

WSR 24-04-024

PERMANENT RULES

BOARD OF ACCOUNTANCY

[Filed January 29, 2024, 12:05 p.m., effective July 1, 2024]

Effective Date of Rule: July 1, 2024.

Purpose: Rule making is needed to: (1) Ensure consistency with the Public Accountancy Act (chapter 18.04 RCW) for legislation passed (SB 5519) on March 17, 2022, with an effective date of July 1, 2024; (2) remove references to certificate holders; (3) allow the remaining population of certificate holders to transition to a CPA license in an inactive status and provide the opportunity for the certificate holders to become fully licensed; (4) create a new inactive license status; (5) align board rules with other CPA jurisdictions; and (6) re-name some of the rules.

Citation of Rules Affected by this Order: New WAC 4-30-084 Converting from certificate to license; repealing WAC 4-30-104 How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity?; and amending WAC 4-30-010 Definitions, 4-30-020 What are the authority for and the purpose of the board's rules?, 4-30-028 Rules governing the formal adjudicative proceedings and the brief adjudicative proceedings before the board, 4-30-030 What are the requirements for communicating with the board and staff?, 4-30-032 Do I need to notify the board if I change my address?, 4-30-034 Must I respond to inquiries from the board?, 4-30-036 What enforcement actions must be reported to the board?, 4-30-038 Fees, 4-30-082 How does a CPA-Inactive certificate holder apply for licensure?, 4-30-088 What is the effect on a Washington individual licensee or CPA-inactive certificate holder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?, 4-30-094 How do I renew my individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?, 4-30-120 I am a CPA-Inactive certificate holder—Prior to July 1, 2001, I held a license—How do I apply to return to my previous status as a licensee?, 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or CPA-Inactive certificate out of retirement?, 4-30-124 How do I reinstate a lapsed license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?, 4-30-126 How do I reinstate a revoked or suspended license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?, 4-30-134 Continuing professional education (CPE) requirements, 4-30-136 Reporting continuing professional education (CPE) to the board, and 4-30-142 What are the bases for the board to impose discipline?

Statutory Authority for Adoption: RCW 18.04.055.

Adopted under notice filed as WSR 23-23-103 on November 15, 2023.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 1, Amended 18, Repealed 1.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 1, Amended 18, Repealed 1.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: January 26, 2024.

Michael J. Paquette, CPA  
Executive Director

**OTS-4805.1**

AMENDATORY SECTION (Amending WSR 23-04-085, filed 1/31/23, effective 3/3/23)

**WAC 4-30-010 Definitions.** For purposes of these rules the following terms have the meanings indicated unless a different meaning is otherwise clearly provided in these rules:

"Act" means the Public Accountancy Act codified as chapter 18.04 RCW.

"Active individual participant" means an individual whose primary occupation is at the firm or affiliated entity's business. An individual whose primary source of income from the business entity is provided as a result of passive investment is not an active individual participant.

"Applicant" means an individual who has applied:

- (a) To take the national uniform CPA examination;
- (b) For an initial individual license, an initial firm license, or initial registration as a resident nonlicensee owner;
- (c) To renew an individual license, (~~a CPA Inactive certificate,~~) a CPA firm license, or registration as a resident nonlicensee firm owner;
- (d) To reinstate an individual license (~~, a CPA Inactive certificate,~~) or registration as a resident nonlicensee firm owner (~~, or practice privileges~~);
- (e) To convert an inactive license to an active license.

"Attest" means providing the following services:

- (a) Any audit or other engagement to be performed in accordance with the statements on auditing standards;
- (b) Any review of a financial statement to be provided in accordance with the statements on standards for accounting and review services;
- (c) Any engagement to be performed in accordance with the statements on standards for attestation engagements; and
- (d) Any engagement to be performed in accordance with the public company accounting oversight board auditing standards.

"Audit," "review," and "compilation" are terms reserved for use by licensees, as defined in this section.

"Board" means the board of accountancy created by RCW 18.04.035.

"Breach of fiduciary responsibilities/duties" means when a person who has a fiduciary responsibility or duty acts in a manner adverse or contrary to the interests of the person to whom they owe the fiduciary responsibility or duty. Such actions would include profiting from their relationship without the express informed consent of the beneficiary of the fiduciary relationship, or engaging in activities that

represent a conflict of interest with the beneficiary of the fiduciary relationship.

**"Certificate"** (~~means a certificate as a CPA-Inactive issued in the state of Washington prior to July 1, 2001, as authorized by the act, unless otherwise defined in rule~~) issued under this act means an alternative license type previously issued by the board indicating that the certificate holder had passed the CPA examination, but had no verified experience, and was not fully licensed to practice public accounting. Certificates remained valid until June 30, 2024, at which time they convert to a CPA license in an inactive status. This definition does not include certificates issued by other jurisdictions which may be substantially equivalent to a Washington CPA license.

(~~"Certificate holder" means the holder of a valid CPA-Inactive certificate where the individual is not a licensee and is prohibited from practicing public accounting.~~)

**"Client"** means the person or entity that retains a licensee, as defined in this section, (~~a CPA-Inactive certificate holder,~~) a non-licensee firm owner of a licensed firm(~~(,)~~) or an entity affiliated with a licensed firm to perform professional services through other than an employer/employee relationship.

**"Compilation"** means providing a service to be performed in accordance with statements on standards for accounting and review services that is presenting in the form of financial statements, information that is the representation of management (owners) without undertaking to express any assurance on the statements.

**"CPA"** or **"certified public accountant"** means an individual holding a license to practice public accounting under chapter 18.04 RCW or recognized by the board in the state of Washington, including an individual exercising practice privileges pursuant to RCW 18.04.350(2).

(~~"CPA-Inactive" means an individual holding a CPA-Inactive certificate recognized in the state of Washington. An individual holding a CPA-Inactive certificate is prohibited from practicing public accounting and may only use the CPA-Inactive title if they are not offering accounting, tax, tax consulting, management advisory, or similar services to the public.~~)

**"CPE"** means continuing professional education.

**"Fiduciary responsibility/duty"** means a relationship wherein one person agrees to act solely in another person's interests. Persons having such a relationship are fiduciaries and the persons to whom they owe the responsibility are principals. A person acting in a fiduciary capacity is held to a high standard of honesty and disclosure in regard to a principal. Examples of fiduciary relationships include those between broker and client, trustee and beneficiary, executors or administrators and the heirs of a decedent's estate, and an officer or director and the owners of the entity.

**"Firm"** means a sole proprietorship, a corporation, or a partnership. "Firm" also means a limited liability company or partnership formed under chapters 25.15 and 18.100 RCW and a professional service corporation formed under chapters 23B.02 and 18.100 RCW.

**"Firm mobility"** means an out-of-state firm that is not licensed by the board and meets the requirements of RCW 18.04.195

(1) (a) (iii) (A) through (D) exercising practice privileges in this state.

**"Generally accepted accounting principles"** (GAAP) is an accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also

detailed practices and procedures. Those conventions, rules, and procedures provide a standard by which to measure financial presentations.

**"Generally accepted auditing standards"** (GAAS) are guidelines and procedures, promulgated by the AICPA, for conducting individual audits of historical financial statements.

