

State of Utah
Administrative Rule Analysis
Revised May 2024

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NOTICE OF SUBSTANTIVE CHANGE

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R156-26a

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2x

Agency Information

1. Title catchline: Department of Commerce - Division of Professional Licensing

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Please address questions regarding information on this notice to the persons listed above.

General Information

2. Rule or section catchline:

Certified Public Accountant Licensing Act Rule

3. Purpose of the new rule or reason for the change:

The proposed amendments update the rule to align with changes to the AICPA Uniform CPA Examination and continuing education reporting requirements.

4. Summary of the new rule or change:

The amendments update the rule to align the education requirements with changes to the AICPA Uniform CPA Examination and Continuing Education Reporting Requirement. Section R156-26a-102 updates definitions pertaining to CPE reporting and education accreditation. Section R156-26a-302a updates the education standards to align with the changes to the AICPA Uniform CPA Examination. Section R156-26a-302c updates the minimum education standard to sit for the AICPA Uniform CPA Examination consistent with the changes made in R156-26a-302a. Formatting changes are also made throughout the rule consistent with OAR's current Rule Writing Manual and to update citation references.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:

A) State budget:

The American Institute of CPAs (AICPA) is the national association with representatives in every US state and territory that prescribes national standards for CPAs, and it owns the Uniform CPA Examination that is required nationwide for licensure as a CPA. The proposed amendments that conform the rule to AICPA Uniform CPA Examination changes are required to keep Utah's education/exam/CPE requirements in line with national standards and describe the requirements for access to the licensure exam, but none of these amendments will have any fiscal impact on state government revenues or expenditures because these changes will not affect or modify any existing state government policies or procedures.

B) Local governments:

The proposed amendments are not expected to have any fiscal impact on local government revenues or expenditures because none of the changes will apply to local governments.

C) Small businesses ("small business" means a business employing 1-49 persons):

The proposed amendments are not expected to have any fiscal impact on small business revenues or expenditures because none of the changes will apply to small businesses.

D) Non-small businesses ("non-small business" means a business employing 50 or more persons):

The proposed amendments are not expected to have any fiscal impact on non-small business revenues or expenditures because none of the changes will apply to non-small businesses.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

The proposed amendments relating to CPE reporting requirements will apply to the 6,321 licensed certified public accountants (CPAs) in Utah and their programs that provide CPE, but the proposed amendments are not expected to have any fiscal impact on these persons because the amendments only update the reference on standards for CPE programs to the newest AICPA/NASBA Statement of Standards for CPE Programs that the CPE industry is already using as required by AICPA/NASBA, and clarify that the venue for reporting CPE is CPE Audit Service, the online CPE reporting system administered by NASBA that CPA licensees use.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

As described in Box 5.E above, the proposed amendments are not expected to impose any compliance costs on any affected persons because they merely update the rule to reference the standards those in the industry are already using and pinpoint the venue for licensee CPE reporting and will not impose any additional financial or non-financial burdens on these persons.

G) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table

Fiscal Cost	FY2025	FY2026	FY2027
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits	FY2025	FY2026	FY2027
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

H) Department head comments on fiscal impact and approval of regulatory impact analysis:

The Executive Director of the Department of Commerce, Margaret W. Busse, has reviewed and approved this regulatory impact analysis.

The Division of Professional Licensing, in concert with the Utah Board of Accountancy, proposes to amend Rule R156-26a to align the education requirement with changes to the AICPA Uniform CPA Examination and Continuing Education Reporting Requirement. Section R156-26a-102 updates definitions pertaining to CPE reporting and education accreditation. Section R156-26a-302c updates the minimum education standards to sit for the AICPA Uniform CPA Examination consistent with the changes made in R156-26a-302a. Formatting changes are also made throughout the rule consistent with OAR's current Rule Writing Manual and to update citation references.

Small Businesses (less than 50 employees): The proposed amendments are not expected to impose any fiscal impact on small business revenues or expenditures. The proposed amendments merely update and clarify provisions and conform the rule to the AICPA Uniform CPA Examination changes.

Regulatory Impact to Non-Small Businesses (50 or more employees); The proposed amendments are not expected to impose any fiscal impact on non-small business revenues or expenditures. The proposed amendments merely update and clarify provisions and conform the rule to the AICPA Uniform CPA Examination changes.

