shall make the final determination.

(4) In accordance with Subsection 58-26a-306(1)(e), the minimum 120 semester hours (180 quarter hours) of the education requirement that an applicant shall complete before sitting for the AICPA Uniform CPA Examination, shall include completion of at least the

following requirements as described in Section R156-26a-302a:

- (a) 24 semester hours (36 quarter hours) in upper division or graduate level accounting courses covering the following subjects:
 - (i) financial accounting;
 - (ii) auditing;
 - (iii) taxation; and
 - (iv) management accounting; and
- (b) 24 semester hours (36 quarter hours) in non accounting business or related courses covering the following subjects:
 - (i) business law;
 - (ii) computers;
 - (iii) economics;
 - (iv) business ethics;
 - (v) finance;
 - (vi) business statistics and quantitative methods;
 - (vii) written and oral business related communications; and
 - (viii) business administration such as marketing, production, management, policy or organizational behavior.

(5) An applicant for licensure as a certified public accountant shall also pass:

- (a) the AICPA Examination of Professional Ethics for CPAs with a score of at least 90%; and
- (b) the Utah (CPA) Laws and Rules Examination with a score of at least 75%.

(6) The Division in collaboration with the Board may accept testing of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of an current Mutual Recognition Agreement for reciprocal licensure between the foreign country and the International Qualifications Appraisal Board of NASBA, which agreement provides the applicant's examinations, education and experience is determined to be substantially equivalent to the Eighth Edition, January 2018 Uniform Accountancy Act licensure requirements or a version of the Uniform Accountancy Act having substantially equivalent requirements.

R156-26a-303a. Renewal Requirements - Peer Review.

(1) General.

In accordance with Subsections 58-1-308(3)(b) and 58-26a-303(2)(b), there is created a peer review requirement as a condition for renewal of licenses issued under the Certified Public Accountant Licensing Act, providing for review of the work products of CPA and CPA firm licensees.

- (a) The purpose of the program is to monitor compliance with professional standards.
- (b) The program shall emphasize education and may include other remedial actions when non-compliance is found.
- (c) If a licensee is unwilling or unable to comply with or intentionally disregards professional standards, the administering organization shall refer the matter to the Division for consultation and determination of appropriate action.

(2) Scheduling of the Peer Review.

- (a) A firm's initial peer review shall be assigned a due date to require that the initial review be started no later than 18 months after the date of the issuance of its initial report as defined in Subsection 58-26a-102(20).
- (b) At least once every three years a firm engaged in the practice of public accounting shall undergo, at its own expense, a peer review commensurate in scope with its practice.
- (c) The administering organization shall assign the year of review.
- (d) A portion of the peer review may be performed by a regulatory body if the Board approves the regulatory body as an administering organization. This does not by itself satisfy the peer review requirement unless the other standards as specified in this rule are fulfilled by the regulatory body.

(3) Selection of a Peer Reviewer or inspector in the case of inspections mandated by law or regulatory bodies.

A firm scheduled for peer review shall engage a reviewer qualified to conduct the peer review. Regulatory bodies shall assign inspectors.

(4) Qualifications of a Peer Reviewer and inspectors.

- (a) Peer reviewers must provide evidence of one of the two following minimum qualifications to the administering organization:
 - (i) acceptance as a peer reviewer by the AICPA; or
 - (ii) compliance with the qualifications required by the AICPA to qualify as a peer reviewer.
- (b) Peer reviewers shall be licensed or hold a permit to practice as a CPA in Utah or another state or jurisdiction of the United States.
- (c) The administering organization shall approve reviewers for reviews not administered by the AICPA.
- (d) Regulatory bodies shall determine the qualifications of inspectors.

(5) Conduct of the Peer Review or inspection. Peer reviews shall be conducted as follows:

- (a) Peer reviews shall be conducted according to the "Standards for Performing and Reporting on Peer Reviews" promulgated by the AICPA, effective May 1, 2022~~April 2019~~, which are hereby incorporated by reference and adopted as the minimum standards for peer reviews of all firms. This section shall not require any firm or licensee to become a member of the AICPA or any administering organization.

(b) The Board may review the standards used by the regulatory body to determine if those standards are sufficient to satisfy all or part of the peer review requirements, or what additional review may be required to meet the peer review requirements under this rule.

(6) If an administering organization finds that a peer review was not performed in accordance with this rule or the peer review results in a pass with deficiencies or fail report, the Peer Review Committee may require remedial action to assure that the review or performance of the CPA or CPA firm being reviewed meets the objectives of the peer review program.

(7) Review of Multi-State Firms.

- (a) With respect to a multi-state firm, the Division may accept a peer review based solely upon work conducted outside of this state as

satisfying the requirement to undergo peer review under this rule, if:

- (i) the peer review is conducted during the year scheduled or rescheduled under R156-26a-303a(2);
- (ii) the peer review is performed in accordance with requirements equivalent to those of this state;
- (iii) the peer review:
 - (A) studies, evaluates, and reports on the quality control system of the firm as a whole in the case of system reviews; or
 - (B) results in an evaluation and report on selected engagements in the case of engagement reviews;
- (iv) the firm's internal inspection procedures require that the firm's personnel from another office outside the state perform the inspection of the office located in this state not less than once in each three year period; and
- (v) at the conclusion of the peer review, the peer reviewer issues a report equivalent to that required by R156-26a-303a(5) or in the case of an approved regulatory body, a report is issued under their standards.