**"Holding out"** means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person that the person holds a license or practice privileges under the act and that the person offers to perform any professional services to the public. "Holding out" shall not affect or limit a person not required to hold a license under the act from engaging in practices identified in RCW 18.04.350.

**"Inactive"** means (~~(the individual held a valid certificate on June 30, 2001, has not met the current requirements of licensure and has been granted CPA Inactive certificate holder status through the renewal process established by the board. A CPA Inactive may not practice public accounting nor may the individual use the CPA Inactive title if they are offering accounting, tax, tax consulting, management advisory, or similar services to the public)~~) a status of a license which prohibits a licensee from practicing public accounting. A person holding an inactive license may apply to the board to convert the license to an active status through an approval process established by the board.

**"Individual"** means a living, human being.

**"Independence"** means an absence of relationships that impair a licensee's impartiality and objectivity in rendering professional services for which a report expressing assurance is prescribed by professional standards.

**"Interactive self-study program"** means a CPE program that provides feedback throughout the course.

**"IRS"** means Internal Revenue Service.

**"License"** means a license to practice public accounting issued to an individual or a firm under the act, or (~~(the act of)~~) a license or certificate to practice public accounting in another state or jurisdiction.

**"Licensee"** means an individual or firm holding a valid license to practice public accounting issued under the act, (~~(including out-of-state)~~) and individuals ((exercising)) holding licenses or certificates to practice public accounting granted by out-of-state jurisdiction who are allowed to exercise practice privileges in this state under RCW 18.04.350(2) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1)(a) and (b).

**"Manager"** means a manager of a limited liability company licensed as a firm under the act.

**"Nano learning"** is a stand-alone continuing professional education (CPE) course that is a minimum of 10 minutes (0.2 CPE credit hours) consisting of electronic self-study with a stated learning objective and a minimum of two final assessment questions.

**"NASBA"** means the National Association of State Boards of Accountancy.

**"Nonlicensee firm owner"** means an individual, not licensed in any state to practice public accounting, who holds an ownership interest in a firm permitted to practice public accounting in this state.

**"PCAOB"** means Public Company Accounting Oversight Board.

**"Peer review"** means a study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including the "quality assurance review" under this section.

**"Person"** means any individual, nongovernmental organization, or business entity regardless of legal form, including a sole proprietorship, firm, partnership, corporation, limited liability company, association, or not-for-profit organization, and including the sole proprietor, partners, members, and, as applied to corporations, the officers.

**"Practice privileges"** are the rights granted by chapter 18.04 RCW to a person who:

- (a) Has a principal place of business outside of Washington state;
- (b) Is licensed to practice public accounting in another substantially equivalent state;
- (c) Meets the statutory criteria for the exercise of privileges as set forth in RCW 18.04.350(2) for individuals or RCW 18.04.195(1)(b) for firms;
- (d) Exercises the right to practice public accounting in this state individually or on behalf of a firm;
- (e) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board in this state;
- (f) Must comply with the act and all board rules applicable to Washington state licensees to retain the privilege; and
- (g) Consents to the appointment of the issuing state board of another state as agent for the service of process in any action or proceeding by this state's board against the certificate holder or licensee.

**"Principal place of business"** means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

**"Professional services"** include all services requiring accountancy or related skills that are performed for a client, an employer, or on a volunteer basis. These services include, but are not limited to, accounting, audit and other attest services, tax, bookkeeping, management consulting, financial management, corporate governance, personal financial planning, business valuation, litigation support, educational, and those services for which standards are promulgated by the appropriate body for each services undertaken.

**"Public practice"** or the **"practice of public accounting"** means performing or offering to perform by a person or firm holding itself out to the public as a licensee, or as an individual exercising practice privileges, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. The "practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.350(10) by persons or firms not required to be licensed under the act.

**"Quality assurance review or QAR"** is the process, established by and conducted at the direction of the board, to study, appraise, or review one or more aspects of the audit, compilation, review, and oth-

er professional services for which a report expressing assurance is prescribed by professional standards of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed.

**"Reciprocity"** means board recognition of licenses, permits, certificates or other public accounting credentials of another jurisdiction that the board will rely upon in full or partial satisfaction of licensing requirements.

**"Report,"** when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to and/or special competence of the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence. "Report" does not include services referenced in RCW 18.04.350 (10) or (11) provided by persons not holding a license under this chapter as provided in RCW 18.04.350(14).

**"Representing oneself"** means having a license, practice privilege, (~~certificate~~) or registration that entitles the holder to use the title "CPA," "CPA-Inactive," or be a nonlicensee firm owner.

**"Rules of professional conduct"** means rules adopted by the board to govern the conduct of licensees, as defined in this section, while representing themselves to others as licensees. These rules also govern the conduct of (~~CPA-Inactive certificate holders~~) licensees with an inactive status, nonlicensee firm owners, and persons exercising practice privileges pursuant to RCW 18.04.350(2).

**"SEC"** means the Securities and Exchange Commission.

**"Sole proprietorship"** means a legal form of organization owned by one person meeting the requirements of RCW 18.04.195.

**"State"** includes the states and territories of the United States, including the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands at such time as the board determines that the Commonwealth of the Northern Mariana Islands is issuing licenses under the substantially equivalent standards of RCW 18.04.350 (2) (a).

**"Statements on auditing standards (SAS)"** are interpretations of the generally accepted auditing standards and are issued by the Auditing Standards Board of the AICPA. Licensees are required to adhere to these standards in the performance of audits of financial statements.

**"Statements on standards for accounting and review services (SSARS)"** are standards, promulgated by the AICPA, to give guidance to licensees who are associated with the financial statements of nonpublic companies and issue compilation or review reports.

**"Statements on standards for attestation engagements (SSAE)"** are guidelines, promulgated by the AICPA, for use by licensees in attest-

ing to assertions involving matters other than historical financial statements and for which no other standards exist.

"Substantial equivalency" or "substantially equivalent" means a determination by the board or its designee that the education, examination, and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed those listed in this chapter.

#### OTS-4806.1

AMENDATORY SECTION (Amending WSR 11-07-070, filed 3/22/11, effective 4/22/11)

**WAC 4-30-020** (~~(What are the authority for and the)~~) **Authority and purpose of the board's rules** ((?)). The Public Accountancy Act (act), chapter 18.04 RCW, establishes the board as the licensing and disciplinary agency for certified public accountants (CPA), (~~(CPA-In-active certificate holders,)~~) CPA firms, and owners of CPA firms. The act authorizes the board to promulgate rules to carry out the purpose of the act, which include:

- Protecting the public interest;
- Enhancing the reliability of information used for guidance in financial transactions or for accounting for or assessing financial status or performance;
- Establishing one set of qualifications to be a licensee of this state;
- Assuring that CPAs practicing in Washington have substantially equivalent qualifications to those practicing in other states;
- Regulating ownership of CPA firms;
- Publishing consumer alerts and public protection information regarding persons and firms who violate the act or board rules; and
- Providing general consumer protection information to the public.

The board's rules, contained in Title 4 WAC, encompass these subjects:

- Definitions;
- Administration of the board;
- Ethics and prohibited practices;
- Entry and renewal requirements;
- Continuing competency; and
- Regulation and enforcement.

