

RCW 18.04.195 License required—Requirements—Application—Fees.

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

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

(i) Any firm with an office in this state performing or offering to perform attest services as defined in RCW 18.04.025(1) or compilations as defined in RCW 18.04.025(5); or

(ii) Any firm that does not have an office in this state but offers or renders attest services described in RCW 18.04.025 in this state, unless it meets each of the following requirements:

(A) Complies with the qualifications described in subsection

(2) (a) of this section;

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

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

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

(b) A firm that is not subject to the requirements of (a) of this subsection may perform compilation services described in RCW 18.04.025(5) and other nonattest professional services while using the title "CPA" or "CPA firm" in this state without a license issued under this section only if:

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

(ii) The firm can lawfully do so in the state where said individuals with practice privileges have their principal place of business.

(2) A CPA firm that performs or offers to perform attest or compilation services as defined in RCW 18.04.025 is required to obtain a license under subsection (1) of this section, shall license as a firm every three years with the board, and shall meet the following requirements:

(a) A simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, shall hold and renew a license to practice under RCW 18.04.105 and 18.04.215, or be a licensee of another state who meets the requirements in RCW 18.04.350;

(b) All owners of a CPA firm, including nonlicensee owners, must comply with rules promulgated by the board;

(c) The principal member, manager, officer, or partner of a CPA firm having authority over issuing reports shall hold a license under this chapter or be a licensee of another state who meets the requirements in RCW 18.04.350; and

(d) Compliance with the requirements of RCW 18.04.205.

(3) Application for a license as a firm with an office in this state shall be made upon the affidavit of an individual holding a license under RCW 18.04.215.

(4) In the case of a firm licensed in another state and required to obtain a license under subsection (1) (a) (ii) of this section, the application for the firm license shall be made upon the affidavit of an individual who qualifies for practice privileges in this state under RCW 18.04.350 who has been authorized by the applicant firm to

make the application. The board shall determine in each case whether the applicant is eligible for a license.

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

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

(7) Fees for the license as a firm and for notification of the board of the admission or withdrawal of a partner, shareholder, or member shall be determined by the board. Fees shall be paid by the firm at the time the license application form or notice of admission or withdrawal of a partner, shareholder, or member is filed with the board.

(8) Any CPA firm licensed under this chapter may include nonlicensee owners provided that the nonlicensee owner is:

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

(b) Required to be an individual;

(c) Required to be of good character, as defined in RCW 18.04.105(1)(a), and an active individual participant in the licensed firm or affiliated entities as these terms are defined by board rule; and

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

(9) Resident nonlicensee owners of licensed firms are required to meet:

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

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

(10)(a) Licensed firms must notify the board within thirty days after:

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

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

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

(b) The board must adopt rules to implement this subsection and may also adopt rules specifying requirements for licensees to report to the board sanctions or orders relating to the licensee's practice

of public accounting or violation of ethical or technical standards entered against the licensee by a nongovernmental professionally related standard-setting entity. [2024 c 13 s 6; 2022 c 85 s 8; (2022 c 85 s 7 expired June 30, 2023); 2019 c 71 s 3; (2019 c 71 s 2 expired June 30, 2023); (2018 c 224 s 4 expired June 30, 2023); 2016 c 127 s 4; 2008 c 16 s 3; 2003 c 290 s 1; 2001 c 294 s 11; 1999 c 378 s 5; 1994 c 211 s 1402; 1986 c 295 s 8; 1983 c 234 s 9.]

Effective date—2022 c 85 ss 8, 10, 15, and 17: "Sections 8, 10, 15, and 17 of this act take effect June 30, 2023." [2022 c 85 s 22.]

Expiration date—2022 c 85 ss 7, 9, 14, and 16: "Sections 7, 9, 14, and 16 of this act expire June 30, 2023." [2022 c 85 s 21.]

Effective date—2019 c 71 ss 3 and 6: "Sections 3 and 6 of this act take effect June 30, 2023." [2019 c 71 s 8.]

Expiration date—2019 c 71 ss 2 and 5: "Sections 2 and 5 of this act expire June 30, 2023." [2019 c 71 s 7.]

Expiration date—Finding—Intent—2018 c 224: See notes following RCW 18.04.350.

Finding—Intent—2008 c 16: See note following RCW 18.04.025.

Effective date—2001 c 294: See note following RCW 18.04.015.

Effective date—1994 c 211: See note following RCW 18.04.025.