Citation Information

6. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

Subsection 58-1-106(1)(a)	Subsection 58-1-202(1)(a)	Section 58-26a-101

Incorporations by Reference Information

7. Incorporations by Reference (if this rule incorporates more than two items by reference, please include additional tables):

A) This rule adds or updates the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; if none, leave blank):

Official Title of Materials Incorporated (from title page)	Standards for Performing and Reporting on Peer Reviews
Publisher	AICPA (American Institute of Certified Public Accountants)
Issue Date	April 2019
Issue or Version	Updated to June 1, 2023

B) This rule adds or updates the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; if none, leave blank):

Official Title of Materials Incorporated (from title page)	Code of Professional Conduct
Publisher	AICPA
Issue Date	December 15, 2014
Issue or Version	Updated through October 2023

C) This rule adds or updates the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; if none, leave blank):

Official Title of Materials Incorporated (from title page)	Statement on Standards for Continuing Professional Education (CPE) Programs
Publisher	AICPA/NASBA (National Association of State Boards of Accountancy)
Issue Date	August 2016
Issue or Version	Updated to January 2024

Public Notice Information

8. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until: 07/15/2024

B) A public hearing (optional) will be held:

Date (mm/dd/yyyy):	Time (hh:mm AM/PM):	Place (physical address or URL):
06/18/2024	2:00 PM	160 East 300 South - 4th floor - Conference Room 474 - Salt Lake City, Utah and also via Google Meet
		Join with Google Meet meet.google.com/imt-iuas-ixc
		Join by phone (US) +1 575-448-4172 PIN: 688 332 292#

To the agency: If more than one hearing will take place, continue to add rows.

9. This rule change MAY become effective on: 07/25/2024

NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date.

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 63G-3-302, 63G-3-303, and 63G-3-402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the *Utah State Bulletin* and delaying the first possible effective date.

Agency head or designee and title:	Mark B. Steinagel, Division Director	Date:	05/23/2024
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R156. Commerce, [~~Occupational and~~] Professional Licensing.

R156-26a. Certified Public Accountant Licensing Act Rule.

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

(1) This rule is known as the "Certified Public Accountant Licensing Act Rule." [~~]~~

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

(3) The organization of this rule and its relationship to Rule R156-1 is as described in Section R156-1-101.

R156-26a-102. Definitions.

In addition to the definitions in Title 58, Chapter[s] 1, Division of Professional Licensing Act, and Title 58, Chapter 26a, Certified Public Accountant Licensing Act, as [~~defined or~~] used in this rule:

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

(2) "CPE Audit Service" means the online continuing professional education reporting system administered by NASBA. [~~"Accepted university accreditations" mean the following:~~

~~(a) the Association to Advance Collegiate Schools of Business ("AACSB");~~

~~(b) the Accreditation Council for Business Schools and Programs ("ACBSP"); or~~

~~(c) an institution receiving "regional accreditation", meaning an institution receiving accreditation through:~~

~~(i) the Northwest Accreditation Commission ("NAC");~~

~~(ii) the North Central Association of Colleges and Schools ("NCA");~~

~~(iii) the Middle States Association of Colleges and Schools ("MSA");~~

~~(iv) the New England Association of Schools and Colleges ("NEASC");~~

~~(v) the Southern Association of Colleges and Schools ("SACS"); or~~

~~(vi) the Western Association of Schools and Colleges ("WASC").]~~

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

(4) "Nationally accredited" means an education program accredited by:

(a) the Association to Advance Collegiate Schools of Business (AACSB); or

(b) the Accreditation Council for Business Schools and Programs (ACBSP).

(5) "Non-duplicative" as used in Sections R156-26a-302a and R156-26a-302c means each course is counted only once and may not be used to simultaneously meet the requirements of multiple categories.

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

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

(7) "Regionally accredited" means an education program accredited by:

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

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

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

~~R156-26a-103. Authority.~~

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

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

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

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

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

(2) The Education Advisory Committee shall be appointed and serve [in accordance with] under Section R156-1-205.

(3) The duties and responsibilities of the Education Advisory Committee [shall include assisting] are to assist the Division in collaboration with the Board in their duties, functions, and responsibilities, and [shall] include:

(a) advising the Board as to the acceptability of an educational institution;

(b) assisting the Board to make a final determination [pursuant to] under Section R156-26a-302 [a(5)(e)]c of whether an applicant is qualified to sit for the AICPA [examination] Uniform CPA Examination; and

(c) advising the Board regarding proposed changes to rules.

([3]4) The [committee] Education Advisory Committee shall consider the following [7] when advising the Board of the acceptability of the educational institution [7, the following]:

(a) the institution's accreditation;

(b) the acceptability by other state licensing boards;

(c) the faculty qualifications; and

(d) other educational resources.

([4]5) There is created [~~in accordance with~~]under Subsection 58-1-203(1)(f), the Peer Review Committee to the [~~Utah~~]Board[~~of Accountancy~~], consisting of not more than ten licensed CPAs.

(6) The [~~committee~~]Peer Review Committee shall be appointed and serve [~~in accordance with~~]under Section R156-1-205.