#### OTS-4807.1

AMENDATORY SECTION (Amending WSR 22-04-074, filed 1/31/22, effective 3/3/22)

**WAC 4-30-028** (~~(Rules governing the)~~) **Formal adjudicative proceedings and ((the)) brief adjudicative proceedings before the board.**

Except where they are inconsistent with the rules in this chapter and subject to additional rules that the board may adopt from time to time, adjudicative proceedings in and before the board are governed by the Administrative Procedure Act, chapter 34.05 RCW, and the uniform procedural rules codified in the Washington Administrative Code, chapter 10-08 WAC.

For certain types of decisions, the board has adopted an appeal process authorized by RCW 34.05.482 through 34.05.494 which is called a brief adjudicative proceeding. Decisions to which this appeal process will be applied are:

(1) Denials of initial individual license (~~(applications)~~), renewal(~~s~~), conversion, or (~~(applications for)~~) reinstatement applications;

~~(2) ((Denials of CPA Inactive certificate renewals or applications for reinstatement;~~

~~(3))~~ Denials of initial resident nonlicensee firm owner registration applications, renewals, or applications or requests for reinstatement;

~~((4))~~ (3) Denials of initial firm license applications, renewals, and amendments;

~~((5))~~ (4) Denials of exam applications;

~~((6))~~ (5) A proposed suspension as a result of a determination by a lending agency of nonpayment or default on a federally or state-guaranteed student loan or service conditional scholarship; and

~~((7))~~ (6) Lifts of stays of suspension from a board order.

To appeal a decision you must submit your request for a brief adjudicative proceeding, **in writing**, to the board **within 30 days** after the decision by board staff is posted in the U.S. mail. The board chair or the board vice chair, if the board chair is unavailable, will appoint one member of the board as the presiding officer for brief adjudicative proceedings. The presiding officer renders a decision either upholding or overturning the denial. This decision, called an order, will be provided to you at the last address you furnished to the board.

If you are dissatisfied with the order in the brief adjudicative proceeding, you may appeal to the board's vice chair, or designee. This appeal process is called an administrative review. Your appeal must be received by the board, **orally or in writing, within 21 days** after the brief adjudicative proceedings order is posted in the U.S. mail. The vice chair, or designee, considers your appeal and either upholds or overturns the brief adjudicative proceeding order. The vice chair's, or designee's, decision, also called an order, will be provided to you at the last address you furnished to the board.

#### OTS-4808.1

AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

**WAC 4-30-030** (~~(What are the requirements for)~~) **Communicating with the board and staff**(?). Individuals and firms must communicate with the board as follows:



Note: (1) Failure to timely inform the board ((of matters required by WAC 4-30-032, 4-30-036, 4-30-100, and 4-30-110)) can result in late fees and/or board discipline.  
 (2) Failure to timely respond to board requests for information may result in board discipline.

Condition	Time Period	Preferred Form of Contact	WAC
Complete and/or submitted applications, including requested information, documents, and fees.	Prior to holding out as a credentialed person.	Online system, board form, letter, or email with required information.	Various
Request for brief adjudicative proceeding (BAP).	Within 30 days after the staff decision is posted in U.S. mail.	Email or written correspondence.	4-30-028
Request for appeal of brief adjudicative proceeding (BAP).	Within 21 days after the BAP decision is posted in U.S. mail.	Oral, email or written correspondence.	4-30-028
1. Change of individual physical address; or	Within 30 days of any change of address.	Online system, board form, letter, or email with required information.	<del>((4-30-32 [4-30-032]))</del> 4-30-032
2. Change in the physical address of a firm's main office or branch office(s).			
Board requests for information or documents from licensees, <del>((certificate holders,))</del> nonlicensee firm owners, or applicants.	Within 20 days after the date of the request.	Email or written correspondence with requested information.	<del>((4-30-34 [4-30-034]))</del> 4-30-034
1. Notification of orders or sanctions imposed by the SEC, PCAOB, IRS, or another state board of accountancy for reasons other than payment of a license fee or failure to meet the CPE requirements of another state board of accountancy.	Within 30 days of receipt of an initial notice.	Board form, letter, PDF, or email with required information.	4-30-036
2. Charges filed by the SEC, IRS, PCAOB, another state board of accountancy or a federal or state taxing, insurance or securities regulatory body.			
Licensees <del>((or certificate holders))</del> granted issued through foreign reciprocity.	Within 30 days of receiving notice that an investigation has begun or a sanction was imposed.	Board form, letter, PDF, or email with required information.	4-30-036
Any investigations undertaken or sanctions imposed by a foreign credentialing body against a foreign credential.			
Reporting firm changes:	Within 90 days after the condition occurs.	Board form, letter, PDF, or email with required information.	4-30-110
<ul style="list-style-type: none"> <li>• Change in legal form;</li> <li>• Dissolution of a firm;</li> <li>• Change in resident manager(s) or owner(s);</li> <li>• Change in branch or main office location(s);</li> <li>• Change in firm name;</li> <li>• Noncompliance with firm ownership requirements.</li> </ul>			

Condition	Time Period	Preferred Form of Contact	WAC
A foreign license, permit, or certificate has lapsed or otherwise becomes invalid.	Within 30 days after the credential issued by the other jurisdiction has lapsed or otherwise becomes invalid.	Board form, letter, PDF, or email with required information.	<del>((4-30-100))</del> <u>4-30-102</u>

**OTS-4809.1**

AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

**WAC 4-30-032** ~~((Do I need to notify the board if I change my address?))~~ **Change of address.** ~~((Yes.))~~ All individuals licensed in this state, ~~((CPA-Inactive certificate holders,))~~ CPA firms licensed in this state, individuals registered with the board as resident nonlicensee firm owners, and applicants must notify the board **in writing** within ~~((thirty))~~ **30** days of any change of address. Firms licensed in this state must notify the board of any opening, closing, or relocation of the main office or a branch office in this state.

**OTS-4810.1**

AMENDATORY SECTION (Amending WSR 16-17-036, filed 8/9/16, effective 9/9/16)

**WAC 4-30-034** ~~((Must I respond to inquiries from the board?))~~ **Responding to board inquiries.** ~~((Yes.))~~ All licensees, including out-of-state individuals exercising practice privileges in this state under RCW 18.04.350(2) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1)(a) and (b), ~~((CPA-Inactive certificate holders,))~~ nonlicensee firm owners, and applicants must respond, **in writing**, to board communications requesting a response. Your response must be made within ~~((twenty))~~ **20** days of the date the board's communication is posted in the U.S. mail. Communications from the board to you are directed to the last address you furnished the board.

**OTS-4811.1**

AMENDATORY SECTION (Amending WSR 11-06-062, filed 3/2/11, effective 4/2/11)

**WAC 4-30-036** ~~((What))~~ **Enforcement actions ((must be reported)) reportable to the board((?)).** (1) A licensee ~~((, CPA-Inactive certifi-~~

~~ate holder,))~~ or nonlicensee firm owner must notify the board, of the following matters, in the manner prescribed by the board, within **((thirty)) 30 days** of the issuance of:

(a) A sanction, order, suspension, revocation, or modification of a license, certificate, permit or practice rights by the SEC, PCAOB, IRS, or another state board of accountancy for any cause other than failure to pay a professional license fee by the due date or failure to meet the continuing professional education requirements of another state board of accountancy; or

(b) Charges filed by the SEC, IRS, PCAOB, another state board of accountancy, or a federal or state taxing, insurance or securities regulatory body that the licensee, ~~((CPA-Inactive certificate holder,))~~ or nonlicensee firm owner committed a prohibited act that would be a violation of board ethical or technical standards.

