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SENATE BILL NO. 1019

Senate Amendments in [] — January 26, 2017

A *BILL to amend and reenact §§ 54.1-4400, 54.1-4402, 54.1-4403, 54.1-4409.1, 54.1-4409.2, 54.1-4411, 54.1-4412.1, 54.1-4413.2, 54.1-4413.4, and 54.1-4425 of the Code of Virginia, relating to the Board of Accountancy.*

Patron Prior to Engrossment—Senator Barker

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-4400, 54.1-4402, 54.1-4403, 54.1-4409.1, 54.1-4409.2, 54.1-4411, 54.1-4412.1, 54.1-4413.2, 54.1-4413.4, and 54.1-4425 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-4400. Definitions.

As used in this chapter, unless the context clearly indicates otherwise:

"Accredited institution" means a degree-granting college or university accredited either by (i) one of the six major regional accrediting organizations—Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools, and Western Association of Schools and Colleges—or their successors; or (ii) an accrediting organization demonstrating to the Board periodically, as prescribed by the Board, that its accreditation process and standards are substantially equivalent to the accreditation process and standards of the six major regional accrediting organizations.

"Assurance" means any form of expressed or implied opinion or conclusion about the conformity of a financial statement with any recognition, measurement, presentation, or disclosure principles for financial statements.

"Attest services" means audit, review, or other attest services for which standards have been established by the Public Company Accounting Oversight Board, by the Auditing Standards Board or the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, or by any successor standard-setting authorities.

"Board" means the Virginia Board of Accountancy.

"Compilation services" means compiling financial statements in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

"Continuing professional education" means the education that a person obtains after passing the CPA examination and that relates to services provided to *or on behalf of* an employer in academia, government, or industry ~~using the CPA title~~ or to services provided to the public ~~using the CPA title~~.

"CPA" means certified public accountant.

"CPA examination" means the national uniform CPA examination approved and administered by the board of accountancy of a state or by the board's designee.

"CPA wall certificate" means the symbolic document suitable for wall display that is issued by the board of accountancy of a state to a person meeting the requirements to use the CPA title in that state.

"Executive Director" means the Executive Director of the Board.

"Experience" means employment in academia, a firm, government, or industry in any capacity involving the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the Board, to provide services to *or on behalf of* an employer ~~using the CPA title~~ or to the public ~~using the CPA title, as verified by an active, licensed CPA.~~

"Facilitated State Board Access" or "FSBA" means the sponsoring organization's process whereby it provides the Board access to peer review results via a secure website.

"Financial statement" means a presentation of historical or prospective financial information about one or more persons or entities.

"Financial statement preparation services" means financial statement preparation services for which standards have been established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

"Firm" means an entity formed by one or more licensees as a sole proprietorship, a partnership, a corporation, a limited liability company, or any other type of entity permitted by law.

"License of another state" means the license that is issued by the board of accountancy of a state other than Virginia that gives a person the privilege of using the CPA title in that state or that gives a

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60 firm the privilege of providing attest services, compilation services, and financial statement preparation
61 services to persons and entities located in that state.

62 "Licensed" means holding a Virginia license or the license of another state.

63 "Licensee" means a person or firm holding a Virginia license or the license of another state.

64 "Peer review" means a review of a firm's attest services, compilation services, and financial
65 statements preparation services that is conducted in accordance with the applicable monitoring program
66 of the American Institute of Certified Public Accountants or its successor, or with another monitoring
67 program approved by the Board.

68 "Practice of public accounting" means the giving of an assurance other than (i) by the person or
69 persons about whom the financial information is presented or (ii) by one or more owners, officers,
70 employees, or members of the governing body of the entity or entities about whom the financial
71 information is presented.

72 "Providing services to an employer using the CPA title" means providing to *or on behalf of* an entity
73 services that require the substantial use of accounting, financial, tax, or other skills that are relevant, as
74 determined by the Board.

75 "Providing services to the public using the CPA title" means providing services that are subject to
76 the guidance of the standard-setting authorities listed in the standards of conduct and practice in
77 subdivisions 5 and 6 of § 54.1-4413.3.

78 "Sponsoring organization" means a Board-approved professional society or other organization
79 responsible for the facilitation and administration of peer reviews through use of its peer review program
80 and applicable peer review standards.

