

RCW 18.04.345 Prohibited practices—Exemptions. (1) (a) No individual may assume or use the designation "certified public accountant-inactive" or "CPA-inactive" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant-inactive or CPA-inactive unless the individual holds a license in an inactive status. Individuals holding only an inactive license may not practice public accounting.

(b) Nothing contained in this chapter prohibits any person who holds only a valid license in an inactive status from assuming or using the designation "certified public accountant-inactive" or "CPA-inactive" or any other title, designation, words, letters, sign, card, or device tending to indicate the person is in an inactive status, provided, that such person does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports or of one or more kinds of management advisory, financial advisory, consulting services, the preparation of tax returns, or the furnishing of advice on tax matters.

(2) (a) No individuals may hold themselves out to the public or assume or use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant or CPA unless the individual qualifies for the privileges authorized by RCW 18.04.350 or holds a license under RCW 18.04.105 and 18.04.215.

(b) Nothing in this chapter prohibits the use of the title "accountant" by any person regardless of whether the person holds a license under this chapter. Nothing in this chapter prohibits the use of the title "enrolled agent" or the designation "EA" by any person regardless of whether the person holds a license under this chapter if the person is properly authorized at the time of use to use the title or designation by the United States department of the treasury. The board shall by rule allow the use of other titles by any person regardless of whether the person holds a license under this chapter if the person using the titles or designations is authorized at the time of use by a nationally recognized entity sanctioning the use of board-authorized titles.

(c) Nothing in this chapter prohibits any individual not holding a license and not qualified for the practice privileges authorized by RCW 18.04.350 from serving as an employee of a firm licensed under RCW 18.04.195 and 18.04.215. However, the employee shall not issue any report, as defined in this chapter, on the information of any other persons, firms, or governmental units over the employee's name.

(3) (a) No firm with an office in this state may perform or offer to perform attest services as defined in RCW 18.04.025(1) or compilation services as defined in RCW 18.04.025(5) unless the firm is licensed under RCW 18.04.195 and all offices of the firm in this state are maintained and registered under RCW 18.04.205. This subsection does not limit the services permitted under subsection (9) (b) of this section by persons not required to be licensed under this chapter.

(b) Nothing in this subsection prohibits any act of or the use of any words by a public official or a public employee in the execution of their duties when performing services as described in RCW 18.04.025 (1) and (5).

(4) (a) No firm may perform the services defined in RCW 18.04.025(1) in this state unless the firm is licensed under RCW 18.04.195, renews the firm license as required under RCW 18.04.215, and all offices of the firm in this state are maintained and registered under RCW 18.04.205.

(b) Nothing in this subsection prohibits any act of or the use of any words by a public official or a public employee in the execution of their duties when performing services as described in RCW 18.04.025(1).

(5) No individuals, partnership, limited liability company, or corporation offering public accounting services to the public may hold themselves or itself out to the public, or assume or use along, or in connection with their or its name, or any other name the title or designation "certified accountant," "chartered accountant," "licensed accountant," "licensed public accountant," "public accountant," or any other title or designation likely to be confused with "certified public accountant" or any of the abbreviations "CA," "LA," "LPA," or "PA," or similar abbreviations likely to be confused with "CPA."

(6) No licensed firm may operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the board.

(7) (a) No individual with an office in this state may sign, affix, or associate the individual's name or any trade or assumed name used by the individual in the person's business to any report prescribed by professional standards unless the individual holds a license to practice under RCW 18.04.105 and 18.04.215, a firm holds a license under RCW 18.04.195, and all of the individual's offices in this state are registered under RCW 18.04.205.

(b) Nothing in this chapter prohibits any officer, employee, partner, or principal of any organization:

(i) From affixing the person's signature to any statement or report in reference to the affairs of the organization with any wording designating the position, title, or office which the individual holds in the organization; or

(ii) From using the position, title, or office held by the individual in such organization to describe the individual.

(8) No individual licensed in another state may sign, affix, or associate a firm name to any report prescribed by professional standards, or associate a firm name in conjunction with the title certified public accountant, unless the individual:

(a) Qualifies for the practice privileges authorized by RCW 18.04.350; or

(b) Is licensed under RCW 18.04.105 and 18.04.215, and all of the individual's offices in this state are maintained and registered under RCW 18.04.205.