(2) Licensed CPA firms with more than one licensed owner are not required to report on action taken against owners, principals, partners, or employees.

(3) If you hold a license ~~((or CPA-Inactive certificate))~~ issued through the foreign reciprocity provisions of the act, you must notify the board of any investigations undertaken, or sanctions imposed, by a foreign credentialing body against your foreign credential within **((thirty)) 30 days** of receiving notice that an investigation has begun or a sanction was imposed.

**OTS-4812.1**

AMENDATORY SECTION (Amending WSR 18-04-071, filed 2/2/18, effective 3/5/18)

**WAC 4-30-038 Fees.** RCW 18.04.065 provides that the board shall set fees related to licensure at a level adequate to pay the costs of administering chapter 18.04 RCW. The board has established the following fee schedule:

- (1) Initial application for individual license, individual license through reciprocity, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner ..... \$330
- (2) Renewal of individual license, ~~((CPA-Inactive certificate,))~~ CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner ..... \$230
- (3) Application for ~~((CPA-Inactive certificate holder))~~ a licensee to convert ~~((to a license))~~ from an inactive to an active status ..... \$0
- (4) Application for reinstatement of license ~~((; CPA-Inactive certificate,))~~ or registration as a resident nonlicensee owner ..... \$480
- (5) Quality assurance review (QAR) program fee (includes monitoring reviews for up to two years)  
Firm submits reports for review ..... \$400

	Firm submits a peer review report for review .....	\$60
	Firm is exempted from the QAR program because the firm did not issue attest reports .....	\$0
(6)	Late fee * .....	\$100
(7)	Amendment to firm license except for a change of firm address (there is no fee for filing a change of address) .....	\$35
(8)	Replacement CPA wall document .....	\$50
(9)	Dishonored check fee (including, but not limited to, insufficient funds or closed accounts) .....	\$35
(10)	CPA examination. Exam fees are comprised of section fees plus administrative fees. <b>The total fee is contingent upon which section(s) is/are being applied for and the number of sections being applied for at the same time.</b> The total fee is the section fee(s) for each section(s) applied for added to the administrative fee for the number of section(s) applied for.	
(a)	Section fees: Section fees for the computerized uniform CPA examination are set by third-party providers for the development and delivery of the exam. These fees are collected and retained by the third-party provider.	
(b)	Administrative fees: Administrative fees for the qualification and application processes are set by a third-party provider. These fees are collected and retained by the third-party provider.	

\* The board may waive late filing fees for individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

**OTS-4813.1**

AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

**WAC 4-30-082 ((How does a CPA-Inactive certificate holder apply for licensure?)) Certificate holder applying for initial licensure.**  
 ((CPA-Inactive)) Certificate holders ((are individuals who held a valid certificate on June 30, 2001, but did not hold a valid Washington state license to practice public accounting on that date. Individuals who did not hold a valid certificate on June 30, 2001 and current licensees are not eligible for CPA-Inactive certificate holder status)) who did not hold a valid certificate on the conversion date of June 30, 2024, must apply for a license and meet the requirements for initial licensure.

(1) To qualify for licensure ((a CPA-Inactive certificate holder)) you must meet the following criteria and requirements:

- (a) Good character requirements of RCW 18.04.105 (1)(a);

(b) Experience requirements of WAC 4-30-070 within the eight-year period immediately preceding your application; and

(c) CPE requirements of WAC 4-30-134(5).

~~(2) ((To apply for a license, you must also submit to the board a certification that you meet the requirements of subsection (1) of this section and:~~

~~(a) Have not held out in public practice during the time in which you were a CPA-Inactive certificate holder; and~~

~~(b) Other required documentation or information deemed necessary by the board.~~

~~(3-)) You must ((provide)) submit the required information, documents, and fees (if applicable) to the board either by making application through the board's online application system or on a form provided upon request.~~

~~((4) You must submit all requested information, documents, and fees (if applicable) to the board before the application will be evaluated.~~

~~(5-)) (3) Upon assessment of your qualifications and approval of your application, your license status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your ((credential)) license can be provided upon request.~~

~~((6) Your CPE reporting period and your renewal cycle will remain the same.~~

~~(7-)) (4) Your license will expire on June 30th of the third calendar year following initial licensure.~~

~~(5) You may not use the title "CPA" or "Certified Public Accountant" until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.~~

## OTS-4814.1

### NEW SECTION

**WAC 4-30-084 Converting from certificate to license.** Previous certificate holders were automatically converted on July 1, 2024, to a license in an inactive status. In order to practice public accounting, you must convert your license to an active status.

(1) To qualify to apply for an active license you must:

(a) Meet the experience requirements of WAC 4-30-070, without regard to the eight-year limitation; and

(b) Meet the CPE requirements of WAC 4-30-134(5); and

(c) Submit the required information, documents, and fees (if applicable) to the board either by submitting an application through the board's online application system or on a form provided upon request.

(2) Upon assessment of your qualifications and approval of your application, your license status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

(3) Your CPE reporting period and your renewal cycle will remain the same.

(4) You may not use the title "CPA" or "Certified Public Accountant" until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.

#### OTS-4815.1

AMENDATORY SECTION (Amending WSR 14-22-033, filed 10/28/14, effective 11/28/14)

~~WAC 4-30-088 ((What is the effect on a Washington individual licensee or CPA inactive certificateholder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?))~~ Military service. (1) **Definitions.** For purposes of this rule:

(a) "Active military duty" means:

(i) Deployed upon order of the President of the United States, the U.S. Secretary of Defense or Homeland Security in the case of a member of the armed forces or armed force reserves; or

(ii) Deployed upon order of the governor of this state in the case of the National Guard.

(b) "Armed forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard and reserves of each branch of the armed forces.

(c) "Active duty" means full-time employment in the armed forces of the United States. Such term does not include National Guard duty.

(d) "Military individual" means a living human being serving full time in the United States armed forces.

(e) "Military spouse" means the husband, wife, or registered domestic partner of a military individual.

(2) **Active military duty.**

(a) An individual fully employed on active duty in the armed forces of the United States applying for an initial license in this state shall receive priority processing of the application for initial licensing.

(b) A military applicant who obtains an initial license or a military individual holding a current license issued by this board, will be classified as "military" if the services provided to the armed forces include services within the definition of the practice of public accounting.