(b) A multi-state firm seeking approval under R156-26a-303a(7)(a) shall submit an application to the administering organization by February 1 of the year of review establishing that the peer review it proposes to undergo meets all of the requirements of R156-26a-303a(5).

(8) A firm which does not perform services encompassed in the scope of minimum standards as set out in R156-26a-303a(5)(a) or (b) is exempt from peer review and shall notify the Division of the exemption at the time of renewal of its registration. A firm which begins providing these services must commence a peer review within 18 months of the date of the issuance of its initial report as defined in Subsection 58-26a-102(16).

(9) Mergers, Combinations, Dissolutions or Separations.

(a) Mergers or combinations: If two or more firms are merged or sold and combined, the surviving firm shall retain the year of review of the largest firm.

(b) Dissolutions or separations: If a firm is divided, the new firms shall retain the year of review of the former firm. If this period is less than 12 months, a new year shall be assigned so that the review occurs after 12 months of operation.

(c) Upon application to the administering organization and a showing of hardship caused solely by compliance with R156-26a-303a(10), the Division may authorize a change in a firm's year of review.

(10) If a firm can demonstrate that the time established for the conduct of a peer review will create an unreasonable hardship upon the firm, the Division may approve an extension not to exceed 180 days from the date the peer review was originally scheduled, as follows:

(a) A request for extension shall be addressed in writing by the firm to the Division with a copy to the administering organization responsible for administration of that firm's peer review.

(b) The written request for extension shall be received by both the Division and the administering organization at least 30 days prior to the date of scheduled review or the request will not be considered.

(c) The Division shall inform the administering organization of the approval of any extension.

(11) Retention of Documents Relating to Peer Reviews.

(a) All documentation necessary to establish that each peer review was performed in conformity with peer review standards adopted by the Board, including the peer review working papers, the peer review report, comment letters and related correspondence indicating the firm's concurrence or nonconcurrence, and any proposed remedial actions and related implementation, shall be retained for the relevant administering organization's designated retention period or 120 days, whichever is longer.

(12) Costs and Fees for Peer Review.

(a) All costs associated with firm-on-firm reviews will be negotiated between the firm and the reviewer and paid directly to the reviewer. All costs associated with committee assigned review team (CART) reviews will be set by the administering organization. The administering organization will collect the fees associated with CART reviews and pay the reviewer.

(b) All costs associated with the administration of the review process shall be paid from fees charged to the firms. The fees shall be collected by the administering organization. The schedule of fees shall be included in the administering organization's proposal. The fee schedule shall specify how much is to be paid each year and shall be based on the firm size.

(13) All financial statements, working papers, or other documents reviewed are confidential. Access to those documents shall be limited to being made available, upon request, to the Peer Review Committee or the technical reviewer for purposes of assuring that peer reviews are performed according to professional standards.

R156-26a-303b. Continuing Professional Education (CPE).

The continuing professional education (CPE) requirements in Section 58-26a-304 are defined, clarified, or established as follows:

(1) A CPA shall complete at least 80 CPE hours in each two-year licensure cycle ending on December 31 of each even-numbered year, except that no CPE hours are required at a first renewal after initial licensure.

(2) CPE hours shall include at least:

(a) one hour of CPE that covers Title 58, Chapter 26a, the Certified Public Accountant Licensing Act, and Rule R156-26a, the Certified Public Accountant Licensing Act Rule; and

(b) three hours of ethics education that cover one or more of the following areas:

- (i) the AICPA Code of Professional Conduct;
- (ii) case-based instruction focusing on real-life situational learning;
- (iii) ethical dilemmas faced by accounting professionals; or
- (iv) business ethics.

(3) A CPA shall maintain current knowledge, skills, and abilities in all areas in which the CPA provides services, in order to provide services in a competent manner. To maintain or to obtain the knowledge, skills, and abilities to competently provide services, a CPA may be required to obtain CPE above and beyond the 80 minimum CPE credits specified in Section 58-26a-304.

(4) The Division incorporates and adopts by reference the AICPA/NASBA Statement on Standards for Continuing Professional Education (CPE) Programs, revised December 2019. August 2016. These standards have been broadly stated in recognition of the

diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that CPAs maintain the required knowledge, skills, and abilities necessary to competently provide services and to enable the CPA to provide evidence of meeting the minimum CPE requirements.

(5) Reporting Requirements.

- (a) The license renewal deadline and the CPE reporting period deadline shall have the same date of December 31 of even-numbered years.
- (b) Except as otherwise authorized by the Division, CPE shall be entered in CPE Audit Service for online reporting and auditing of CPE compliance reported online on the Division website.
- (c) A licensee applying for license renewal shall report by December 31 of each even-numbered year, demonstrating completion of at least the minimum number of CPE hours required under Section 58-26a-304 and this Section.
- (d) Each person applying for license reinstatement shall report to the Division at the time of application, demonstrating completion of the CPE required under Section R156-26a-307.
- (e) If a licensee reports required CPE and renews their license prior to December 31 of an even-numbered year, any additional CPE completed by that licensee through the remainder of the even-numbered year may be reported and carried forward toward the next succeeding CPE reporting period.

(6) Carry Forward Provision.

- (a) A licensee who completes more than the required hours of CPE during the reporting period may carry forward up to 40 hours to the next succeeding reporting period.
- (b) CPE taken in the current reporting period and CPE hours carried forward from the previous reporting period shall qualify as general CPE hours only for the current reporting period.