81 "State" means any state of the United States, ~~the Commonwealth of the Northern Mariana Islands,~~
82 ~~the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands~~ or any territory of the United
83 ~~States that is a recognized jurisdiction by the National Association of State Boards of Accountancy or its~~
84 ~~successor.~~

85 "Using the CPA title in Virginia" means using "CPA," "Certified Public Accountant," or "public
86 accountant" (i) in any form or manner of verbal communication to persons or entities located in Virginia
87 or (ii) in any form or manner of written communication to persons or entities located in Virginia,
88 including but not limited to the use in any abbreviation, acronym, phrase, or title that appears in
89 business cards, the CPA wall certificate, Internet postings, letterhead, reports, signs, tax returns, or any
90 other document or device. *Holding a Virginia license or the license of another state constitutes using*
91 *the CPA title.*

92 "Virginia license" means a license that is issued by the Board giving a person the privilege of using
93 the CPA title in Virginia or a firm the privilege of providing attest services, compilation services, and
94 financial statement preparation services to persons and entities located in Virginia.

95 **§ 54.1-4402. Board; membership; qualifications; powers and duties.**

96 A. The Board of Accountancy established under the former § 54.1-2000 and previously operating in
97 the Department of Professional and Occupational Regulation is hereby continued and reestablished as an
98 independent board in the executive branch of state government.

99 B. The Board shall consist of seven members appointed by the Governor as follows: one member
100 shall be a public member who may be an accountant who is not licensed but otherwise meets the
101 requirements of clauses (i) and (ii) of § 54.1-107; one member shall be an educator in the field of
102 accounting who holds a Virginia license; four members shall be holders of Virginia licenses who have
103 been actively engaged in providing services to the public using the CPA title for at least three years
104 prior to appointment to the Board; and one member shall hold a Virginia license and for at least three
105 years prior to appointment to the Board shall have been actively engaged in providing services to the
106 public using the CPA title or in providing services to *or on behalf of* an employer in government or
107 industry using the CPA title.

108 C. Members of the Board shall serve for terms of four years. The Governor may remove any
109 member as provided in subsection A of § 2.2-108. Any member of the Board whose Virginia license is
110 revoked or suspended shall automatically cease to be a member of the Board.

111 D. The Board shall restrict the practice of public accounting and the use of the CPA title in Virginia
112 to licensed persons and firms as specified in §§ 54.1-4409.1 and 54.1-4412.1.

113 E. The Board shall restrict the provision of attest services, compilation services, and financial
114 statement preparation services to persons or entities located in Virginia and as specified in
115 § 54.1-4412.1. However, this shall not affect the privilege of a person who is not licensed to include a
116 statement on financial statements indicating that no assurance is provided on the financial statements, to
117 say that financial statements have been compiled, or to use the compilation language as prescribed by
118 subsections B and C of § 54.1-4401.

119 F. The Board shall take such actions as may be authorized by this chapter to ensure the continued
120 competence of persons using the CPA title in Virginia and firms providing attest services, compilation
121 services, or financial statement preparation services to persons or entities located in Virginia and to aid

the public in determining their qualifications.

G. The Board shall take such actions as may be authorized by this chapter to ensure that persons using the CPA title in Virginia and firms providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia adhere to the standards of conduct and practice in § 54.1-4413.3 and regulations promulgated by the Board.

H. The Board shall have the responsibility of enforcing this chapter and may by regulation establish rules and procedures for the implementation of the provisions of this chapter.

§ 54.1-4403. General powers and duties of the Board.

The Board shall have the power and duty to:

1. Establish the qualifications of applicants for licensure, provided that all qualifications shall be necessary to ensure competence and integrity.

2. Examine, or cause to be examined, the qualifications of each applicant for licensure, including the preparation, administration and grading of the CPA examination.

3. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) necessary to assure continued competency, to prevent deceptive or misleading practices by licensees, and to effectively administer the regulatory system.

4. Levy and collect fees for the issuance, renewal, or reinstatement of Virginia licenses that are sufficient to cover all expenses of the administration and operation of the Board.