(c) An individual in the armed forces, reserves or National Guard and called to "active military duty" while holding an active or inactive license (~~or CPA inactive certificate~~) issued by this board may apply for a waiver of renewal fees and continuing professional education (CPE):

(i) The request for waiver of renewal fees and continuing professional education may be made through the board's online application and payment system or on a form provided by the board upon request;

(ii) The request for waiver must be supported by submitting documentation to substantiate the military individual's "active military duty" status;

(iii) Upon approval the waiver will serve to classify the individual as "military inactive";

(iv) The CPE reporting period and renewal year will not be affected by this reclassification of status;

(v) The waiver will continue to maintain an individual's military inactive status without fee or CPE until the individual is released from active military duty or discharged from the armed forces, reserves, or National Guard;

(vi) The board must be notified within six months after the date of release from active military duty or discharge from the armed forces. The board must be notified within six months of the date of release from a treatment facility if the individual is or has been in a treatment facility and a discharge was the result of injury or other reasons.

**(3) Return to previously held status after release from "active military duty" or discharge from the armed forces.**

(a) If a military individual desires to return to a previously held status after release from active military duty or discharge from the armed forces, all required information, documents, and fees must be submitted to the board before the application will be evaluated. An application for return to previously held status may be made through the board's online application and payment system or on a form provided by the board upon request and must include the following:

(i) Documentation to substantiate:

- Release from "active military duty"; or
- Type of discharge from the armed forces.

(ii) Documentation to substantiate completion of the following qualified CPE:

- If the application is submitted in the last year of the previous CPE reporting period the individual must have completed four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of (~~ninety~~) 90 percent on the board prepared examination available on the board's website. The renewal fee is waived in this circumstance;

- If the application is submitted in the second year of the previous CPE reporting period the individual must have completed (~~forty~~) 40 CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of (~~ninety~~) 90 percent on the board prepared examination available on the board's website;

- If the application is submitted in the first year of the previous CPE reporting period the individual must have completed (~~eighty~~) 80 CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of (~~ninety~~) 90 percent on the board prepared examination available on the board's website.

(iii) A military individual may receive an expedited license while completing any specific requirements that are not related to CPE or other board rules.

(b) The previously held status will not become effective until the status has been posted to the board's database and, therefore, made available to the general public.

**(4) Military spouses.**

(a) A military spouse or state registered domestic partner of an individual in the military may receive an expedited license while completing any specific additional requirements that are not related to training or practice standards for the profession, provided the military spouse or state registered domestic partner:

(i) Holds an unrestricted, active license in another state that has substantially equivalent licensing standards for the same profession to those in Washington; and

(ii) Is not subject to any pending investigation, charges, or disciplinary action by the regulatory body of another state or jurisdiction of the United States.

(b) To receive expedited license treatment, the military spouse or state registered domestic partner of an individual in the military must provide all required information, documents, and fees to the board either by making application through the board's online application and payment system or on a form provided by the board upon request before the application will be evaluated.

(c) The application for expedited licensing will not be processed until the applicant submits copies to the board of the military individual's orders and official documents to establish the applicant's relationship to the military individual, such as one or more following documents:

(i) The military issued identification card showing the individual's military information and the applicant's relationship to that individual;

(ii) A marriage license; or

(iii) Documentation verifying a state registered domestic partnership.

(d) A military spouse or state registered domestic partner may only use a restricted title and practice public accounting under another state's license without an expedited license issued by this board for ~~((ninety))~~ 90 days from the date the spouse entered this state for temporary residency during the military individual's transfer to this state.

#### OTS-4816.1

AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

**WAC 4-30-094** ~~((How do I renew my individual license, CPA Inactive certificate, or registration as a resident nonlicensee firm owner?))~~ **Renewals.** ~~((A licensee may not renew as a CPA Inactive certificate holder.))~~

To renew your individual license ~~((, CPA Inactive certificate,))~~ or registration as a resident nonlicensee firm owner, you must by April 30th of the year of expiration make application through the board's online application system or on a form provided by the board upon request and provide the board with:

(1) Complete renewal information including:

(a) Your certification that you have complied with the CPE requirements of WAC 4-30-134 ~~((-1))~~ and the supporting documentation requirements of WAC 4-30-138; and

(b) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, certificate, or permit to practice;

(2) All required documentation, required information, and other documentation deemed necessary by the board; and



(3) All applicable fees.

A renewal application is not complete and cannot be processed until all required information, documents, and all applicable fees are submitted to the board.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

An individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner renewal expires on June 30 of the third calendar year following the calendar year of renewal.

**Late renewal application:** Failure to file a complete application for renewal of an individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner by April 30<sup>th</sup> of the year of expiration will result in late fees. The board may waive, reduce, or extend the due date of renewal and/or late fees based on individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

**Failure to file a renewal application:** If you fail to file a complete application for renewal of an individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner by June 30<sup>th</sup> of the year of renewal, your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner will lapse.

**Failure to complete CPE:** If you did not complete the credit hours of continuing professional education (CPE) required to renew (~~your credential~~), or did not submit (~~a timely~~) an extension request, and/or (~~was~~) were not granted an extension of time (~~for reasonable cause within which~~) to complete the deficiency, your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner will lapse on June 30<sup>th</sup> of the year of renewal.

**Lapsed credentials:** A lapsed credential is subject to reinstatement.

If your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner has lapsed, you may not use the restricted title(s) or exercise other privileges that are dependent upon the renewal (~~of your credential~~).

## OTS-4818.2

AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

**WAC 4-30-120** (~~(I am a CPA-Inactive certificate holder Prior to July 1, 2001, I held a license How do I apply to return to my previous status as a licensee?)~~) **Converting license status from inactive to active.** (~~(CPA-Inactive certificate holders who held a license at any time prior to July 1, 2001, may apply to return to their previous status as a licensee. If you are a CPA-Inactive certificate holder, you may not use the title "CPA" or "Certified Public Accountant" until you return to your previous status as a licensee.~~)

If you hold a valid CPA-Inactive certificate, you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, required documentation, fees, and other documentation deemed necessary by the board are submitted to the board.

To apply to return to your previous)) To convert to an active status as a licensee you must submit to the board:

(1) Complete application information including your certification that you have:

(a) Not held out ((in)) or practiced public ((practice)) accounting during the time in which you were ((a CPA-Inactive certificate holder)) inactive; and

(b) Met the CPE requirements of WAC 4-30-134(5) ((7)).

(2) ((All other required information, documents, and all fees.)) The required information, documents, and fees (if applicable) to the board either by making application through the board's online application system or on a form provided upon request.

Upon assessment of your continued qualifications and approval of your application, your active status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

((You may not use the title CPA until your status as a licensee is posted in the board's licensee database.))

## OTS-4819.2

AMENDATORY SECTION (Amending WSR 20-02-059, filed 12/24/19, effective 1/24/20)

**WAC 4-30-122 ((If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or a CPA-Inactive certificate out of retirement?)) Renewal out of retirement.** If you notify the board that you wish to retire your license ((or CPA-Inactive certificate)) prior to the end of your renewal cycle, pursuant to RCW 18.04.215, you may renew your license ((or CPA-Inactive certificate)) out of retirement at a later date and are not subject to the requirements of reinstatement; however, you may not use the title CPA or CPA-Inactive or exercise the privileges related to those titles until you renew out of retirement.

((If you previously held a license and requested that the license be retired, you are not eligible to apply for CPA-Inactive certificate holder status.))