([5]7) The duties and responsibilities of the Peer Review Committee [~~shall be advising~~]are to advise the Board on peer review[s] matters, and [~~shall~~]include:

(a) reviewing the results of peer reviews [~~administered~~]by [~~approved~~]administering organizations, and as the Peer Review Committee determines necessary, requiring corrective action of firms with significant deficiencies noted in the review [~~process when considered necessary~~]in addition to [~~these~~]any corrective actions required by the administering organization;

(b) evaluating compliance of CPE programs;

(c) performing random audits to determine compliance with the CPE requirements and the standards for CPE programs;

(d) reviewing complaints and recommending whether certain acts, practices, or omissions violate the ethical standards of the profession;

(e) providing technical assistance to the Division; and

(f) serving as expert witnesses at administrative hearings.

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

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

(1) [~~An~~]Under Subsection 58-26a-302(1)(c), an applicant shall submit transcripts showing completion of course work consisting of a minimum of 150 semester hours or [~~+~~]225 quarter hours[~~+~~], and one of the following:

(a) a graduate degree in accounting or taxation from [~~an~~]a nationally accredited education program[~~institution whose business education is accredited by the AACSB or the ACBSP~~];

(b) a Master of Business Administration degree from [~~an~~]a nationally accredited education program that[~~institution whose business education program is accredited by the AACSB or the ACBSP and which~~] includes no less than:

(i) 24 semester hours or [~~+~~]36 quarter hours[~~+~~] in [~~upper division or graduate level~~]upper-division or graduate-level accounting courses covering at least one course in each of the following subjects, with one hour of credit counted for one hour of upper-division course work, and 1.6 hours of credit counted for one hour of graduate-level course work:

(A) financial accounting;

(B) auditing;

(C) taxation; [~~and~~]

(D) [~~management~~]managerial or cost accounting;

(E) accounting information systems or data analytics; or

(ii) [~~+~~]12 semester hours or 18 quarter hours in [~~23 quarter hours~~]graduate-level accounting courses covering the following subjects:

(A) financial accounting;

(B) auditing;

(C) taxation; [~~and~~]

(D) [~~management~~]managerial or cost accounting; [~~or~~]and

(E) accounting information systems or data analytics;

~~[(iii) an equivalent combination of graduate and upper division accounting courses covering the subjects of financial accounting, auditing, taxation, and management accounting, with one hour of graduate level course work being equivalent to 1.6 hours of upper division course work;~~

~~_____] (c) a baccalaureate degree in business or accounting from [an] a nationally accredited education program that [institution whose business education program is accredited by the AACSB or the ACBSP, and which] includes no less than:~~

(i) 24 semester hours or [+]36 quarter hours[+] in non-duplicative upper-division or graduate-level~~[upper division or graduate level]~~ accounting courses covering at least one course in each of the following subjects, with one hour of credit counted for one hour of upper-division course work and 1.6 hours of credit counted for one hour of graduate-level course work:

(A) financial accounting;

(B) auditing;

(C) taxation; [~~and~~]

(D) [~~management~~] managerial or cost accounting; and

(E) accounting information systems or data analytics; and

(ii) 30 additional semester hours or 45 quarter hours in upper-division or graduate-level ~~[in graduate or upper division]~~ accounting and business courses, with one hour of credit counted for one hour of upper-division course work, and 1.6 hours of credit counted for one hour of graduate-level course work; or

(d) [A] a baccalaureate or graduate degree from a [n] regionally accredited education program that includes [~~institution accredited by a regional accrediting body with~~] no less than:

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

(A) financial accounting;

(B) auditing;

(C) taxation;

(D) managerial or cost accounting; and

(E) accounting information systems or data analytics; and

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

(A) business law;

(B) [~~computers~~] information systems;

(C) economics;

(D) business ethics;

(E) finance;

(F) [~~business~~] statistics [~~and~~] or quantitative methods;

(G) written and oral business communications; and

(H) business administration such as marketing,

[~~production~~] operations, management, policy, or organizational behavior; and

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

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

(iii) 30 additional semester hours or 45 quarter hours in [graduate or upper division] upper-division or graduate-level accounting and business courses, with one hour of credit counted for one hour of upper-division course work, and 1.6 hours of credit for one hour of graduate-level course work.

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

~~(a) has obtained a graduate degree in accounting from an institution whose business education program is accredited by the AACSB or the ACBSP;]~~

([b]a) (i) has obtained a graduate degree in accounting or taxation or a Master of Business Administration from [an institution whose business education program is accredited by the AACSB or the ACBSP] a nationally accredited education program; and

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

([e]b) (i) has obtained a graduate degree in accounting, taxation, or a Master of Business Administration from [an institution accredited by a regional accrediting body; and] a regionally accredited education program; and

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

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

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

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

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

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

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

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

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

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

(3) Under Subsection 58-26a-306(1)(c), the minimum 120 semester hours or 180 quarter hours of the education requirement that an applicant shall complete before sitting for the AICPA Uniform CPA Examination shall include 24 semester hours or 36 quarter hours in non-duplicative upper-division or graduate-level accounting courses covering at least one course in each of the following subjects, with one hour of credit counted for one hour of upper-division course work and 1.6 hours of credit counted for one hour of graduate-level course work:

- (a) financial accounting;
- (b) auditing;
- (c) taxation;
- (d) managerial or cost accounting; and
- (e) accounting information systems or data analytics.

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

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

- ~~_____ (a) 24 semester hours (36 quarter hours) in upper division or graduate level accounting courses covering the following subjects:~~
 - ~~_____ (i) financial accounting;~~
 - ~~_____ (ii) auditing;~~

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

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

(a) the AICPA Examination of Professional Ethics for CPAs with a score of at least 90%; and

(b) the Utah (CPA) Laws and Rules Examination with a score of at least 75%.

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

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

(1) ~~[General.~~

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

(~~[a]~~b) The purpose of the ~~[program]~~ peer review is to monitor compliance with professional standards.

(~~[b]~~c) The ~~[program]~~ peer review shall emphasize education and may include other remedial actions when non-compliance is found.

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

(2) ~~[Scheduling of the Peer Review.~~

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

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

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

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

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

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

(4) [~~Qualifications of a Peer Reviewer and inspectors.~~

—] (a) A peer reviewer shall [~~Peer reviewers must~~] provide evidence of one of the two following minimum qualifications to the administering organization:

(i) acceptance as a peer reviewer by the AICPA; or

(ii) compliance with the qualifications required by the AICPA to qualify as a peer reviewer.

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

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

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

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

—] (a) Each peer review [~~Peer reviews~~] shall be conducted according to the [~~the~~] Standards for Performing and Reporting on Peer Reviews [~~the~~] promulgated by the AICPA, effective [~~April 2019~~] June 1, 2023, which are [~~hereby~~] incorporated by reference and adopted as the minimum standards for peer reviews of [~~all~~] firms. This [~~section shall~~] requirement does not require any firm or licensee to become a member of the AICPA or any administering organization.

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

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

(7) [~~Review of Multi State Firms.~~

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

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

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

(iii) the peer review:

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

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

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

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

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

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

(9) ~~[Mergers, Combinations, Dissolutions or Separations. —]~~ (a) ~~[Mergers or combinations. —]~~ If two or more firms are merged or sold and combined, the surviving firm shall retain the year of review of the largest firm.

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

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

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

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

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

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

~~(11) [Retention of Documents Relating to Peer Reviews.~~

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

~~(12) [Costs and Fees for Peer Review.~~

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

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

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

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

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

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

(2) CPE hours shall include at least:

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

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

(i) the AICPA Code of Professional Conduct;

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

(iii) ethical dilemmas faced by accounting professionals; or

(iv) business ethics.

(3) A CPA shall maintain current knowledge, skills, and abilities in ~~[all areas]~~ each area in which the CPA provides services ~~[, in order]~~ to provide services in a competent manner. To maintain or to obtain the knowledge, skills, and abilities to competently provide services, a CPA

may be required to obtain CPE above and beyond the 80 minimum CPE credits specified in Section 58-26a-304.

(4) The Division incorporates [~~and adopts~~] by reference the AICPA [~~/~~] and NASBA Statement on Standards for Continuing Professional Education (CPE) Programs, revised [~~August 2016~~] January 2024. These standards have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that CPAs maintain the required knowledge, skills, and abilities necessary to competently provide services and to enable the CPA to provide evidence of meeting the minimum CPE requirements.

(5) Reporting Requirements.

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

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

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

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

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

(6) Carry Forward Provision.

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

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

(7) Failure to comply with CPE requirements.

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

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

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

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

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

R156-26a-303c. Renewal Cycle.

~~[In accordance with]~~ Under Subsection 58-1-308(1), the renewal date for the two-year renewal cycle ~~[applicable to]~~ for licensees under Title 58, Chapter 26a, Certified Public Accountant Licensing Act is established ~~[by rule]~~ in Section R156-1-308a.

R156-26a-303d. Renewal Procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R156-26a-307. Reinstatement of Licenses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R156-26a-501. Unprofessional Conduct.

"Unprofessional conduct" includes:

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

(2) [~~commission of an act or omission that fails~~]failing to conform to the accepted and recognized standards and ethics of the profession including those [~~stated~~]in the AICPA Code of Professional Conduct, effective December 15, 2014, updated through [~~August 31, 2016~~]October 2023, which is [~~hereby~~]incorporated by reference; or

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

KEY: accountants, licensing, peer review, continuing professional education

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