5. Levy on holders of Virginia licenses special assessments necessary to cover expenses of the Board.

6. Initiate or receive complaints concerning the conduct of holders of Virginia licenses or concerning their violation of the provisions of this chapter or regulations promulgated by the Board, and to take appropriate disciplinary action if warranted.

7. Initiate or receive complaints concerning the conduct of persons who use the CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411 or firms that provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia under the provisions of subsection C of § 54.1-4412.1, and to take appropriate disciplinary action if warranted.

8. Initiate or receive complaints concerning violations of the provisions of this chapter or regulations promulgated by the Board by persons who use the CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411 or firms that provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia under the provisions of subsection C of § 54.1-4412.1, and to take appropriate disciplinary action if warranted.

9. Revoke, suspend, or refuse to *renew or* reinstate a Virginia license for just causes as prescribed by the Board.

10. Revoke or suspend, for just causes as prescribed by the Board, a person's privilege of using the CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411 or a firm's privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia under the provisions of subsection C of § 54.1-4412.1.

11. Establish requirements for peer reviews.

12. Establish continuing professional educational requirements as a condition for issuance, renewal, or reinstatement of a Virginia license.

13. Expand or interpret the standards of conduct and practice in § 54.1-4413.3.

14. Enter into contracts necessary or convenient for carrying out the provisions of this chapter or the functions of the Board.

15. Do all things necessary and convenient for carrying into effect this chapter and regulations promulgated by the Board.

§ 54.1-4409.1. Licensing requirements for persons.

A. A person must be licensed in order to use the CPA title in Virginia.

1. The person shall hold a Virginia license if he provides services to the public using the CPA title and the principal place of business in which he provides those services is in Virginia.

2. Other persons shall not be required to hold a Virginia license in order to use the CPA title in Virginia provided that they hold the license of another state and comply with the substantial equivalency provisions of § 54.1-4411.

B. The Board shall prescribe the methods, fees, and continuing professional education requirements for a person to apply for the issuance, renewal, or reinstatement of a Virginia license.

C. The Board has the authority to refuse to grant a person the privilege of using the CPA title in Virginia if, based upon all the information available, the Board finds that the person is unfit or unsuited to use the CPA title in Virginia. The Board shall not refuse to grant a person the privilege of using the CPA title in Virginia solely because of a criminal conviction.

§ 54.1-4409.2. How a person may obtain a Virginia license.

183 A. A person who has not held the license of any state may obtain a Virginia license under this
184 subsection.

185 1. To be considered for a Virginia license, the person seeking licensure shall:

186 a. Provide documentation that he has obtained from one or more accredited institutions ~~or from the~~
187 ~~National College~~ at least 150 semester hours of education, a baccalaureate or higher degree, and an
188 accounting concentration or equivalent, as defined by the Board;

189 b. Provide documentation that he has passed the CPA examination;

190 c. Describe his continuing professional education since he passed the CPA examination. The Board
191 shall determine whether his continuing professional education complies with the continuing professional
192 education requirement prescribed by the Board for that period; and

193 d. Describe his experience. The Board shall determine whether his experience complies with the
194 experience requirement prescribed by the Board.

195 2. After evaluating information provided by the person, the Board may request additional information
196 and may impose additional requirements for obtaining a Virginia license.

197 B. A person who does not hold the license of another state but has previously held the license of
198 another state may obtain a Virginia license under this subsection.

199 1. To be considered for a Virginia license, the person seeking licensure shall:

200 a. Disclose to the Board each state in which he has held a license;

201 b. Disclose, for each of those states, why the license is no longer held and provide documentation
202 from the board of accountancy concerning whether he has been found guilty of any violations of the
203 standards of conduct and practice established by statutes of the state or regulations promulgated by the
204 board;

205 c. Describe the semester hours of education he has obtained from colleges and universities. The
206 Board shall determine whether the education obtained is substantially equivalent to the education that
207 would have been required by the Board when the person passed the CPA examination;

208 d. Describe his continuing professional education since he last held the license of another state. The
209 Board shall determine whether his continuing professional education complies with requirement
210 prescribed by the Board for reinstatement of a Virginia license; and

211 e. Describe his experience. The Board shall determine whether his experience complies with the
212 experience requirement prescribed by the Board.