To apply to renew a license ((or a CPA-Inactive certificate)) out of retirement, you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

To apply to renew out of retirement, you must submit to the board:

(1) Complete application information including your certification that you have:

- (a) Not used the title CPA or CPA-Inactive during the time in which your license (~~(or CPA-Inactive certificate)~~) was retired; and
- (b) Met the CPE requirements to renew out of retirement in WAC 4-30-134(5) (~~(; and)~~).

(2) ~~((All applicable fees.))~~ The required information, documents, and fees (if applicable) to the board either by making application through the board's online application system or on a form provided upon request.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

Your license (~~(or CPA-Inactive certificate)~~) will expire on June 30th of the third calendar year following the calendar year of the renewal out of retirement. The CPE reporting period for your next renewal begins on January 1st of the calendar year in which the renewal of your retired license (~~(or CPA-Inactive certificate)~~) was approved by the board and ends on December 31st of the second calendar year following approval of the renewal out of retirement. CPE credit hours utilized to qualify for renewal of a retired license (~~(or CPA-Inactive certificate)~~) cannot be utilized for subsequent renewal (~~(of your credential renewed out of retirement)~~).

You may not use the title CPA (~~(or CPA-Inactive)~~) until your renewal out of retirement application has been approved.

#### OTS-4820.1

AMENDATORY SECTION (Amending WSR 20-02-059, filed 12/24/19, effective 1/24/20)

**WAC 4-30-124** ~~((How do I reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?))~~ **Reinstatements.** If your individual license (~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner has lapsed, you may not use the restricted title(s) until your individual credential has been reinstated by the board.

~~((Individuals who held a valid license on June 30, 2001, and individuals obtaining a license after June 30, 2001, are not eligible to reinstate as CPA-Inactive certificate holders.))~~

To reinstate a lapsed individual license (~~(, CPA-Inactive certificate,)~~) or registration as a nonlicensee firm owner you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information and documents, and fees have been submitted to the board.

To reinstate, you must submit to the board:

(1) Complete reinstatement information including your certification that you have:

- (a) *For those who wish to reinstate a license* (~~(or CPA-Inactive certificate)~~): Not used the title CPA or CPA-Inactive during the time

in which your individual license (~~(or CPA-Inactive certificate)~~) was lapsed; or

(b) *For those who wish to reinstate a registration as a resident nonlicensee firm owner:* Not participated as an owner in a CPA firm during the time in which your registration as a resident nonlicensee firm owner was (~~(suspended or revoked)~~) lapsed; and

(c) Met the CPE requirements for reinstatement in WAC 4-30-134(5); and

(d) Met the CPE supporting documentation requirements in WAC 4-30-138;

(2) (~~(Source)~~) Provide documents as evidence of eligibility for CPE credit for all courses claimed in order to meet CPE requirements as defined by WAC 4-30-138;

(3) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, certificate, or practice privileges;

(4) Other required documents; and

(5) All applicable fees.

Upon approval of your reinstatement application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

Your license(~~(, CPA-Inactive certificate,)~~) or registration as a nonlicensee firm owner will expire on June 30th of the third calendar year following approval of the reinstatement. The CPE reporting period for your next renewal begins on January 1st of the calendar year in which the reinstatement of your license(~~(, CPA-Inactive certificate,)~~) or registration as a nonlicensee firm owner was approved by the board and ends on December 31st of the second calendar year following approval of the reinstatement. CPE credit hours utilized to qualify for reinstatement cannot be utilized for subsequent renewal (~~(of your reinstated credential)~~).

You may not use the (~~(restricted title(s))~~) title CPA or CPA-Inactive or hold an interest in a licensed CPA firm as a resident licensee firm owner until your reinstatement application has been approved (~~(and posted to the board's database)~~).

## OTS-4821.1

AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

**WAC 4-30-126 ((How do I reinstate)) Reinstatement of a revoked or suspended license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner(?).** If your license (~~(or CPA-Inactive certificate)~~) was revoked or suspended by the board pursuant to the act, you may not use the title CPA or CPA-Inactive until your license (~~(or CPA-Inactive certificate)~~) is reinstated by the board.

If your registration as a resident nonlicensee firm owner was revoked or suspended by the board pursuant to the act, you may not be a firm owner until your registration is reinstated by the board.

You may request that the board modify the suspension or revocation after three years have elapsed from the effective date of the

board's order revoking or suspending your license (~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner unless the board sets some other period by order. However, if you made a previous request with respect to the same order, no additional request will be considered before the lapse of an additional three years following the board's decision on the last such previous application for reinstatement.

To request reinstatement of a revoked or suspended license (~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner you must provide the board with certain information either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

To request reinstatement, you must submit to the board:

(1) Complete information including your certification that you have:

(a) *For those who wish to reinstate a license ((~~or CPA-Inactive certificate~~))*: Not used the title CPA or CPA-Inactive during the time in which your license (~~(~~or CPA-Inactive certificate~~)~~) was suspended or revoked; or

(b) *For those who wish to reinstate a registration as a resident nonlicensee firm owner*: Not participated as an owner in a CPA firm during the time in which your registration as a resident nonlicensee firm owner was suspended or revoked; and

(c) Met the CPE requirements for reinstatement in WAC 4-30-134(~~(+6+))~~ (5), by submitting the documentation to support the CPE claimed;

(2) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, (~~(CPA-Inactive)~~) certificate, permit, or practice privilege under substantial equivalence;

(3) All applicable fees;

(4) Written substantiation of the reasons constituting good cause for the reinstatement; and

(5) Two supporting recommendations from licensees who have personal knowledge of your activities since the suspension or revocation was imposed.

In considering the reinstatement application, the board may consider all relevant factors, including but not limited to:

(a) The offense for which you were disciplined;

(b) Your activities since the disciplinary penalty was imposed;

(c) Your activities during the time the license (~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner was in good standing;

(d) Your rehabilitative efforts;

(e) Restitution to damaged parties in the matter for which the penalty was imposed; and

(f) Your general reputation for integrity, objectivity, and ethical commitment.

If the board decides to consider the merits of your application for reinstatement, in the board's discretion, a hearing may be held following such procedures as the board deems suitable for the particular case. If the board decides that it will not consider the merits of your application for reinstatement, then this constitutes final agency action and there is no further administrative review available to you. As a condition of reinstatement, the board may impose such terms and conditions as it deems suitable.

The board will not consider a request for reinstatement while you are under sentence for any criminal offense, including any period during which you are on court-imposed probation or parole.

If the board approves your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your reinstated credential can be provided upon request.

Your reinstated license(~~(, CPA-Inactive certificate,)~~) or registration will expire on June 30th of the third calendar year following approval of the reinstatement. The CPE reporting period for your next renewal begins on January 1<sup>st</sup> of the calendar year in which the reinstatement of your license(~~(, CPA-Inactive certificate,)~~) or registration was approved by the board and ends on December 31<sup>st</sup> of the second calendar year following approval of the reinstatement. CPE credit hours utilized to qualify for reinstatement of a license(~~(, CPA-Inactive certificate,)~~) or registration cannot be utilized for subsequent renewal (~~(of your credential)~~).

You may not use the title CPA or CPA-Inactive or hold an interest in a licensed CPA firm as a resident nonlicensee firm owner until your reinstatement application has been approved.