(9) (a) No individuals, partnership, limited liability company, corporation, or firm not holding a license to practice under RCW 18.04.105 and 18.04.215, or firm not licensed under RCW 18.04.195 or firm not registering all of the firm's offices in this state under RCW 18.04.205, or not qualified for the practice privileges authorized by RCW 18.04.350, may hold themselves or itself out to the public as an "auditor" with or without any other description or designation by use of such word on any sign, card, letterhead, or in any advertisement or directory.

(b) Nothing in this chapter prohibits any person or firm composed of persons not holding a license under this chapter from offering or rendering to the public bookkeeping, accounting, tax services, the

devising and installing of financial information systems, management advisory, or consulting services, the preparation of tax returns, or the furnishing of advice on tax matters, or similar services, provided that persons or firms not holding a license who offer or render these services do not designate any written statement as a report as defined in RCW 18.04.025 or use any language in any statement relating to the financial affairs of a person or entity which is conventionally used by licensees in reports or any attest service as defined in this chapter.

(c) Nothing in this chapter prohibits any person or firm composed of persons not holding a license under this chapter from offering or rendering to the public the preparation of financial statements, or written statements describing how such financial statements were prepared, provided that persons or firms not holding a license who offer or render these services do not designate any written statement as a report as defined in RCW 18.04.025, do not issue any written statement that purports to express or disclaim an opinion on financial statements that have been audited, and do not issue any written statement that expresses assurance on financial statements that have been reviewed. The board may prescribe, by rule, language for the written statement describing how such financial statements were prepared for use by persons not holding a license under this chapter.

(d) Nothing in this subsection (9) prohibits any act of or the use of any words by a public official or a public employee in the performance of the person's duties as such.

(10)(a) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges under RCW 18.04.350 from disclosing any data in confidence to other certified public accountants, quality assurance or peer review teams, partnerships, limited liability companies, or corporations of certified public accountants or to the board or any of its employees while engaged in conducting quality assurance or peer reviews, or any one of their employees in connection with quality or peer reviews of that accountant's accounting and auditing practice conducted under the auspices of recognized professional associations.

(b) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges under RCW 18.04.350 from disclosing any data in confidence to any employee, representative, officer, or committee member of a recognized professional association, or to the board, or any of its employees or committees in connection with a professional investigation held under the auspices of recognized professional associations or the board.

(11) A licensee of this state offering or rendering services or using their CPA title in another state shall be subject to disciplinary action in this state for an act committed in another state for which the licensee would be subject to discipline for an act committed in the other state. Notwithstanding RCW 18.04.295 and this section, the board shall cooperate with and investigate any complaint made by the board of accountancy of another state or jurisdiction.

(12) For purposes of this section, because individuals practicing using practice privileges under RCW 18.04.350 are deemed to have substantial equivalency to licensees under RCW 18.04.105 and 18.04.215, every word, term, or reference that includes the latter shall be deemed to include the former, provided the conditions of such practice privilege, as set forth in RCW 18.04.350 (3) and (4) are maintained.

(13) Notwithstanding anything to the contrary in this section, it is not a violation of this section for a firm that does not hold a valid license under RCW 18.04.195 and that does not have an office in this state to use the title "CPA" or "certified public accountant" as part of the firm's name and to provide its professional services in this state, and licensees and individuals with practice privileges may provide services on behalf of such firms so long as it complies with the requirements of RCW 18.04.195(1). An individual or firm authorized under this subsection to use practice privileges in this state must comply with the requirements otherwise applicable to licensees in this section. [2024 c 13 s 10; 2022 c 85 s 15; (2022 c 85 s 14 expired June 30, 2023); 2019 c 71 s 6; (2019 c 71 s 5 expired June 30, 2023); (2018 c 224 s 6 expired June 30, 2023); 2016 c 127 s 5; 2009 c 116 s 1; 2008 c 16 s 5; 2001 c 294 s 17; 1999 c 378 s 8; 1992 c 103 s 14; 1986 c 295 s 15; 1983 c 234 s 16.]

Effective date—2022 c 85 ss 8, 10, 15, and 17: See note following RCW 18.04.195.

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

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