213 2. After evaluating the information provided by the person, the Board may request additional
214 information and may impose additional requirements for obtaining a Virginia license.

215 C. A person who holds the license of another state may obtain a Virginia license under this
216 subsection.

217 1. To be considered for a Virginia license, the person seeking licensure shall:

218 a. Disclose to the Board each state in which he holds or has held a license;

219 b. Provide, for each state in which the person holds a license, documentation from the board of
220 accountancy concerning whether he is in good standing with the board, whether there are any pending
221 actions alleging violations of the standards of conduct and practice established by statutes of the state or
222 regulations promulgated by the board, and whether he has been found guilty of any violations of the
223 standards of conduct and practice established by statutes of the state or regulations promulgated by the
224 board;

225 c. Disclose, for each state in which the person has held a license, why the license is no longer held
226 and provide documentation from the board of accountancy concerning whether he has been found guilty
227 of any violations of the standards of conduct and practice established by statutes of the state or
228 regulations promulgated by the board;

229 d. Describe the semester hours of education he has obtained from colleges and universities. The
230 Board shall determine whether the education obtained is substantially equivalent to the education that
231 would have been required by the Board when the person passed the CPA examination;

232 e. Describe his continuing professional education during the most recent reporting period that would
233 be required for the holder of a Virginia license. The Board shall determine whether his continuing
234 professional education complies with the continuing professional education requirement prescribed by the
235 Board for that period; and

236 f. Describe his experience. The Board shall determine whether his experience complies with the
237 experience requirement prescribed by the Board.

238 2. After evaluating the information provided by the person, the Board may request additional
239 information and may impose additional requirements for obtaining a Virginia license.

240 **§ 54.1-4411. Substantial equivalency provisions for persons who hold the license of another**
241 **state.**

242 A. A person who holds the license of another state shall be considered to have met requirements that
243 are substantially equivalent to those prescribed by the Board if:

244 1. The Board has determined that the education, CPA examination, and experience requirements of

the state are substantially equivalent to those prescribed by the Board, or

2. The person has demonstrated meeting education, CPA examination, and experience requirements that are substantially equivalent to those prescribed by the Board.

B. A person who holds the license of another state and meets the substantial equivalency provisions of subsection A shall not be required to hold a Virginia license to use the CPA title in Virginia provided that either (i) he provides services to the public using the CPA title and the principal place of business in which he provides those services is in other states or (ii) he does not provide services to the public using the CPA title. However, to use the CPA title in Virginia, the person shall:

1. Consent to be subject to:

a. The provisions of this chapter and regulations promulgated by the Board that apply to the holder of a Virginia license,

b. The jurisdiction of the Board in all disciplinary proceedings arising out of matters related to his use of the CPA title in Virginia, and

c. The Board's authority to revoke or suspend his privilege to use the CPA title in Virginia and to impose penalties for the person's violations of the provisions of this chapter and regulations promulgated by the Board.

2. Consent to the appointment of the executive director of the board of accountancy of the state that issued the license as his agent, upon whom process may be served (i) in any action or proceeding by the Board against him, or (ii) in any civil action in Virginia courts arising out of his using the CPA title in Virginia. In the event he holds a license from more than one state, the Board shall establish which executive director shall serve as his agent.

3. Consent to the personal and subject matter jurisdiction of the courts of Virginia in any civil action arising out of his use of the CPA title in Virginia and agree that the proper venue for such actions is in Virginia.

4. Agree to cease using the CPA title in Virginia if he is no longer licensed.

C. A holder of a Virginia license who is using the CPA title in another state under substantial equivalency provisions of statutes of the state or regulations promulgated by the board of accountancy of the state shall be subject to disciplinary action by the Board for an act or omission committed in that state. The Board may investigate any complaint made to or by the board of accountancy of any state related to the person's use of the CPA title in that state.

D. The Board may cooperate and share information with appropriate authorities in other states in investigations or enforcement matters concerning violations of the provisions of this chapter or regulations promulgated by the Board and comparable statutes or regulations of other states or boards of accountancy.

§ 54.1-4412.1. Licensing requirements for firms.

A. Only a firm can provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia. However, this shall not affect the privilege of a person who is not licensed to include a statement on financial statements indicating that no assurance is provided on the financial statements, to say that financial statements have been compiled, or to use the compilation language, as prescribed by subsections B and C of § 54.1-4401.

B. A firm that provides attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia shall obtain a Virginia license if the principal place of business in which it provides those services is in Virginia.

C. A firm that is not required to obtain a Virginia license may provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia if:

1. The firm can lawfully provide attest services, compilation services, or financial statement preparation services to persons or entities in the state where its principal place of business is located; and

2. The firm complies with subdivisions D 1, 2, 4, 5, 6, and 8 and subsection F; and

3. The firm's personnel working on the engagement either (i) hold a Virginia license or (ii) hold the license of another state and comply with the substantial equivalency provisions of § 54.1-4411; or

4. The firm's personnel working on the engagement are under the supervision of a person who either (i) holds a Virginia license or (ii) holds the license of another state and complies with the substantial equivalency provisions of § 54.1-4411.

D. For a firm to obtain *and hold* a Virginia license:

1. As determined on a firm-wide basis:

a. At least 51 percent of the owners of the firm shall be licensees, trustees of an eligible employee stock ownership plan as defined in § 13.1-543, or a firm that meets this requirement; and

b. At least 51 percent of the voting equity interest in the firm shall be owned by persons who are licensees, by trustees of an eligible employee stock ownership plan as defined in § 13.1-543, or by a firm that meets this requirement.

If the death, retirement, or departure of an owner causes either of these requirements not to be met, the requirement shall be met within one year after the death, retirement, or departure of the owner.

2. The Board shall prescribe requirements concerning the hours that owners who are not licensees work in the firm and may prescribe other requirements for those persons.

3. All attest services, compilation services, and financial statement preparation services provided for persons and entities located in Virginia shall be under the supervision of a person who either (i) holds a Virginia license or (ii) holds the license of another state and complies with the substantial equivalency provisions of § 54.1-4411.

4. Any person who releases or authorizes the release of reports on attest services, compilation services, or financial statement preparation services provided for persons or entities located in Virginia shall:

a. Either (i) hold a Virginia license or (ii) hold the license of another state and comply with the substantial equivalency provisions of § 54.1-4411; and

b. Meet any additional requirements the Board prescribes.

5. The firm shall conduct its attest services, compilation services, and financial statement preparation services in conformity with the standards of conduct and practice in § 54.1-4413.3 and regulations promulgated by the Board.

6. ~~The firm shall be enrolled in the applicable monitoring~~ *If the services provided by the firm are within the scope of the practice-monitoring program of the American Institute of Certified Public Accountants or its successor, the firm shall enroll in the program or in another monitoring practice-monitoring program for attest services, compilation services, and financial statement preparation services that is approved by the Board. In addition, if enrolled the firm shall comply:*

a. *Comply with any requirements prescribed by the Board in response to the results of peer reviews-*

~~7. The firm shall participate; and~~

b. *Participate in the American Institute of Certified Public Accountants', or sponsoring organizations', Facilitated State Board Access process, or its successor process, for peer reviews.*

~~8. 7. The name of the firm shall not be false, misleading, or deceptive.~~

E. The Board shall prescribe the methods and fees for a firm to apply for the issuance, renewal, or reinstatement of a Virginia license.

F. An entity may not use the CPA title in Virginia unless it meets the requirements of subdivision D 1.

§ 54.1-4413.2. Renewal and reinstatement of licenses and lifting the suspension of privileges.

A. A Virginia license shall provide its holder with a 12-month privilege to use the CPA title in Virginia or provide attest services, compilation services, and financial statement preparation services to persons and entities located in Virginia.

B. The person or firm holding the license shall have an additional 12-month period after the expiration of a license to renew the license.

1. The Board may prescribe renewal fees and requirements that increase based on the amount of time the person or firm allows to elapse before applying for renewal.

2. During the additional 12-month period, the person or firm shall be considered to hold a Virginia license.

C. If the license is not renewed by the end of the [additional] 12-month period, it shall be considered to have expired and the person or firm shall be considered to no longer hold a Virginia license.

~~D. C.~~ A person whose Virginia license expired may obtain a new Virginia license under subsection C of § 54.1-4409.2 if he holds the license of another state.

E. D. The license of a person whose Virginia license expired and who does not hold the license of another state may be reinstated under this subsection. In addition, a person whose privilege of using the CPA title in Virginia was suspended may have the suspension lifted under this subsection.

1. To be considered for reinstatement of a Virginia license or lifting the suspension of the privilege of using the CPA title in Virginia, a person shall:

a. ~~The person shall disclose~~ *Disclose* to the Board why he no longer holds a Virginia license or why his privilege of using the CPA title in Virginia was suspended; [~~and~~]

b. ~~The person shall disclose~~ *Disclose* to the Board each state in which he [holds or] has held a license.

c. For each of the states in which the person holds a license, he shall provide documentation from the board of accountancy about whether he is in good standing with the board, whether there are any pending actions alleging violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board, and whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board.

d. For each of the states in which the person has held a license, the person shall disclose why he no

longer holds a license and provide documentation from the board of accountancy concerning whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board; *and*

e. ~~The person shall describe~~ *c. Describe* his continuing professional education since his Virginia license expired or was suspended. The Board shall determine whether his continuing professional education complies with the continuing professional education requirement prescribed by the Board for that period.

2. After evaluating the information provided by the person, the Board may request additional information and may impose additional requirements for reinstatement of the Virginia license or lifting the suspension.

3. The Board shall communicate to the person its decision and, if the request for reinstatement or lifting the suspension is denied, the reasons for the denial. The request may be resubmitted when the person believes the matters affecting the request have been satisfactorily resolved. The person may request a proceeding in accordance with the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

F. ~~E.~~ The license of a firm whose Virginia license expired may be reinstated under this subsection. In addition, a firm whose privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia was suspended may have the suspension lifted under this subsection.

1. To be considered for reinstatement of a Virginia license or lifting the suspension of the privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia:

a. The firm shall disclose to the Board why it no longer holds a Virginia license or why its privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia was suspended.

b. The firm shall disclose to the Board each state in which it holds or has held a license.

c. For each of the states in which the firm holds a license, ~~it~~ *the firm* shall provide documentation from the board of accountancy concerning whether it is in good standing with the board, whether there are any pending actions alleging violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board, and whether it has been found guilty of any violations of these standards of conduct and practice.

d. For each of the states in which the firm has held a license, the firm shall disclose why it no longer holds a license and provide documentation from the board of accountancy concerning whether it has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board.

2. After evaluating the information provided by the firm, the Board may request additional information and may impose additional requirements for reinstatement of the Virginia license or lifting the suspension.

3. The Board shall communicate to the firm its decision and, if the request for reinstatement or lifting the suspension is denied, the reasons for the denial. The request may be resubmitted when the firm believes the matters affecting the request have been satisfactorily resolved. The firm may request a proceeding in accordance with the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

G. ~~F.~~ The Board shall consider granting the privilege of using the CPA title in Virginia, or the privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia, to persons or firms that have had the privilege revoked only when the person or firm demonstrates to the Board that there are special facts and circumstances that warrant reconsideration by the Board of whether it should allow the person or firm to have the privilege.

§ 54.1-4413.4. Penalties.

A. Penalties the Board may impose consist of:

1. Revoking the privilege of using the CPA title in Virginia or providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia;

2. Suspending or refusing to *renew or* reinstate the privilege of using the CPA title in Virginia or providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia;

3. Reprimanding, censuring, or limiting the scope of practice of any person using the CPA title in Virginia or any firm providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia;

4. Placing any person using the CPA title in Virginia or any firm providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia on probation, with or without terms, conditions, and limitations;

5. Requiring a firm holding a Virginia license to have an accelerated peer review conducted as the

429 Board may specify or to take other remedial actions;

430 6. Requiring a person holding a Virginia license to satisfactorily complete additional or specific
431 continuing professional education as the Board may specify; ~~and~~

432 7. Imposing a monetary penalty up to \$100,000 for each violation of the provisions of this chapter or
433 regulations promulgated by the Board; any monetary penalty may be sued for and recovered in the name
434 of the Commonwealth; ~~and~~

435 8. *Requiring any person or entity that violates § 54.1-4414 to discontinue any acts in violation of*
436 *that provision.*

437 B. The Board may impose penalties on persons using the CPA title in Virginia or firms providing
438 attest services, compilation services, or financial statement preparation services to persons or entities
439 located in Virginia for:

440 1. Violation of the provisions of this chapter or ~~regulations promulgated by violation of any~~
441 *regulation, subpoena, or order of the Board;*

442 2. Fraud or deceit in obtaining, renewing, or applying for reinstatement or lifting the suspension of a
443 Virginia license;

444 3. Revocation, suspension, or refusal to reinstate the license of another state for disciplinary reasons;

445 4. Revocation or suspension of the privilege of practicing before any state or federal agency or
446 federal court of law;

447 5. Dishonesty, fraud, or gross negligence in providing services to [*or on behalf of*] an employer [~~using the CPA title~~], in providing services to the public [~~using the CPA title~~], or in providing attest
448 services, compilation services, or financial statement preparation services;

449 6. Dishonesty, fraud, or gross negligence in preparing the person's or firm's own state or federal
450 income tax return or financial statement;

451 7. Conviction of a felony, or of any crime involving moral turpitude, under the laws of the United
452 States, of Virginia, or of any other state if the acts involved would have constituted a crime under the
453 laws of Virginia; ~~or~~

454 8. Lack of the competence required to provide services to the public ~~using the CPA title~~ for persons
455 and entities located in Virginia or to provide attest services, compilation services, and financial statement
456 preparation services to persons and entities located in Virginia, as determined by the Board.

457 C. The Board may also impose penalties on:

458 1. A person who does not hold a Virginia license, or who does not meet the requirements to use the
459 CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411, and commits any of
460 the acts prohibited by § 54.1-4414; or

461 2. An entity that does not meet the criteria prescribed by subdivision D 1 of § 54.1-4412.1 and
462 commits any of the acts prohibited by § 54.1-4414.

463 **§ 54.1-4425. Time for filing complaints against CPAs or CPA firms.**

464 A. Except as otherwise provided in subsections B and C, any complaint against a ~~CPA or CPA firm~~
465 *the holder of a Virginia license* for any violation of statutes or regulations pertaining to the Board or
466 any of the programs that may be in another title of the Code for which the Board has enforcement
467 responsibility, in order to be investigated by the Board, shall be made in writing, or otherwise made in
468 accordance with Board procedures, and received by the Board within three years of the act, omission, or
469 occurrence giving rise to the violation. ~~Public information obtained from any source by the Executive~~
470 ~~Director or agency enforcement staff may serve as the basis for a written complaint against a CPA or~~
471 ~~CPA firm.~~

472 B. However, where a ~~CPA or CPA firm~~ *holder of a Virginia license* has materially and willfully
473 misrepresented, concealed, or omitted any information and the information so misrepresented, concealed,
474 or omitted is material to the establishment of the violation, the complaint may be made at any time
475 within two years after discovery of the misrepresentation, concealment, or omission.

476 C. In cases where criminal charges have been filed involving matters that, if found to be true, would
477 also constitute a violation of the regulations or laws of the regulant's profession enforced by the Board,
478 an investigation may be initiated by the Board at any time within two years following the date such
479 criminal charges are filed.

480 D. *In order to be investigated by the Board, any complaint against an individual using the CPA title*
481 *in Virginia under the substantial equivalency provisions of § 54.1-4411 or against a firm providing*
482 *attest services, compilation services, or financial statement preparation services under subsection C of*
483 *§ 54.4412.1 for any violation of statutes or regulations pertaining to the Board or any of the programs*
484 *that may be in another title of this Code for which the Board has enforcement responsibility shall be*
485 *made in writing, or otherwise made in accordance with Board procedures, and received by the Board*
486 *within five years of the act, omission, or occurrence giving rise to the violation.*

487 E. *Public information obtained from any source may serve as the basis for a written complaint.*
488 Nothing in this section shall be construed to require the filing of a complaint if the alleged violation of
489 the statute or regulation is discovered during an investigation authorized by law, and the acts, omissions,
490

491 or conditions constituting the alleged violations are witnessed by a sworn investigator appointed by the
492 Executive Director.
493 E. F. Nothing herein shall deny the right of any party to bring a civil cause of action in a court of
494 law.

ENGROSSED

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