#### OTS-4822.1

AMENDATORY SECTION (Amending WSR 19-16-074, filed 7/31/19, effective 1/1/20)

#### **WAC 4-30-134 Continuing professional education (CPE) requirements. (1) Renewal.**

(a) CPE requirements for renewal are pursuant to RCW 18.04.215(5).

(b) An individual seeking renewal shall assert in a manner acceptable to the board that they met all of the CPE requirements for renewal during their CPE reporting period ending December 31<sup>st</sup> of the year prior to their license expiration date.

#### **(c) CPA ((licensee)) license in an active status.**

(i) Completion of a minimum of (~~(one hundred twenty)~~) 120 CPE credit hours within the three-year CPE reporting period;

(ii) Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132;

(iii) Completion of a minimum of (~~(twenty)~~) 20 CPE credit hours during each calendar year included in the three-year CPE reporting period. Restrictions on the type of CPE credit hours qualifying to meet the (~~(twenty)~~) 20 credit hour minimum are specified in WAC 4-30-133; and

(iv) Completion of no more than (~~(sixty)~~) 60 CPE credit hours in nontechnical subject areas as specified in WAC 4-30-132.

Exception: If the licensee qualifies for CPE reciprocity, see the CPE requirements under the provisions of subsection (7) of this section.

(d) (~~(CPA-Inactive certificate holder)~~) **CPA license in an inactive status or nonlicensee firm owner.** Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(2) **First renewal cycle.**

(a) After license issuance:

(i) CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW.

(ii) Credit is not allowed for programs taken to prepare an applicant for the CPA examination or the AICPA ethics examination as a requirement for initial licensure.

(b) After conversion of a (~~CPA inactive to a CPA license~~) license from an inactive to an active status.

(i) If your (~~license~~) active status was issued during the **first calendar year** of your CPE reporting period, you must have completed (~~eighty~~) 80 CPE credit hours which is limited to (~~forty~~) 40 CPE credit hours in nontechnical subject areas and must include a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(ii) If your (~~license~~) active status was issued during the **second calendar year** of your CPE reporting period, you must have completed (~~forty~~) 40 CPE credit hours which is limited to (~~twenty~~) 20 CPE credit hours in nontechnical subject areas and must include a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(iii) If your (~~license~~) active status was issued during the **third calendar year** of your CPE reporting period, you must have completed a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(3) **Extension requests for renewal.**

(a) If an individual has failed to complete the required CPE as defined in WAC 4-30-134 by December 31st of the last year of their three-year CPE reporting period, the individual must notify the board prior to their expiration date to request an extension of time to complete their CPE requirement by their expiration date.

(b) Credits earned during the interim period between January 1st and June 30th of the individual's renewal year that are used to meet the prior reporting period's CPE requirement will be carried back to the CPE reporting period ended December 31st. These credits cannot be counted towards the requirement for the individual's current CPE reporting period.

(c) An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six year period).

(4) **Failure to obtain required CPE for renewal.** Under the following circumstances the board will serve notice that a license(~~, CPA inactive certificate,~~) or nonlicensee firm owner registration will lapse and the individual will have an opportunity to request a brief adjudicative proceeding:

(a) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31st of the last year of their CPE reporting period and failed to request an extension by their expiration date;

(b) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31st for the second time in any two consecutive CPE reporting periods; or

(c) An individual who applied for renewal and failed to obtain the necessary CPE credit hours by June 30th of their renewal year after submitting an extension request.

(5) **Applications other than renewal.**

(a) For the following applications, you must have completed the requirements of this section within the ~~((thirty-six))~~ 36-month period immediately preceding the date an application is submitted to the board; however, the completion of a four credit hour Washington state board approved ethics course must be within the six-month period immediately preceding the date your application and the CPE documentation are submitted to the board:

- (i) You are applying to renew a license out of retirement;
- (ii) You are applying to convert your inactive status to active;
- ~~(iii) You are a ((CPA-Inactive)) certificate holder applying for~~  
~~((a)) an initial~~ license; or
- ~~((iii))~~ (iv) You are applying for reinstatement of a lapsed, suspended, or revoked license.

(b) For the following applications, you must have completed a four credit hour Washington state board approved ethics course within the six-month period immediately preceding the date your application and the CPE documentation are submitted to the board: ~~((i) You are applying to renew a CPA-Inactive certificate out of retirement;~~

- ~~(ii) You are applying to reinstate a lapsed, suspended, or re-  
voked CPA-Inactive certificate; or~~
- ~~(iii))~~ You are applying to reinstate a lapsed, suspended, or re-  
voked registration as a resident nonlicensee firm owner.

(6) **Individuals operating under mobility.** Licensees from other substantially equivalent U.S. states or jurisdictions, eligible to exercise practice privileges under RCW 18.04.195, are exempt from the CPE requirements of this section provided that they have met the CPE requirements of the state in which they are licensed.

(7) **CPE reciprocity.**

(a) A nonresident licensee seeking renewal of a license in this state shall be determined to have met the CPE requirements of this rule by meeting the CPE requirements for renewal of a license in the state in which the licensee's principal place of business is located.

(b) Nonresident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal place of business is located by signing a statement on the renewal application of this state.

(c) If the state of residence has no CPE requirements for renewal, the nonresident licensee must comply with all CPE requirements for this state.

**OTS-4823.1**

AMENDATORY SECTION (Amending WSR 19-16-074, filed 7/31/19, effective 1/1/20)

**WAC 4-30-136 Reporting continuing professional education (CPE) to the board.** In order to apply for renewal of your license ~~((, cer-  
tificate,))~~ or registration as a resident nonlicensee firm owner, you must satisfy the board's CPE and supporting documentation requirements.

The reporting of compliance with CPE requirements is concurrent with filing your renewal application. When you complete your application for renewal, you are required to certify that you complied with



the board's CPE requirements as defined in WAC 4-30-134 and supporting documentation requirements as defined in WAC 4-30-138.

The board may verify through audit compliance with CPE and supporting documentation requirements as certified during the renewal application process. As part of this audit the board may require additional information to demonstrate your compliance with the board's rules.

## OTS-4824.1

AMENDATORY SECTION (Amending WSR 16-17-036, filed 8/9/16, effective 9/9/16)

**WAC 4-30-142** (~~What are the bases for the board to impose discipline?~~) **Disciplinary actions.** RCW 18.04.055, 18.04.295, 18.04.305, and 18.04.350 authorize the board to revoke, suspend, refuse to issue, renew, or reinstate an individual or firm license (~~(, CPA Inactive certificate,)~~) the right to exercise practice privileges in this state, or registration as a resident nonlicensee firm owner; impose a fine not to exceed (~~(thirty thousand dollars)~~) \$30,000; recover investigative and legal costs; impose full restitution to injured parties; impose remedial sanctions; impose conditions precedent to renew; or prohibit a resident nonlicensee from holding an ownership interest in a firm licensed in this state for the specific acts listed below.

The following are specific examples of prohibited acts that constitute grounds for discipline under RCW 18.04.295, 18.04.305, and 18.04.350. The board does not intend this listing to be all inclusive.

(1) Fraud or deceit in applying for the CPA examination, obtaining a license, registering as a resident nonlicensee firm owner, or in any filings with the board.

(2) Fraud or deceit in renewing or requesting reinstatement of a license (~~(, CPA Inactive certificate,)~~) or registration as a resident nonlicensee firm owner.