(7) Failure to comply with CPE requirements.

- (a) A licensee who fails to complete the required minimum CPE by the reporting deadline may not renew their license until the required CPE hours have been completed and reported.
- (b) Pursuant to Subsection 58-26a-304(4), a licensee may request the Board to waive the requirements or grant an extension for CPE on the basis that the licensee was not able to complete the continuing professional education due to medical or related conditions confirmed by a qualified health care provider.
 - (i) Such medical confirmation shall include the beginning and ending dates during which the medical condition would have prevented the licensee from completing the CPE, the extent of the medical condition and the effect that the medical condition had upon the ability of the licensee to continue to engage in the practice of accountancy.
 - (ii) The Board in determining whether the waiver is appropriate shall consider whether or not the licensee continued to be engaged in the practice of accountancy practice on a full or part time basis during the period specified by the medical confirmation.
 - (iii) Granting a waiver of meeting the minimum CPE hours is not a waiver of a CPA being required to provide services in a competent manner with current knowledge, skill and ability. When medical or other conditions prevent the CPA from providing services in a competent manner, the CPA shall refrain from providing such services.

R156-26a-303c. Renewal Cycle.

In accordance with Subsection 58-1-308(1), the renewal date for the two-year renewal cycle applicable to licensees under Title 58, Chapter 26a is established by rule in Section R156-1-308.

R156-26a-303d. Renewal Procedures.

Renewal procedures shall be in accordance with Section R156-1-308.

R156-26a-305. Exemptions from Licensure - Mobility.

The mobility practice privilege included in Section 58-26a-305 is further clarified, defined, and established as follows:

- (1) As used in this section and Section 58-26a-305:
 - (a) "Mobility" means a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state/jurisdiction where their principal place of business is located, to practice outside of that state/jurisdiction without obtaining another license. CPA mobility is a uniform approach endorsed by the AICPA and NASBA through the AICPA/NASBA Uniform Accountancy Act (UAA), allowing no-notification interstate practice by CPAs whose home jurisdiction or who individually are substantially equivalent where they meet the UAA licensure standard. The individual and firm automatically consent to the jurisdiction of the mobility state, and the mobility state's ability to discipline under the provision is based on the performance of services within the mobility state, whether physically, electronically, or otherwise.
 - (b) "Individual mobility" means an individual CPA meets the requirements of Subsection 58-26a-305(1)(a) and Section R156-26a-305 to perform services through mobility in Utah. A CPA with individual mobility does not need to obtain a Utah CPA license or otherwise register with the Division.
 - (c) "Firm mobility" means a CPA firm meets the requirements of Subsection 58-26a-305(1)(a) and Section R156-26a-305 to perform services through mobility in Utah. A CPA firm with firm mobility does not need to obtain a Utah CPA firm license or register with the Division.
 - (d) "Home jurisdiction", for purposes of Section 58-26a-305 and this Section, means the jurisdiction where a CPA or CPA firm is licensed and their principal place of business is located.
 - (e) "Mobility tool" means the online tool developed by the AICPA and NASBA to help CPAs and CPA firms understand mobility and determine their eligibility for mobility, available at <https://cpamobility.org>.
- (2) A CPA or CPA firm performing services through mobility in Utah shall hold an active, unrestricted license in good standing in their home jurisdiction. An inactive or restricted CPA or CPA firm license is invalid pursuant to Subsection 58-26a-[305(1)(a)(ii)(C)].

(3) A CPA performing services through mobility shall only perform the same level of services (attest or non-attest) in the mobility jurisdiction as they are permitted to perform in their home jurisdiction.

(4) A CPA firm not licensed in Utah may perform services through mobility in Utah as a person exempt from licensure pursuant to Subsection 58-26a-305(1)(a), if:

- (a) the CPA firm's principal place of business is not in Utah;
- (b) the CPA firm holds an active, unrestricted CPA firm license in good standing in its home jurisdiction; and
- (c) the CPA firm meets the ownership and peer review requirements of the mobility jurisdiction pursuant to Subsection 58-~~1~~26a-302(3)(a)(iii) and Subsection R156-26a-303a.

(5) A licensed CPA or CPA firm may obtain information regarding their eligibility for mobility by using the mobility tool at <https://cpamobility.org>.

R156-26a-307. Reinstatement of Licenses.

(1) An individual who held a Utah license which has expired for failure to renew for nonpayment of fees, or an individual applying for reinstatement from emeritus status, may be relicensed upon satisfactory completion of:

- (a) submission of an application on forms supplied by the Division which shall contain information as to why the individual allowed their license to lapse; and
- (b) 80 hours of qualified CPE completed within the 12 months preceding the submission of the application for reinstatement, which shall include:
 - (i) at least 16 hours in accounting or auditing or both; and
 - (ii) successful completion of the AICPA Professional Ethics for CPAs Examination and the Utah CPA Laws and Rules Examination with minimum scores of at least the minimum score required for initial licensure, which shall count as eight hours of CPE towards the 80 hour requirement.

(2) The requirements in Subsection R156-26a-307(1)(b) may be waived if the reinstatement applicant:

- (a) has not been practicing within Utah since the expiration of the license being reinstated;
- (b) has continuously since the expiration been licensed and practicing in another state; and
- (c) demonstrates that the applicant has met all the CPE requirements that would have been applicable in Utah during the time the license was expired in Utah.

(3) The requirements in Subsection R156-26a-307(1)(b) may be waived if:

- (a) the applicant failed to renew because of inadvertent failure to pay the renewal fees, to sign application documents, or to meet similar technical application requirements;
- (b) the application for reinstatement is filed with the Division within 24 months after expiration date of the license; and
- (c) at time of application for reinstatement the applicant demonstrates by proof of attendance at acceptable CPE courses that at all times the applicant was in full compliance with the CPE requirements.

(4) The number of hours required to reinstate a license may not satisfy in whole or part any of the minimum hours of CPE that may be required for subsequent renewal of the license.

R156-26a-501. Unprofessional Conduct.

"Unprofessional conduct" includes:

- (1) willfully failing to comply with continuing professional education requirements or fraudulently reporting continuing professional education;
- (2) commission of an act or omission that fails to conform to the accepted and recognized standards and ethics of the profession including those stated in the AICPA Code of Professional Conduct, effective December 15, 2014, updated through January 2023, August 31, 2016, which is hereby incorporated by reference; or
- (3) a CPA firm using the name of a person who is not a licensed certified public accountant as part of the CPA firm name, with the exception that a CPA firm may continue to use the name of a former owner who was a CPA but who has retired or is no longer active in the CPA firm.

KEY: accountants, licensing, peer review, continuing professional education Date of Last Change: November 7, 2019

Notice of Continuation: September 27, 2021

Authorizing, and Implemented or Interpreted Law: 58-26a-101; 58-1-106(1)(a); 58-1-202(1)(a)

R156. Commerce, Occupational and Professional Licensing. R156-26a. Certified Public Accountant Licensing Act Rule.

R156-26a-101. Title – Authority – Organization.

- (1) This rule is known as the "Certified Public Accountant Licensing Act Rule".
- (2) This rule is adopted by the Division under the authority of Subsection 58-1-106(1)(a) to enable the Division to administer Title 58, Chapter 26a, Certified Public Accountant Licensing Act.
- (3) The organization of this rule and its relationship to Rule R156-1 is as described in Section R156-1-107.

R156-26a-102. Definitions.

In addition to the definitions in Title 58, Chapters 1 and 26a, as defined or used in this rule:

- (1) "Administering organization" means an organization approved by the Division of Occupational and Professional Licensing and the Utah Board of Accountancy which will administer peer reviews in the Peer Review Program.
- (2) "CPE Audit Service" means the online continuing professional education reporting system administered by NASBA.
- (3) "Mobility", a practice privilege included in Section 58-26a-305 regarding exemptions from licensure, is defined and further clarified in Section R156-26a-305.
- (4) "Nationally accredited" as used in this rule means an education program accredited by:
 - (a) the Association to Advance Collegiate Schools of Business "AACSB";
 - (b) the Accreditation Council for Business Schools and Programs "ACBSP".
- (5) "Non-duplicative" as used in subsections 302a and 302c means each course shall only be counted once and shall not be applied towards meeting the requirements of multiple categories simultaneously.
- (6) "Qualified continuing professional education (CPE)" as used in this rule means continuing education that meets the standards set forth in Section R156-26a-303b.
- (7) "Regionally accredited" as used in this rule means:
 - (a) the Northwest Commission on Colleges and Universities "NWCCU";
 - (b) the North Central Association of Colleges and Schools "NCA";
 - (c) the Middle States Commission on Higher Education "MSCHE";
 - (d) the New England Commission on Higher Education "NECHE";
 - (e) the Southern Association of Colleges and Schools Commission on Colleges "SACSCOC";
 - (f) the Western Association of Schools and Colleges "WASC".
- (8) "Unprofessional conduct" as defined in Title 58, Chapters 1 and 26a, is further defined, in accordance with Subsection 58-1-203(1)(e), in Section R156-26a-501.
- (9) "Year of review" means the calendar year during which a peer review is to be conducted.

R156-26a-201. Advisory Peer Committees Created - Membership - Duties.

- (1) There is created in accordance with Subsection 58-1-203(1)(f) the Education Advisory Committee to the Utah Board of Accountancy, consisting of one full-time faculty member from each of five or more colleges or universities in Utah which has an accredited program as defined in Subsections R156-26a-102(4) and (7), a majority of which shall be licensed CPAs.
- (2) The Education Advisory Committee shall be appointed and serve in accordance with Section R156-1-205. The duties and responsibilities of the Education Advisory Committee shall include assisting the Division in collaboration with the Board in their duties, functions, and responsibilities and shall include:
 - (a) advising the Board as to the acceptability of an educational institution;
 - (b) assisting the Board to make a final determination pursuant to R156-26a-302c of whether an applicant is qualified to sit for the AICPA Uniform CPA Examination; and
 - (c) advising the Board regarding proposed changes to rules.
- (3) The committee shall consider, when advising the Board of the acceptability of the educational institution, the following:
 - (a) the institution's accreditation;
 - (b) the acceptability by other state licensing boards;
 - (c) the faculty qualifications; and
 - (d) other educational resources.
- (4) There is created in accordance with Subsection 58-1-203(1)(f), the Peer Review Committee to the Utah Board of Accountancy consisting of not more than ten licensed CPAs. The committee shall be appointed and serve in accordance with Section R156-1-205.
- (5) The duties and responsibilities of the Peer Review Committee shall be advising the Board on peer reviews matters and shall include:
 - (a) reviewing the results of peer reviews administered by approved organizations and requiring corrective action of firms with significant deficiencies noted in the review process when considered necessary in addition to those required by the administering organization;
 - (b) evaluating compliance of CPE programs;
 - (c) performing random audits to determine compliance with the CPE requirements and the standards for CPE programs;
 - (d) reviewing complaints and recommending whether certain acts, practices or omissions violate the ethical standards of the profession;
 - (e) providing technical assistance to the Division; and
 - (f) serving as expert witnesses at administrative hearings.

R156-26a-302a. Qualifications for CPA Licensure - Education Requirements.

The education requirements for CPA licensure in Subsection 58-26a-302 are defined, clarified, or established as follows:

- (1) An applicant shall submit transcripts showing completion of course work consisting of a minimum of 150 semester hours (225 quarter hours), and one of the following:

(a) a graduate degree in accounting or taxation that is nationally accredited;

(b) a Master of Business Administration degree that is nationally accredited and includes no less than:

(i) 24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses covering the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):

(A) financial accounting;

(B) auditing;

(C) taxation;

(D) managerial or cost accounting;

(E) accounting information systems or data analytics; and

(ii) 12 semester hours (18 quarter hours) graduate level accounting courses covering any of the following subjects:

(A) financial accounting;

(B) auditing;

(C) taxation;

(D) managerial or cost accounting;

(E) accounting information systems or data analytics;

(c) a baccalaureate degree in business or accounting that is nationally accredited and includes no less than:

(i) 24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses covering at least one course in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):

(A) financial accounting;

(B) auditing;

(C) taxation;

(D) managerial or cost accounting;

(E) accounting information systems or data analytics; and

(ii) 30 additional semester hours (45 quarter hours) in upper division or graduate level accounting and business courses (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work); or

(d) a baccalaureate or graduate degree in business or accounting that is regionally accredited and includes no less than:

(i) 24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses with a minimum of two semester hours (three quarter hours) in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):

(A) financial accounting;

(B) auditing;

(C) taxation;

(D) managerial or cost accounting;

(E) accounting information systems or data analytics; and

(ii) 24 semester hours (36 quarter hours) in non-accounting business or related courses providing a minimum of two semester hours (three quarter hours) in each of the following subjects:

(A) business law;

(B) information systems;

(C) economics;

(D) business ethics;

(E) finance;

(F) statistics or quantitative methods;

(G) written and oral business communications;

(H) business administration such as marketing, operations, management, policy or organizational behavior; and

(iii) 30 additional semester hours (45 quarter hours) in upper division or graduate level accounting and business courses (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work).

(2) The Division in collaboration with the Board or the Education Advisory Committee may accept a baccalaureate degree in business or accounting from an institution that is not accredited, if the applicant:

(a)(i) has obtained a graduate degree in accounting, taxation, or a Master of Business Administration that is nationally accredited; and

(ii) meets the requirements in Subsection R156-26a-302a(1)(b)(i) or (ii); or

(b)(i) has obtained a graduate degree in accounting, taxation, or a Master of Business Administration that is regionally accredited; and

(ii) meets the requirements in Subsection R156-26a-302a(1)(d).

(3) The Division in collaboration with the Board or the Education Advisory Committee may make a written finding for cause that a particular accredited institution or program is not acceptable.

(4) The Division in collaboration with the Board or the Education Advisory Committee may accept education of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of a current Mutual Recognition Agreement between the foreign country and the International Qualifications Appraisal Board of NASBA.

R156-26a-302b. Qualifications for Licensure - Experience Requirements.

In accordance with Subsections 58-1-203(1)(b) and 58-1-301(3), the experience requirements for licensure in Section 58-26a-302 are clarified, or supplemented as follows:

(1) The Division in collaboration with the board may accept experience of a person who holds a license as a certified public accountant or

equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of a Mutual Recognition Agreement between the foreign country and the International Qualifications Appraisal Board of NASBA.

R156-26a-302c. Qualifications for Licensure - Examinations.

The examination requirements in Subsection 58-26a-306 are defined, clarified, or established as follows:

- (1) In accordance with Subsection 58-26a-306(1)(a), the form of application approved by the Division shall be the application that NASBA CPA Examination Services ("CPAES") requires to sit for the AICPA Uniform CPA Examination.
- (2) In accordance with Subsection 58-26a-306(1)(b), the fee shall be the fee charged by CPAES. No additional fee shall be due to the Division.
- (3) In accordance with Subsection 58-26a-306(1)(c), the minimum 120 semester hours (180 quarter hours) of the education requirement that an applicant shall complete before sitting for the AICPA Uniform CPA Examination shall include completion of:
 - (i) 24 semester hours (36 quarter hours) in non-duplicative upper division or graduate level accounting courses covering at least one course in each of the following subjects (with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work):
 - (A) financial accounting;
 - (B) auditing;
 - (C) taxation;
 - (D) managerial or cost accounting;
 - (E) accounting information systems or data analytics;
 - (4) In accordance with Subsection 58-26a-306(1)(c) and (d), the Board designates CPAES as the organization that shall determine whether an applicant has met the education requirements and is approved to sit for the AICPA Uniform CPA Examinations. However, if an applicant disputes CPAES's determination, the Board shall make the final determination.
 - (5) An applicant for licensure as a certified public accountant shall also pass:
 - (a) the AICPA Examination of Professional Ethics for CPAs with a score of at least 90%; and
 - (b) the Utah (CPA) Laws and Rules Examination with a score of at least 75%.
 - (6) The Division in collaboration with the Board may accept testing of a person who holds a license as a certified public accountant or equivalent designation in a foreign country, if the applicant has obtained from NASBA verification of compliance with the terms of a current Mutual Recognition Agreement between the foreign country and the International Qualifications Appraisal Board of NASBA.

R156-26a-303a. Renewal Requirements - Peer Review.

(1) General.

In accordance with Subsections 58-1-308(3)(b) and 58-26a-303(2)(b), there is created a peer review requirement as a condition for renewal of licenses issued under the Certified Public Accountant Licensing Act, providing for review of the work products of CPA and CPA firm licensees.

- (a) The purpose of the program is to monitor compliance with professional standards.
- (b) The program shall emphasize education and may include other remedial actions when non-compliance is found.
- (c) If a licensee is unwilling or unable to comply with or intentionally disregards professional standards, the administering organization shall refer the matter to the Division for consultation and determination of appropriate action.

(2) Scheduling of the Peer Review.

- (a) A firm's initial peer review shall be assigned a due date to require that the initial review be started no later than 18 months after the date of the issuance of its initial report as defined in Subsection 58-26a-102(20).
- (b) At least once every three years a firm engaged in the practice of public accounting shall undergo, at its own expense, a peer review commensurate in scope with its practice.
- (c) The administering organization shall assign the year of review.
- (d) A portion of the peer review may be performed by a regulatory body if the Board approves the regulatory body as an administering organization. This does not by itself satisfy the peer review requirement unless the other standards as specified in this rule are fulfilled by the regulatory body.

(3) Selection of a Peer Reviewer or inspector in the case of inspections mandated by law or regulatory bodies.

A firm scheduled for peer review shall engage a reviewer qualified to conduct the peer review. Regulatory bodies shall assign inspectors.

(4) Qualifications of a Peer Reviewer and inspectors.

- (a) Peer reviewers must provide evidence of one of the two following minimum qualifications to the administering organization:
 - (i) acceptance as a peer reviewer by the AICPA; or
 - (ii) compliance with the qualifications required by the AICPA to qualify as a peer reviewer.
- (b) Peer reviewers shall be licensed or hold a permit to practice as a CPA in Utah or another state or jurisdiction of the United States.
- (c) The administering organization shall approve reviewers for reviews not administered by the AICPA.
- (d) Regulatory bodies shall determine the qualifications of inspectors.

(5) Conduct of the Peer Review or inspection. Peer reviews shall be conducted as follows:

- (a) Peer reviews shall be conducted according to the "Standards for Performing and Reporting on Peer Reviews" promulgated by the AICPA, effective May 1, 2022, which are hereby incorporated by reference and adopted as the minimum standards for peer reviews of all firms. This section shall not require any firm or licensee to become a member of the AICPA or any administering organization.
- (b) The Board may review the standards used by the regulatory body to determine if those standards are sufficient to satisfy all or part

of the peer review requirements, or what additional review may be required to meet the peer review requirements under this rule.

(6) If an administering organization finds that a peer review was not performed in accordance with this rule or the peer review results in a pass with deficiencies or fail report, the Peer Review Committee may require remedial action to assure that the review or performance of the CPA or CPA firm being reviewed meets the objectives of the peer review program.

(7) Review of Multi-State Firms.

(a) With respect to a multi-state firm, the Division may accept a peer review based solely upon work conducted outside of this state as satisfying the requirement to undergo peer review under this rule, if:

(i) the peer review is conducted during the year scheduled or rescheduled under R156-26a-303a(2);

(ii) the peer review is performed in accordance with requirements equivalent to those of this state;

(iii) the peer review:

(A) studies, evaluates, and reports on the quality control system of the firm as a whole in the case of system reviews; or

(B) results in an evaluation and report on selected engagements in the case of engagement reviews;

(iv) the firm's internal inspection procedures require that the firm's personnel from another office outside the state perform the inspection of the office located in this state not less than once in each three year period; and

(v) at the conclusion of the peer review, the peer reviewer issues a report equivalent to that required by R156-26a-303a(5) or in the case of an approved regulatory body, a report is issued under their standards.

(b) A multi-state firm seeking approval under R156-26a-303a(7)(a) shall submit an application to the administering organization by February 1 of the year of review establishing that the peer review it proposes to undergo meets all of the requirements of R156-26a-303a(5).

(8) A firm which does not perform services encompassed in the scope of minimum standards as set out in R156-26a- 303a(5)(a) or (b) is exempt from peer review and shall notify the Division of the exemption at the time of renewal of its registration. A firm which begins providing these services must commence a peer review within 18 months of the date of the issuance of its initial report as defined in Subsection 58-26a-102(16).

(9) Mergers, Combinations, Dissolutions or Separations.

(a) Mergers or combinations: If two or more firms are merged or sold and combined, the surviving firm shall retain the year of review of the largest firm.

(b) Dissolutions or separations: If a firm is divided, the new firms shall retain the year of review of the former firm. If this period is less than 12 months, a new year shall be assigned so that the review occurs after 12 months of operation.

(c) Upon application to the administering organization and a showing of hardship caused solely by compliance with R156- 26a-303a(10), the Division may authorize a change in a firm's year of review.

(10) If a firm can demonstrate that the time established for the conduct of a peer review will create an unreasonable hardship upon the firm, the Division may approve an extension not to exceed 180 days from the date the peer review was originally scheduled, as follows:

(a) A request for extension shall be addressed in writing by the firm to the Division with a copy to the administering organization responsible for administration of that firm's peer review.

(b) The written request for extension shall be received by both the Division and the administering organization at least 30 days prior to the date of scheduled review or the request will not be considered.

(c) The Division shall inform the administering organization of the approval of any extension.

(11) Retention of Documents Relating to Peer Reviews.

(a) All documentation necessary to establish that each peer review was performed in conformity with peer review standards adopted by the Board, including the peer review working papers, the peer review report, comment letters and related correspondence indicating the firm's concurrence or nonconcurrence, and any proposed remedial actions and related implementation, shall be retained for the relevant administering organization's designated retention period or 120 days, whichever is longer.

(12) Costs and Fees for Peer Review.

(a) All costs associated with firm-on-firm reviews will be negotiated between the firm and the reviewer and paid directly to the reviewer. All costs associated with committee assigned review team (CART) reviews will be set by the administering organization. The administering organization will collect the fees associated with CART reviews and pay the reviewer.

(b) All costs associated with the administration of the review process shall be paid from fees charged to the firms. The fees shall be collected by the administering organization. The schedule of fees shall be included in the administering organization's proposal. The fee schedule shall specify how much is to be paid each year and shall be based on the firm size.

(13) All financial statements, working papers, or other documents reviewed are confidential. Access to those documents shall be limited to being made available, upon request, to the Peer Review Committee or the technical reviewer for purposes of assuring that peer reviews are performed according to professional standards.

R156-26a-303b. Continuing Professional Education (CPE).

The continuing professional education (CPE) requirements in Section 58-26a-304 are defined, clarified, or established as follows:

(1) A CPA shall complete at least 80 CPE hours in each two-year licensure cycle ending on December 31 of each even-numbered year, except that no CPE hours are required at a first renewal after initial licensure.

(2) CPE hours shall include at least:

(a) one hour of CPE that covers Title 58, Chapter 26a, the Certified Public Accountant Licensing Act, and Rule R156-26a, the Certified Public Accountant Licensing Act Rule; and

(b) three hours of ethics education that cover one or more of the following areas:

(i) the AICPA Code of Professional Conduct;

(ii) case-based instruction focusing on real-life situational learning;

(iii) ethical dilemmas faced by accounting professionals; or

(iv) business ethics.

(3) A CPA shall maintain current knowledge, skills, and abilities in all areas in which the CPA provides services, in order to provide services in a competent manner. To maintain or to obtain the knowledge, skills, and abilities to competently provide services, a CPA may be required to obtain CPE above and beyond the 80 minimum CPE credits specified in Section 58-26a-304.

(4) The Division incorporates and adopts by reference the AICPA/NASBA Statement on Standards for Continuing Professional Education (CPE) Programs, revised December 2019. These standards have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that CPAs maintain the required knowledge, skills, and abilities necessary to competently provide services and to enable the CPA to provide evidence of meeting the minimum CPE requirements.

(5) Reporting Requirements.

- (a) The license renewal deadline and the CPE reporting period deadline shall have the same date of December 31 of even-numbered years.
- (b) Except as otherwise authorized by the Division, CPE shall be entered in CPE Audit Service for online reporting and auditing of CPE compliance.
- (c) A licensee applying for license renewal shall report by December 31 of each even-numbered year, demonstrating completion of at least the minimum number of CPE hours required under Section 58-26a-304 and this Section.
- (d) Each person applying for license reinstatement shall report to the Division at the time of application, demonstrating completion of the CPE required under Section R156-26a-307.
- (e) If a licensee reports required CPE and renews their license prior to December 31 of an even-numbered year, any additional CPE completed by that licensee through the remainder of the even-numbered year may be reported and carried forward toward the next succeeding CPE reporting period.

(6) Carry Forward Provision.

- (a) A licensee who completes more than the required hours of CPE during the reporting period may carry forward up to 40 hours to the next succeeding reporting period.
- (b) CPE taken in the current reporting period and CPE hours carried forward from the previous reporting period shall qualify as general CPE hours only for the current reporting period.

(7) Failure to comply with CPE requirements.

- (a) A licensee who fails to complete the required minimum CPE by the reporting deadline may not renew their license until the required CPE hours have been completed and reported.
- (b) Pursuant to Subsection 58-26a-304(4), a licensee may request the Board to waive the requirements or grant an extension for CPE on the basis that the licensee was not able to complete the continuing professional education due to medical or related conditions confirmed by a qualified health care provider.
 - (i) Such medical confirmation shall include the beginning and ending dates during which the medical condition would have prevented the licensee from completing the CPE, the extent of the medical condition and the effect that the medical condition had upon the ability of the licensee to continue to engage in the practice of accountancy.
 - (ii) The Board in determining whether the waiver is appropriate shall consider whether or not the licensee continued to be engaged in the practice of accountancy practice on a full or part time basis during the period specified by the medical confirmation.
 - (iii) Granting a waiver of meeting the minimum CPE hours is not a waiver of a CPA being required to provide services in a competent manner with current knowledge, skill and ability. When medical or other conditions prevent the CPA from providing services in a competent manner, the CPA shall refrain from providing such services.

R156-26a-303c. Renewal Cycle.

In accordance with Subsection 58-1-308(1), the renewal date for the two-year renewal cycle applicable to licensees under Title 58, Chapter 26a is established by rule in Section R156-1-308.

R156-26a-303d. Renewal Procedures.

Renewal procedures shall be in accordance with Section R156-1-308.

R156-26a-305. Exemptions from Licensure - Mobility.

The mobility practice privilege included in Section 58-26a-305 is further clarified, defined, and established as follows:

- (1) As used in this section and Section 58-26a-305:
 - (a) "Mobility" means a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state/jurisdiction where their principal place of business is located, to practice outside of that state/jurisdiction without obtaining another license. CPA mobility is a uniform approach endorsed by the AICPA and NASBA through the AICPA/NASBA Uniform Accountancy Act (UAA), allowing no-notification interstate practice by CPAs whose home jurisdiction or who individually are substantially equivalent where they meet the UAA licensure standard. The individual and firm automatically consent to the jurisdiction of the mobility state, and the mobility state's ability to discipline under the provision is based on the performance of services within the mobility state, whether physically, electronically, or otherwise.
 - (b) "Individual mobility" means an individual CPA meets the requirements of Subsection 58-26a-305(1)(a) and Section R156-26a-305 to perform services through mobility in Utah. A CPA with individual mobility does not need to obtain a Utah CPA license or otherwise register with the Division.
 - (c) "Firm mobility" means a CPA firm meets the requirements of Subsection 58-26a-305(1)(a) and Section R156-26a-305 to perform services through mobility in Utah. A CPA firm with firm mobility does not need to obtain a Utah CPA firm license or register with the Division.
 - (d) "Home jurisdiction", for purposes of Section 58-26a-305 and this Section, means the jurisdiction where a CPA or CPA firm is

licensed and their principal place of business is located.

(e) "Mobility tool" means the online tool developed by the AICPA and NASBA to help CPAs and CPA firms understand mobility and determine their eligibility for mobility, available at <https://cpamobility.org>.

(2) A CPA or CPA firm performing services through mobility in Utah shall hold an active, unrestricted license in good standing in their home jurisdiction. An inactive or restricted CPA or CPA firm license is invalid pursuant to Subsection 58-26a-305(1)(a)(ii)(C).

(3) A CPA performing services through mobility shall only perform the same level of services (attest or non-attest) in the mobility jurisdiction as they are permitted to perform in their home jurisdiction.

(4) A CPA firm not licensed in Utah may perform services through mobility in Utah as a person exempt from licensure pursuant to Subsection 58-26a-305(1)(a), if:

(a) the CPA firm's principal place of business is not in Utah;

(b) the CPA firm holds an active, unrestricted CPA firm license in good standing in its home jurisdiction; and

(c) the CPA firm meets the ownership and peer review requirements of the mobility jurisdiction pursuant to Subsection 58-26a-302(3)(a)(iii) and Subsection R156-26a-303a.

(5) A licensed CPA or CPA firm may obtain information regarding their eligibility for mobility by using the mobility tool at <https://cpamobility.org>.

R156-26a-307. Reinstatement of Licenses.

(1) An individual who held a Utah license which has expired for failure to renew for nonpayment of fees, or an individual applying for reinstatement from emeritus status, may be relicensed upon satisfactory completion of:

(a) submission of an application on forms supplied by the Division which shall contain information as to why the individual allowed their license to lapse; and

(b) 80 hours of qualified CPE completed within the 12 months preceding the submission of the application for reinstatement, which shall include:

(i) at least 16 hours in accounting or auditing or both; and

(ii) successful completion of the AICPA Professional Ethics for CPAs Examination and the Utah CPA Laws and Rules Examination with minimum scores of at least the minimum score required for initial licensure, which shall count as eight hours of CPE towards the 80 hour requirement.

(2) The requirements in Subsection R156-26a-307(1)(b) may be waived if the reinstatement applicant:

(a) has not been practicing within Utah since the expiration of the license being reinstated;

(b) has continuously since the expiration been licensed and practicing in another state; and

(c) demonstrates that the applicant has met all the CPE requirements that would have been applicable in Utah during the time the license was expired in Utah.

(3) The requirements in Subsection R156-26a-307(1)(b) may be waived if:

(a) the applicant failed to renew because of inadvertent failure to pay the renewal fees, to sign application documents, or to meet similar technical application requirements;

(b) the application for reinstatement is filed with the Division within 24 months after expiration date of the license; and

(c) at time of application for reinstatement the applicant demonstrates by proof of attendance at acceptable CPE courses that at all times the applicant was in full compliance with the CPE requirements.

(4) The number of hours required to reinstate a license may not satisfy in whole or part any of the minimum hours of CPE that may be required for subsequent renewal of the license.

R156-26a-501. Unprofessional Conduct.

"Unprofessional conduct" includes:

(1) willfully failing to comply with continuing professional education requirements or fraudulently reporting continuing professional education;

(2) commission of an act or omission that fails to conform to the accepted and recognized standards and ethics of the profession including those stated in the AICPA Code of Professional Conduct, effective December 15, 2014, updated through January 2023, which is hereby incorporated by reference; or

(3) a CPA firm using the name of a person who is not a licensed certified public accountant as part of the CPA firm name, with the exception that a CPA firm may continue to use the name of a former owner who was a CPA but who has retired or is no longer active in the CPA firm.

KEY: accountants, licensing, peer review, continuing professional education Date of Last Change: November 7, 2019

Notice of Continuation: September 27, 2021

Authorizing, and Implemented or Interpreted Law: 58-26a-101; 58-1-106(1)(a); 58-1-202(1)(a)