(3) Cheating on the CPA exam.

(4) Making a false or misleading statement in support of another person's application or request to:

(a) Take the national uniform CPA examination;

(b) Obtain a license or registration required by the act or board;

(c) Reinstate or modify the terms of a revoked or suspended license (~~(, certificate,)~~) or registration as a resident nonlicensee firm owner in this state;

(d) Reinstate revoked or suspended practice privileges of an individual or firm licensed in another state.

(5) Dishonesty, fraud, or negligence while representing oneself as a licensee (~~(, CPA Inactive certificate holder,)~~) or a resident nonlicensee firm owner including, but not limited to:

(a) Practicing public accounting in Washington state prior to obtaining a license required per RCW 18.04.215, obtaining a firm license as required by RCW 18.04.195, or without qualifying to operate under firm mobility;

- (b) Offering or rendering public accounting services in this state by an out-of-state individual not qualified for practice privileges under RCW 18.04.350(2);
- (c) Offering or rendering public accounting services in this state by an out-of-state firm not qualified for practice privileges under firm mobility per RCW 18.04.195.
- (d) Making misleading, deceptive, or untrue representations;
- (e) Engaging in acts of fiscal dishonesty;
- (f) Purposefully, knowingly, or negligently failing to file a report or record, or filing a false report or record, required by local, state, or federal law;
- (g) Unlawfully selling unregistered securities;
- (h) Unlawfully acting as an unregistered securities salesperson or broker-dealer;
- (i) Discharging a trustee's duties in a negligent manner or breaching one's fiduciary duties, acting in a manner not in compliance with chapter 11.96A RCW; or
- (j) Withdrawing or liquidating, as fees earned, funds received by a licensee(~~(, CPA-Inactive certificate holder,)~~) or a resident nonlicensee firm owner from a client as a deposit or retainer when the client contests the amount of fees earned, until such time as the dispute is resolved.
- (6) The following shall be prima facie evidence that a licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) a nonlicensee firm owner, or the employees of such persons has engaged in dishonesty, fraud, or negligence while representing oneself as a licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) a nonlicensee firm owner, or an employee of such persons:
- (a) An order of a court of competent jurisdiction finding that the person or persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent himself, herself, or itself as a licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) or a nonlicensee firm owner;
- (b) An order of a federal, state, local or foreign jurisdiction regulatory body, or a PCAOB, finding that the licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) or nonlicensee firm owner, or employee of such persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent himself, herself, or itself as a licensee, as defined in WAC 4-30-010, (~~(a CPA-Inactive certificate holder,)~~) or a nonlicensee firm owner;
- (c) Cancellation, revocation, suspension, or refusal to renew the right to practice as a licensee(~~(, certificate holder,)~~) or a nonlicensee firm owner by any other state for any cause other than failure to pay a fee or to meet the requirements of continuing education in the other state; or
- (d) Suspension or revocation of the right to practice before any state agency, federal agency, or the PCAOB.
- (7) Sanctions and orders entered by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee(~~(, CPA-Inactive certificate holder,)~~) or nonlicensee firm owner;
- (8) Any state or federal criminal conviction or commission of any act constituting a crime under the laws of this state, or of another state, or of the United States.
- (9) A conflict of interest such as:

(a) Self dealing as a trustee, including, but not limited to:

(i) Investing trust funds in entities controlled by or related to the trustee;

(ii) Borrowing from trust funds, with or without disclosure; and

(iii) Employing persons related to the trustee or entities in which the trust has a beneficial interest to provide services to the trust (unless specifically authorized by the trust creation document).

(b) Borrowing funds from a client unless the client is in the business of making loans of the type obtained by the licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,~~) or nonlicensee firm owner and the loan terms are not more favorable than loans extended to other persons of similar credit worthiness.

(10) A violation of the Public Accountancy Act or failure to comply with a board rule contained in Title 4 WAC, by a licensee, defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,~~) or employees of such persons of this state or a licensee of another substantially equivalent state qualified for practice privileges, including but not limited to:

(a) An out-of-state individual exercising the practice privileges authorized by RCW 18.04.350(2) when not qualified;

(b) Submission of an application for firm license on behalf of a firm licensed in another state that does not meet the firm mobility requirements under RCW 18.04.195 (1)(a)(iii)(A) through (D) by an out-of-state individual not qualified under RCW 18.04.350(2) or authorized by the firm to make such application;

(c) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(2) to cease offering or performing professional services in this state, individually or on behalf of a firm, when the license from the state of the out-of-state individual's principal place of business is no longer valid;

(d) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(2) to cease offering or performing specific professional services in this state, individually or on behalf of a firm, when the license from the state of the out-of-state individual's principal place of business has been restricted from performing those specific services;

(e) Failure of an out-of-state firm operating under firm mobility per RCW 18.04.195 (1)(a)(iii), in this state to cease offering or performing professional services in this state through one or more out-of-state individuals whose license from the state of those individuals' principal place(s) of business is (are) no longer valid or is (are) otherwise restricted from performing the specific engagement services;

(f) Failure of a firm licensed in this state, or a firm operating under firm mobility to comply with the ownership requirements of RCW 18.04.195 within a reasonable time period, as determined by the board;

(g) Failure of a firm licensed in this state or another state to comply with the board's quality assurance program requirements, when applicable.

(11) Violation of one or more of the rules of professional conduct included in Title 4 WAC.

(12) Concealing another's violation of the Public Accountancy Act or board rules.

(13) Failure to cooperate with the board by failing to:

(a) Furnish any papers or documents requested or ordered to produce by the board;

(b) Furnish in writing a full and complete explanation related to a complaint as requested by the board;

(c) Respond to an inquiry of the board;

(d) Respond to subpoenas issued by the board, whether or not the recipient of the subpoena is the accused in the proceeding.

(14) Failure to comply with an order of the board.

(15) Adjudication of a licensee, as defined by WAC 4-30-010, (~~(CPA-Inactive certificate holder,~~) or a nonlicensee firm owner as mentally incompetent is prima facie evidence that the person lacks the professional competence required by the rules of professional conduct.

(16) Failure of a licensee, as defined by WAC 4-30-010, (~~(CPA-Inactive certificate holder,~~) nonlicensee firm owner, or out-of-state person exercising practice privileges authorized by RCW 18.04.195 and 18.04.350 to timely notify the board, in the manner prescribed by the board, of any of the following:

(a) A sanction, order, suspension, revocation, or modification of a license, certificate, permit or practice rights by the SEC, PCAOB, IRS, or another state board of accountancy for any cause other than failure to pay a professional license fee by the due date or failure to meet the continuing professional education requirements of another state board of accountancy;

(b) Charges filed by the SEC, IRS, PCAOB, another state board of accountancy, or a federal or state taxing, insurance or securities regulatory body that the licensee (~~(, CPA-Inactive certificate holder,~~) or nonlicensee firm owner committed a prohibited act that would be a violation of board ethical or technical standards;

(c) Sanctions or orders entered against such persons by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee (~~(, CPA-Inactive certificate holder,~~) or nonlicensee firm owner.

## OTS-4817.1

### REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 4-30-104

How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity?