

Ken Lawson, Secretary

Rick Scott, Governor

March 19, 2015
Board of Accountancy
Telephone Conference

Call: 888-670-3525
Pass Code: 1368986679#

9:00 a.m. Call to Order: Steve Vogel, Chair
 Roll Call: Veloria Kelly, Executive Director

1. Oral presentation by Chair, Steve Vogel to discuss CS/HB 373
2. Other Business
3. Adjourn

Ken Lawson, Secretary

Rick Scott, Governor

March 18, 2015
Board of Accountancy
Legislative Committee

Telephone Conference
Call: 888.670.3525
Pass Code: 1368986679#

3:00p.m. Call to Order: Eric Robinson, Committee Chair
Roll Call: Veloria Kelly, Executive Director

1. Discuss bill relating to public accountancy
 - a. CS/HB 373 (pages 2-10)
 - b. House of Representatives Staff Analysis (pages 11-23)
 - c. Amendment (pages 16-24)
 - d. HB 373 (page 25-27)
 - e. Chapter 473 (current version) (pages 28-40)
2. Other Business
3. Adjourn

27 Florida Institute of Certified Public Accountants, or any full
 28 service association of certified public accounting firms whose
 29 plans of administration have been approved by the board, to
 30 their members or services performed by these entities in
 31 reviewing the services provided to the public by members of
 32 these entities.

33 Section 2. Section 473.309, Florida Statutes, is amended
 34 to read:

35 473.309 Practice requirements for partnerships,
 36 corporations, and limited liability companies; business entities
 37 practicing public accounting.—

38 (1) A partnership may not engage in the practice of public
 39 accounting, as defined in s. 473.302(8) (a), or meet the
 40 requirements of s. 473.3101(1) (b), unless:

41 (a) It is a form of partnership recognized by Florida law.

42 (b) Partners owning at least 51 percent of the financial
 43 interest and voting rights of the partnership are certified
 44 public accountants in some state. However, each partner who is a
 45 certified public accountant in another state and is domiciled in
 46 this state must be a certified public accountant of this state
 47 and hold an active license.

48 (c) At least one general partner is a certified public
 49 accountant of this state and holds an active license or, in the
 50 case of a firm that must have a license pursuant to s.
 51 473.3101(1) (c) ~~473.3101(1) (a)2.~~, at least one general partner is
 52 a certified public accountant in some state and meets the

53 requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b)~~.

54 (d) All partners who are not certified public accountants
 55 in any state are engaged in the business of the partnership as
 56 their principal occupation.

57 (e) It is in compliance with rules adopted by the board
 58 pertaining to minimum capitalization, letters of credit, and
 59 adequate public liability insurance.

60 (f) It is currently licensed as required by s. 473.3101.

61 (2) A corporation may not engage in the practice of public
 62 accounting, as defined in s. 473.302(8)(a), or meet the
 63 requirements of s. 473.3101(1)(b), unless:

64 (a) It is a corporation duly organized in this or some
 65 other state.

66 (b) Shareholders of the corporation owning at least 51
 67 percent of the financial interest and voting rights of the
 68 corporation are certified public accountants in some state and
 69 are principally engaged in the business of the corporation.
 70 However, each shareholder who is a certified public accountant
 71 in another state and is domiciled in this state must be a
 72 certified public accountant of this state and hold an active
 73 license.

74 (c) The principal officer of the corporation is a
 75 certified public accountant in some state.

76 (d) At least one shareholder of the corporation is a
 77 certified public accountant and holds an active license in this
 78 state or, in the case of a firm that must have a license

79 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one
 80 shareholder is a certified public accountant in some state and
 81 meets the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a)~~
 82 ~~or (b).~~

83 (e) All shareholders who are not certified public
 84 accountants in any state are engaged in the business of the
 85 corporation as their principal occupation.

86 (f) It is in compliance with rules adopted by the board
 87 pertaining to minimum capitalization, letters of credit, and
 88 adequate public liability insurance.

89 (g) It is currently licensed as required by s. 473.3101.

90 (3) A limited liability company may not engage in the
 91 practice of public accounting, as defined in s. 473.302(8)(a),
 92 or meet the requirements of s. 473.3101(1)(b), unless:

93 (a) It is a limited liability company duly organized in
 94 this or some other state.

95 (b) Members of the limited liability company owning at
 96 least 51 percent of the financial interest and voting rights of
 97 the company are certified public accountants in some state.
 98 However, each member who is a certified public accountant in
 99 some state and is domiciled in this state must be a certified
 100 public accountant of this state and hold an active license.

101 (c) At least one member of the limited liability company
 102 is a certified public accountant and holds an active license in
 103 this state or, in the case of a firm that must have a license
 104 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one

105 member is a certified public accountant in some state and meets
 106 the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b)~~.

107 (d) All members who are not certified public accountants
 108 in any state are engaged in the business of the company as their
 109 principal occupation.

110 (e) It is in compliance with rules adopted by the board
 111 pertaining to minimum capitalization, letters of credit, and
 112 adequate public liability insurance.

113 (f) It is currently licensed as required by s. 473.3101.

114 (4) A partnership, corporation, limited liability company,
 115 or any other firm is engaged in the practice of public
 116 accounting if its employees are engaged in the practice of
 117 public accounting. Notwithstanding any other provision of law, a
 118 licensed ~~audit~~ firm may own all or part of another licensed
 119 ~~audit~~ firm.

120 Section 3. Section 473.3101, Florida Statutes, is amended
 121 to read:

122 473.3101 Licensure of firms or public accounting firms
 123 ~~sole proprietors, partnerships, corporations, limited liability~~
 124 ~~companies, and other legal entities.-~~

125 (1) The following must hold a license issued under this
 126 section: ~~Each sole proprietor, partnership, corporation, limited~~
 127 ~~liability company, or any other firm seeking to engage in the~~
 128 ~~practice of public accounting, as defined in s. 473.302(8)(a),~~
 129 ~~in this state must file an application for licensure with the~~
 130 ~~department and supply the information the board requires. An~~

131 ~~application must be made upon the affidavit of a sole~~
132 ~~proprietor, general partner, shareholder, or member who is a~~
133 ~~certified public accountant.~~

134 (a) Any firm with an office in this state which performs
135 services as defined in s. 473.302(8)(a); ~~The following must hold~~
136 ~~a license issued under this section:~~

137 (b)1. Any firm with an office in this state which uses the
138 title "CPA," "CPA firm," or any other title, designation, words,
139 letters, abbreviations, or device tending to indicate that it is
140 a CPA firm. The board shall define by rule what constitutes a
141 CPA firm; or the firm practices public accounting.

142 (c)2. Any firm that does not have an office in this state
143 but performs the services described in s. 473.3141(4) for a
144 client having its home office in this state. The board shall
145 define by rule what constitutes an office.

146 (2) An applicant for licensure under this section must
147 file an application for licensure with the department and supply
148 the information that the board requires. An application must be
149 made upon the affidavit of a sole proprietor, general partner,
150 shareholder, or member who is a certified public accountant.

151 (3) (b) A firm that is not subject to the requirements of
152 paragraph (1)(c) subparagraph (a)2. may perform other
153 professional services while using the title "CPA," "CPA firm,"
154 or any other title, designation, words, letters, abbreviations,
155 or device tending to indicate that the firm practices public
156 accounting in this state without a license issued under this

157 section only if:

158 (a)1. It performs such services through an individual with
159 practice privileges granted under s. 473.3141; and

160 (b)2. It can lawfully do so in the state where the
161 individual with practice privileges has his or her principal
162 place of business.

163 (4)(2) The board shall determine whether the firm or
164 public accounting sole proprietor, partnership, corporation,
165 limited liability company, or any other firm meets the
166 requirements for practice and, pending that determination, may
167 certify to the department the firm or public accounting firm
168 partnership, corporation, or limited liability company for
169 provisional licensure.

170 (5)(3) Each license must be renewed every 2 years. Each
171 firm or public accounting sole proprietor, partnership,
172 corporation, limited liability company, or any other firm
173 licensed under this section must notify the department within 1
174 month after any change in the information contained in the
175 application on which its license is based.

176 Section 4. Paragraph (d) of subsection (1) of section
177 473.316, Florida Statutes, is amended to read:

178 473.316 Communications between the accountant and client
179 privileged.—

180 (1) For purposes of this section:

181 (d) A "quality review" is a study, appraisal, or review of
182 one or more aspects of the professional work of an accountant in

183 the practice of public accountancy which is conducted by a
 184 professional organization for the purpose of evaluating quality
 185 assurance required by professional standards, including a
 186 quality assurance ~~or peer~~ review. The term includes a peer
 187 review as defined in s. 473.3125.

188 Section 5. Paragraph (a) of subsection (1) and subsection
 189 (4) of section 473.3125, Florida Statutes, are amended to read:

190 473.3125 Peer review.—

191 (1) As used in this section, the term:

192 (a) "Licensee" means a licensed firm or public accounting
 193 ~~sole proprietor, partnership, corporation, limited liability~~
 194 ~~company, or any other firm~~ as defined in s. 473.302(7) and
 195 engaged in the practice of public accounting as defined in s.
 196 473.302(8) (a) that is required to be licensed under s. 473.3101.

197 (4) Effective January 1, 2015, a licensed firm or public
 198 accounting ~~sole proprietor, partnership, corporation, limited~~
 199 ~~liability company, or other firm~~ as defined in s. 473.302(7) and
 200 licensed under s. 473.3101 and engaged in the practice of public
 201 accounting as defined in s. 473.302(8) (a), except for the
 202 performance of compilations and reviews as those terms are
 203 defined by the board, must be enrolled in a peer review program.

204 Section 6. Paragraph (c) of subsection (1) of section
 205 473.322, Florida Statutes, is amended to read:

206 473.322 Prohibitions; penalties.—

207 (1) A person may not knowingly:

208 (c) Perform or offer to perform any services described in

209 | s. 473.302(8)(a) unless such person holds an active license
210 | under this chapter and is a licensed ~~audit~~ firm, provides such
211 | services through a licensed ~~audit~~ firm, or complies with ss.
212 | 473.3101 and 473.3141. This paragraph does not prohibit the
213 | performance by persons other than certified public accountants
214 | of other services involving the use of accounting skills,
215 | including the preparation of tax returns and the preparation of
216 | financial statements without expression of opinion thereon;
217 | Section 7. This act shall take effect July 1, 2015.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 373 Public Accountancy

SPONSOR(S): Government Operations Appropriations Subcommittee; Raulerson

TIED BILLS: **IDEN./SIM. BILLS:** SB 636

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Professions Subcommittee	13 Y, 0 N	Butler	Luczynski
2) Government Operations Appropriations Subcommittee	10 Y, 0 N, As CS	White	Topp
3) Regulatory Affairs Committee			

SUMMARY ANALYSIS

Certified Public Accountants (CPA) and firms who perform accounting services are licensed in Florida and regulated by the Board of Accountancy within the Department of Business and Professional Regulation.

The bill amends the definition of licensed firm or public accounting firm to mean a sole proprietor, partnership, corporation, limited liability company, firm, or other legal entity licensed under s. 473.3101, F.S. The bill further clarifies the practice requirements for partnerships, corporations, limited liability companies, and other business entities practicing public accounting.

The bill amends s. 473.3101, F.S., to clarify who must hold a license under this section:

- Any firm with an office in this state which performs services as defined in s. 473.302(8)(a).
- Any firm with an office in this state which uses the title "CPA," "CPA firm," or any other title, designation, words, letters, abbreviations, or device tending to indicate that it is a CPA firm. The board shall define by rule what constitutes a CPA firm.
- Any firm that does not have an office in this state but performs the services described in s. 473.3141(4) for a client having its home office in this state. The board shall define by rule what constitutes an office.

The bill provides that an applicant for licensure under this section must file an application for licensure with the department and supply the information the board requires. An application must be made upon the affidavit of a sole proprietor, general partner, shareholder, or member who is a certified public accountant.

The bill also amends the definition of "quality review" to clearly reference and include a "peer review," which is defined in s. 473.3125, F.S.

The bill has an insignificant negative fiscal impact on the Board of Accountancy due to a potential decrease in revenues from the reduction of the number of firm licenses issued due to the clarification of the definition of "licensed firm and public accounting firm."

The bill provides an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

The Board of Accountancy (Board) within the Department of Business and Professional Regulation (Department) is the agency charged with regulating the practice of public accountancy. The Division of Certified Public Accounting (Division) performs for the Board all services concerning the enforcement of ch. 473, F.S., including, but not limited to, recordkeeping services, examination services, legal services, investigative services, and those services in ch. 455, F.S., necessary to perform the Board's duties under the chapter. The offices of the Division are located in Gainesville pursuant to statute.

Public Accounting Licensure

Section 473.302(8)(a), F.S., describes several of the services offered by certified public accountants (CPA) in Florida, and defines the practice of public accounting to mean:

Offering to perform or performing for the public one or more types of services involving the expression of an opinion on financial statements, the attestation as an expert in accountancy to the reliability or fairness of presentation of financial information, the utilization of any form of opinion or financial statements that provide a level of assurance, the utilization of any form of disclaimer of opinion which conveys an assurance of reliability as to matters not specifically disclaimed, or the expression of an opinion on the reliability of an assertion by one party for the use by a third party;

To engage in the practice of public accounting, as defined by s. 473.302(8)(a), F.S., each individual, corporation, or firm in Florida must obtain a license, provided by s. 473.3101, F.S.

For a firm in Florida to use a title such as "CPA" or "CPA Firm" or "any other title, designation, words, letters, abbreviations, or device tending to indicate that the firm practices public accounting," such firms are required to obtain a license under s. 473.3101, F.S.¹ Further, Florida law explicitly defines both a "licensed audit firm" and a "public accounting firm" as firms that are licensed under s. 473.3101, F.S.²

Quality Review

A quality review is defined by s. 473.316, F.S., as a:

[S]tudy, appraisal, or review of one or more aspects of the professional work of an accountant in the practice of public accountancy which is conducted by a professional organization for the purpose of evaluating quality assurance required by professional standards, including a quality assurance or peer review.

Effect of the Bill

The bill clarifies that the definition of "licensed firm" or "public accounting firm" in s. 473.302, F.S., means a sole proprietor, partnership, corporation, limited liability company, firm, or other legal entity licensed under s. 473.3101, F.S.

The bill amends the practice requirements for partnerships, corporations, limited liability companies, and other business entities practicing public accounting to include that these entities do not meet the requirements of s. 473.3101(1)(b) unless the current requirements in the section are met.

¹ Section 473.3101(1)(b), F.S.

² Section 473.302(7), F.S.

The bill amends s. 473.3101, F.S., to clarify who must hold a license under this section:

- Any firm with an office in this state which performs services as defined in s. 473.302(8)(a).
- Any firm with an office in this state which uses the title “CPA,” “CPA firm,” or any other title, designation, words, letters, abbreviations, or device tending to indicate that it is a CPA firm. The board shall define by rule what constitutes a CPA firm.
- Any firm that does not have an office in this state but performs the services described in s. 473.3141(4) for a client having its home office in this state. The board shall define by rule what constitutes an office.

The bill provides that an applicant for licensure under this section must file an application for licensure with the department and supply the information the board requires. An application must be made upon the affidavit of a sole proprietor, general partner, shareholder, or member who is a certified public accountant.

The bill amends s. 473.316, F.S., to clarify that the definition of “quality review” includes a “peer review,” which is defined in s. 473.3125, F.S., as “the study, appraisal, or review by one or more independent certified public accountants of one or more aspects of the professional work of a licensee.”

The bill amends s. 473.3125, F.S., to clarify the definition of a licensee as a licensed firm or public accounting firm as defined in s. 473.302(7), F.S., and engaged in the practice of public accounting as defined in s. 473.302(8)(a) that is required to be licensed under 473.3101.

The bill amends s. 473.322, F.S., to change references from “licensed audit firm” to “licensed firm.”

B. SECTION DIRECTORY:

Section 1 amends s. 473.302, F.S., to clarify the definition of “licensed firm” and “public accounting firm.”

Section 2 amends s. 473.309, F.S., to clarify practice requirements for partnerships, corporations, limited liability companies, and other business entities practicing public accounting.

Section 3 amends s. 473.3101, F.S., to clarify who must hold a license under this section.

Section 4 amends s. 473.316, F.S., to clarify that a “quality review” includes a “peer review.”

Section 5 amends s. 473.3125, F.S., to clarify the definition of a licensee as a licensed firm or public accounting firm.

Section 6 amends s. 473.322, F.S., to change references from “licensed audit firm” to “licensed firm.”

Section 7 provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill has an insignificant negative fiscal impact on the Board of Accountancy within the Department of Business and Professional Regulation. The bill potentially reduces the number of accountancy firms subject to the licensing fee and those subject to fines imposed by the Board of Accountancy. The Department of Business and Professional Regulation estimates the projected revenue loss as a result of the bill between \$36,127 and \$47,094.³

³ Email from the Department of Business and Professional Regulation on file with the House Government Operation Appropriations Subcommittee (Mar. 6, 2015).

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill directs the DBPR to define by rule what constitutes a CPA firm.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 10, 2015, the Government Operations Appropriations Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The amendment:

- Amends the definition of licensed firm or public accounting firm to mean a sole proprietor, partnership, corporation, limited liability company, firm, or other legal entity licensed under s. 473.3101, F.S.
- Clarifies the practice requirements for partnerships, corporations, limited liability companies, and other business entities practicing public accounting to include that these entities do not meet the requirements of s. 473.3101(1)(b) unless the current requirements in the section are met.
- Amends s. 473.3101, F.S., to clarify who must hold a license under this section:
 - Any firm with an office in this state which performs services as defined in s. 473.302(8)(a).
 - Any firm with an office in this state which uses the title "CPA," "CPA firm," or any other title, designation, words, letters, abbreviations, or device tending to indicate that it is a CPA firm. The board shall define by rule what constitutes a CPA firm.

- Any firm that does not have an office in this state but performs the services described in s. 473.3141(4) for a client having its home office in this state. The board shall define by rule what constitutes an office.
- Provides that an applicant for licensure under this section must file an application for licensure with the department and supply the information the board requires. An application must be made upon the affidavit of a sole proprietor, general partner, shareholder, or member who is a certified public accountant.
- Amends s. 473.3125, F.S., to clarify the definition of a licensee as a licensed firm or public accounting firm as defined in s. 473.302(7), F.S., and engaged in the practice of public accounting as defined in s. 473.302(8)(a) that is required to be licensed under 473.3101.
- Amends s. 473.322, F.S., to change references from “licensed audit firm” to “licensed firm.”

This analysis is drafted to the committee substitute as passed by the Government Operations Appropriations Subcommittee.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Government Operations
 2 Appropriations Subcommittee
 3 Representative Raulerson offered the following:

Amendment (with title amendment)

6 Remove everything after the enacting clause and insert:

7 (7) "Licensed ~~audit~~ firm" or "public accounting firm"
 8 means a sole proprietor, partnership, corporation, limited
 9 liability company, firm, or any other legal entity ~~a firm~~
 10 licensed under s. 473.3101.

11
 12 However, these terms shall not include services provided by the
 13 American Institute of Certified Public Accountants or the
 14 Florida Institute of Certified Public Accountants, or any full
 15 service association of certified public accounting firms whose
 16 plans of administration have been approved by the board, to
 17 their members or services performed by these entities in

Amendment No. 1

18 reviewing the services provided to the public by members of
19 these entities.

20 Section 2. Section 473.309, Florida Statutes, is amended
21 to read:

22 473.309 Practice requirements for partnerships,
23 corporations, and limited liability companies; business entities
24 practicing public accounting.—

25 (1) A partnership may not engage in the practice of public
26 accounting, as defined in s. 473.302(8)(a), or meet the
27 requirements of s. 473.3101(1)(b), unless:

28 (a) It is a form of partnership recognized by Florida law.

29 (b) Partners owning at least 51 percent of the financial
30 interest and voting rights of the partnership are certified
31 public accountants in some state. However, each partner who is a
32 certified public accountant in another state and is domiciled in
33 this state must be a certified public accountant of this state
34 and hold an active license.

35 (c) At least one general partner is a certified public
36 accountant of this state and holds an active license or, in the
37 case of a firm that must have a license pursuant to s.
38 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one general partner is
39 a certified public accountant in some state and meets the
40 requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b).~~

41 (d) All partners who are not certified public accountants
42 in any state are engaged in the business of the partnership as
43 their principal occupation.

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Amendment No. 1

44 (e) It is in compliance with rules adopted by the board
45 pertaining to minimum capitalization, letters of credit, and
46 adequate public liability insurance.

47 (f) It is currently licensed as required by s. 473.3101.

48 (2) A corporation may not engage in the practice of public
49 accounting, as defined in s. 473.302(8)(a), or meet the
50 requirements of s. 473.3101(1)(b), unless:

51 (a) It is a corporation duly organized in this or some
52 other state.

53 (b) Shareholders of the corporation owning at least 51
54 percent of the financial interest and voting rights of the
55 corporation are certified public accountants in some state and
56 are principally engaged in the business of the corporation.
57 However, each shareholder who is a certified public accountant
58 in another state and is domiciled in this state must be a
59 certified public accountant of this state and hold an active
60 license.

61 (c) The principal officer of the corporation is a
62 certified public accountant in some state.

63 (d) At least one shareholder of the corporation is a
64 certified public accountant and holds an active license in this
65 state or, in the case of a firm that must have a license
66 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one
67 shareholder is a certified public accountant in some state and
68 meets the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a)~~
69 ~~or (b).~~

Amendment No. 1

70 (e) All shareholders who are not certified public
71 accountants in any state are engaged in the business of the
72 corporation as their principal occupation.

73 (f) It is in compliance with rules adopted by the board
74 pertaining to minimum capitalization, letters of credit, and
75 adequate public liability insurance.

76 (g) It is currently licensed as required by s. 473.3101.

77 (3) A limited liability company may not engage in the
78 practice of public accounting, as defined in s. 473.302(8)(a),
79 or meet the requirements of s. 473.3101(1)(b), unless:

80 (a) It is a limited liability company duly organized in
81 this or some other state.

82 (b) Members of the limited liability company owning at
83 least 51 percent of the financial interest and voting rights of
84 the company are certified public accountants in some state.
85 However, each member who is a certified public accountant in
86 some state and is domiciled in this state must be a certified
87 public accountant of this state and hold an active license.

88 (c) At least one member of the limited liability company
89 is a certified public accountant and holds an active license in
90 this state or, in the case of a firm that must have a license
91 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one
92 member is a certified public accountant in some state and meets
93 the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b).~~

Amendment No. 1

94 (d) All members who are not certified public accountants
95 in any state are engaged in the business of the company as their
96 principal occupation.

97 (e) It is in compliance with rules adopted by the board
98 pertaining to minimum capitalization, letters of credit, and
99 adequate public liability insurance.

100 (f) It is currently licensed as required by s. 473.3101.

101 (4) A partnership, corporation, limited liability company,
102 or any other firm is engaged in the practice of public
103 accounting if its employees are engaged in the practice of
104 public accounting. Notwithstanding any other provision of law, a
105 licensed ~~audit~~ firm may own all or part of another licensed
106 ~~audit~~ firm.

107 Section 3. Section 473.3101, Florida Statutes, is amended
108 to read:

109 473.3101 Licensure of firms or public accounting firms
110 ~~sole proprietors, partnerships, corporations, limited liability~~
111 ~~companies, and other legal entities.-~~

112 (1) The following must hold a license issued under this
113 section: Each sole proprietor, partnership, corporation, limited
114 liability company, or any other firm seeking to engage in the
115 practice of public accounting, as defined in s. 473.302(8)(a),
116 in this state must file an application for licensure with the
117 department and supply the information the board requires. An
118 application must be made upon the affidavit of a sole

Amendment No. 1

119 ~~proprietor, general partner, shareholder, or member who is a~~
120 ~~certified public accountant.~~

121 (a) Any firm with an office in this state which performs
122 services as defined in s. 473.302(8)(a) or ~~The following must~~
123 ~~hold a license issued under this section:~~

124 ~~(b)1.~~ Any firm with an office in this state which uses the
125 title "CPA," "CPA firm," or any other title, designation, words,
126 letters, abbreviations, or device tending to indicate that it is
127 a CPA firm. The board shall define by rule what constitutes a
128 CPA firm ~~the firm practices public accounting.~~

129 ~~(c)2.~~ Any firm that does not have an office in this state
130 but performs the services described in s. 473.3141(4) for a
131 client having its home office in this state. The board shall
132 define by rule what constitutes an office.

133 (2) An applicant for licensure under this section must
134 file an application for licensure with the department and supply
135 the information the board requires. An application must be made
136 upon the affidavit of a sole proprietor, general partner,
137 shareholder, or member who is a certified public accountant.

138 (3) ~~(b)~~ A firm that is not subject to the requirements of
139 paragraph (1)(c) ~~subparagraph (a)2.~~ may perform other
140 professional services while using the title "CPA," "CPA firm,"
141 or any other title, designation, words, letters, abbreviations,
142 or device tending to indicate that the firm practices public
143 accounting in this state without a license issued under this
144 section only if:

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145 (a)1- It performs such services through an individual with
146 practice privileges granted under s. 473.3141; and

147 (b)2- It can lawfully do so in the state where the
148 individual with practice privileges has his or her principal
149 place of business.

150 (4)(2) The board shall determine whether the firm or
151 public accounting sole proprietor, partnership, corporation,
152 limited liability company, or any other firm meets the
153 requirements for practice and, pending that determination, may
154 certify to the department the firm or public accounting firm
155 partnership, corporation, or limited liability company for
156 provisional licensure.

157 (5)(3) Each license must be renewed every 2 years. Each
158 firm or public accounting sole proprietor, partnership,
159 corporation, limited liability company, or any other firm
160 licensed under this section must notify the department within 1
161 month after any change in the information contained in the
162 application on which its license is based.

163 Section 4. Paragraph (d) of subsection (1) of section
164 473.316, Florida Statutes, is amended to read:

165 473.316 Communications between the accountant and client
166 privileged.-

167 (1) For purposes of this section:

168 (d) A "quality review" is a study, appraisal, or review of
169 one or more aspects of the professional work of an accountant in
170 the practice of public accountancy which is conducted by a

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171 professional organization for the purpose of evaluating quality
172 assurance required by professional standards, including a
173 quality assurance ~~or peer~~ review. The term includes a peer
174 review as defined in s. 473.3125.

175 Section 5. Paragraph (a) of subsection (1) and subsection
176 (4) of section 473.3125, Florida Statutes, is amended to read:
177 473.3125 Peer review.—

178 (1) As used in this section, the term:

179 (a) "Licensee" means a licensed firm or public accounting
180 sole proprietor, partnership, corporation, limited liability
181 company, or any other firm as defined in s. 473.302(7) and
182 engaged in the practice of public accounting as defined in s.
183 473.302(8) (a) that is required to be licensed under s. 473.3101.

184 (4) Effective January 1, 2015, a licensed firm or public
185 accounting sole proprietor, partnership, corporation, limited
186 liability company, or other firm as defined in s. 473.302(7) and
187 licensed under s. 473.3101 and engaged in the practice of public
188 accounting as defined in s. 473.302(8) (a), except for the
189 performance of compilations and reviews as those terms are
190 defined by the board, must be enrolled in a peer review program.

191 Section 6. Paragraph (c) of subsection (1) of section
192 473.322, Florida Statutes, is amended to read:

193 473.322 Prohibitions; penalties.—

194 (1) A person may not knowingly:

195 (c) Perform or offer to perform any services described in
196 s. 473.302(8) (a) unless such person holds an active license

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197 under this chapter and is a licensed ~~audit~~ firm, provides such
198 services through a licensed ~~audit~~ firm, or complies with ss.
199 473.3101 and 473.3141. This paragraph does not prohibit the
200 performance by persons other than certified public accountants
201 of other services involving the use of accounting skills,
202 including the preparation of tax returns and the preparation of
203 financial statements without expression of opinion thereon;

205
T I T L E A M E N D M E N T

206 Remove everything before the enacting clause and insert:
207 An act relating to public accountancy; amending s.
208 473.302, F.S.; revising the definition of the term
209 "licensed audit firm"; amending s. 473.309, F.S.;
210 clarifying the requirements for practicing public
211 accounting; amending s. 473.3101, F.S.; revising
212 provisions related to public accounting licensure;
213 amending s. 473.316, F.S.; revising the definition of
214 the term "quality review" to include a peer review;
215 amending ss. 473.3125 and 473.322, F.S.; conforming
216 provisions; providing an effective date.
217
218

1 A bill to be entitled
 2 An act relating to public accountancy; amending s.
 3 473.302, F.S.; revising the definition of the term
 4 "licensed audit firm"; amending s. 473.3101, F.S.;
 5 revising which firms are required to hold a public
 6 accounting license; amending s. 473.316, F.S.;
 7 revising the definition of the term "quality review"
 8 to include a peer review; providing an effective date.

9
 10 Be It Enacted by the Legislature of the State of Florida:

11
 12 Section 1. Subsection (7) of section 473.302, Florida
 13 Statutes, is amended to read:

14 473.302 Definitions.—As used in this chapter, the term:

15 (7) "Licensed audit firm" or "public accounting firm"
 16 means a firm licensed under s. 473.3101 that performs services
 17 described in paragraph (8) (a).

18
 19 However, these terms shall not include services provided by the
 20 American Institute of Certified Public Accountants or the
 21 Florida Institute of Certified Public Accountants, or any full
 22 service association of certified public accounting firms whose
 23 plans of administration have been approved by the board, to
 24 their members or services performed by these entities in
 25 reviewing the services provided to the public by members of
 26 these entities.

27 Section 2. Paragraph (a) of subsection (1) of section
 28 473.3101, Florida Statutes, is amended to read:

29 473.3101 Licensure of sole proprietors, partnerships,
 30 corporations, limited liability companies, and other legal
 31 entities.—

32 (1) Each sole proprietor, partnership, corporation,
 33 limited liability company, or any other firm seeking to engage
 34 in the practice of public accounting, as defined in s.
 35 473.302(8) (a), in this state must file an application for
 36 licensure with the department and supply the information the
 37 board requires. An application must be made upon the affidavit
 38 of a sole proprietor, general partner, shareholder, or member
 39 who is a certified public accountant.

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

42 1. Any firm with an office in this state which uses the
 43 title "CPA," "CPA firm," or any other title, designation, words,
 44 letters, abbreviations, or device tending to indicate that the
 45 firm practices public accounting services described in s.
 46 473.302(8) (a).

47 2. Any firm that does not have an office in this state but
 48 performs the services described in s. 473.3141(4) for a client
 49 having its home office in this state. The board shall define by
 50 rule what constitutes an office.

51 Section 3. Paragraph (d) of subsection (1) of section
 52 473.316, Florida Statutes, is amended to read:

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53 473.316 Communications between the accountant and client
54 privileged.—

55 (1) For purposes of this section:

56 (d) A "quality review" is a study, appraisal, or review of
57 one or more aspects of the professional work of an accountant in
58 the practice of public accountancy which is conducted by a
59 professional organization for the purpose of evaluating quality
60 assurance required by professional standards, including a
61 quality assurance ~~or peer~~ review. The term includes a peer
62 review as defined in s. 473.3125.

63 Section 4. This act shall take effect July 1, 2015.

**CHAPTER 473
PUBLIC ACCOUNTANCY**

- 473.301 Purpose.
- 473.302 Definitions.
- 473.303 Board of Accountancy.
- 473.3035 Division of Certified Public Accounting.
- 473.304 Rules of board; powers and duties; legal services.
- 473.305 Fees.
- 473.306 Examinations.
- 473.3065 Certified Public Accountant Education Minority Assistance Program; advisory council.
- 473.308 Licensure.
- 473.309 Practice requirements for partnerships, corporations, and limited liability companies; business entities practicing public accounting.
- 473.3101 Licensure of sole proprietors, partnerships, corporations, limited liability companies, and other legal entities.
- 473.311 Renewal of license.
- 473.312 Continuing education.
- 473.313 Inactive status.
- 473.314 Temporary license.
- 473.3141 Certified public accountants licensed in other states.
- 473.315 Independence, technical standards.
- 473.316 Communications between the accountant and client privileged.
- 473.318 Ownership of working papers.
- 473.319 Contingent fees.
- 473.3205 Commissions or referral fees.
- 473.321 Fictitious names.
- 473.322 Prohibitions; penalties.
- 473.323 Disciplinary proceedings.

473.301 Purpose.—The Legislature recognizes that there is a public need for independent and objective public accountants and that it is necessary to regulate the practice of public accounting to assure the minimum competence of practitioners and the accuracy of audit statements upon which the public relies and to protect the public from dishonest practitioners and, therefore, deems it necessary in the interest of public welfare to regulate the practice of public accountancy in this state.
History.—ss. 1, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 4, ch. 91-429.

473.302 Definitions.—As used in this chapter, the term:

- (1) “Board” means the Board of Accountancy.
- (2) “Department” means the Department of Business and Professional Regulation.
- (3) “Division” means the Division of Certified Public Accounting.
- (4) “Certified public accountant” means an individual who holds a license to practice public accounting in this state or an individual who is practicing public accounting in this state pursuant to the practice privilege granted in s. 473.3141. The term “Florida certified public accountant” means an individual holding a license under the authority of this chapter.
- (5) “Firm” means any legal entity that is engaged in the practice of public accounting.
- (6) “Home office” means the principal headquarters of an entity. An entity may have only one principal headquarters.
- (7) “Licensed audit firm” or “public accounting firm” means a firm licensed under s. 473.3101.
- (8) “Practice of,” “practicing public accountancy,” or “public accounting” means:
 - (a) Offering to perform or performing for the public one or more types of services involving the expression of an opinion on financial statements, the attestation as an expert in accountancy to the reliability or fairness of presentation of financial information, the utilization of any form of opinion or financial statements that provide a level of assurance, the utilization of any form of disclaimer of opinion which conveys an assurance of reliability as to matters not specifically disclaimed, or the expression of an opinion on the reliability of an assertion by one party for the use by a third party;
 - (b) Offering to perform or performing for the public one or more types of services involving the use of accounting skills, or one or more types of tax, management advisory, or consulting services, by any person who is a certified public accountant who holds an active license, issued pursuant to this chapter, or who is authorized to practice public accounting pursuant to the practice privileges granted in s.

473.3141, including the performance of such services by a certified public accountant in the employ of a person or firm; or

(c) Offering to perform or performing for the public one or more types of service involving the preparation of financial statements not included within paragraph (a), by a certified public accountant who holds an active license, issued pursuant to this chapter, or who is authorized to practice public accounting pursuant to the practice privileges granted in s. 473.3141; by a firm of certified public accountants; or by a firm in which a certified public accountant has an ownership interest, including the performance of such services in the employ of another person. The board shall adopt rules establishing standards of practice for such reports and financial statements; provided, however, that nothing in this paragraph shall be construed to permit the board to adopt rules that have the result of prohibiting Florida certified public accountants employed by unlicensed firms from preparing financial statements as authorized by this paragraph.

(9) "Uniform Accountancy Act" means the Uniform Accountancy Act, Fourth Edition, dated December 2007 and published by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

However, these terms shall not include services provided by the American Institute of Certified Public Accountants or the Florida Institute of Certified Public Accountants, or any full service association of certified public accounting firms whose plans of administration have been approved by the board, to their members or services performed by these entities in reviewing the services provided to the public by members of these entities.

History.—ss. 2, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 1, ch. 89-87; s. 4, ch. 91-429; s. 3, ch. 92-292; s. 124, ch. 94-119; s. 155, ch. 94-218; s. 345, ch. 97-103; s. 1, ch. 98-340; s. 2, ch. 2000-154; s. 3, ch. 2009-54.

473.303 Board of Accountancy.—

(1) There is created in the department the Board of Accountancy. The board shall consist of nine members, seven of whom must be certified public accountants licensed in this state and two of whom must be laypersons who are not and have never been certified public accountants or members of any closely related profession or occupation. The members who are certified public accountants must have practiced public accounting on a substantially full-time basis in this state for at least 5 years. At least one member of the board must be 60 years of age or older. Each member shall be appointed by the Governor, subject to confirmation by the Senate.

(2) The probable cause panel of the board may be composed of at least one current board member who shall serve as chair and additional current board members or past board members who are certified public accountants licensed in this state and in good standing. The past board members shall be appointed to the panel for a term of 2 years by the chair of the board with the approval of the secretary of the department, and may be reappointed for additional terms.

History.—ss. 3, 25, ch. 79-202; ss. 2, 3, ch. 81-318; s. 52, ch. 83-329; ss. 1, 10, 11, ch. 85-9; s. 21, ch. 87-172; s. 23, ch. 91-137; s. 4, ch. 91-429; s. 156, ch. 94-218; s. 346, ch. 97-103; s. 2, ch. 98-340; s. 4, ch. 2009-54.

473.3035 Division of Certified Public Accounting.—

(1) All services concerning this chapter, including, but not limited to, recordkeeping services, examination services, legal services, and investigative services, and those services in chapter 455 necessary to perform the duties of this chapter shall be provided by the Division of Certified Public Accounting. The board may, by majority vote, delegate a duty or duties to the appropriate division within the department. The board may, by majority vote, rescind any such delegation of duties at any time.

(2) The Division of Certified Public Accounting shall be funded by fees and assessments of the board, and funds collected by the board shall be used only to fund public accounting regulation. Funding for the Division of Certified Public Accounting shall be governed by ss. 215.37 and 455.219.

History.—s. 4, ch. 92-292; s. 114, ch. 98-166; s. 175, ch. 2000-160.

473.304 Rules of board; powers and duties; legal services.—

(1) The board shall adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this act. Every certified public accountant and firm shall be governed and controlled by this act and the rules adopted by the board.

(2) Subject to the prior approval of the Attorney General, the board may retain independent legal counsel to provide legal advice to the board on a specific matter.

(3) An attorney employed or used by the board may not both prosecute a matter and provide legal services to the board with respect to the same matter.

History.—ss. 3, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 5, ch. 92-292; s. 144, ch. 98-200; s. 5, ch. 2009-54.

473.305 Fees.—The board, by rule, may establish fees to be paid for applications, examination, reexamination, licensing and renewal, reinstatement, and record making and recordkeeping. The fee for the examination shall be established at an amount that covers the costs for the procurement or development, administration, grading, and review of the examination. The fee for the examination is refundable if the applicant is found to be ineligible to sit for the examination. The fee for initial application is nonrefundable, and the combined fees for application and examination may not exceed \$250 plus the actual per applicant cost to the department for purchase of the examination from the American Institute of Certified Public Accountants or a similar national organization. The biennial renewal fee may not exceed \$250. The board may also establish, by rule, a reactivation¹ fee, and a delinquency fee not to exceed \$50 for continuing professional education reporting forms. The board shall establish fees which are adequate to ensure the continued operation of the board and to fund the proportionate expenses incurred by the department which are allocated to the regulation of public accountants. Fees shall be based on department estimates of the revenue required to implement this chapter and the provisions of law with respect to the regulation of certified public accountants.

History.—ss. 4, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 2, 10, 11, ch. 85-9; s. 1, ch. 87-221; s. 22, ch. 88-205; s. 48, ch. 89-162; s. 20, ch. 89-374; s. 4, ch. 91-429; s. 6, ch. 2009-54; s. 2, ch. 2009-69; s. 13, ch. 2009-195.

¹Note.—The comma following the word “fee” was retained in the amendment to the section by s. 2, ch. 2009-69, but stricken in the amendments by s. 6, ch. 2009-54, and s. 13, ch. 2009-195.

473.306 Examinations.—

- (1) A person desiring to be licensed as a Florida certified public accountant shall apply to the department to take the licensure examination.
- (2) An applicant is entitled to take the licensure examination to practice in this state as a certified public accountant if:
 - (a) The applicant has completed 120 semester hours or 180 quarter hours from an accredited college or university with a concentration in accounting and business courses as specified by the board by rule; and
 - (b) The applicant shows that she or he has good moral character. For purposes of this paragraph, the term “good moral character” has the same meaning as provided in s. 473.308(6)(a). The board may refuse to allow an applicant to take the licensure examination for failure to satisfy this requirement if:
 1. The board finds a reasonable relationship between the lack of good moral character of the applicant and the professional responsibilities of a certified public accountant; and
 2. The finding by the board of lack of good moral character is supported by competent substantial evidence.

If an applicant is found pursuant to this paragraph to be unqualified to take the licensure examination because of a lack of good moral character, the board shall furnish to the applicant a statement containing the findings of the board, a complete record of the evidence upon which the determination was based, and a notice of the rights of the applicant to a rehearing and appeal.

(3) The board shall have the authority to establish the standards for determining and shall determine:

- (a) What constitutes a passing grade for each subject or part of the licensure examination;
- (b) Which educational institutions, in addition to the universities in the State University System of Florida, shall be deemed to be accredited colleges or universities;
- (c) What courses and number of hours constitute a major in accounting; and
- (d) What courses and number of hours constitute additional accounting courses acceptable under s. 473.308(3).

(4) The board may adopt an alternative licensure examination for persons who have been licensed to practice public accountancy or its equivalent in a foreign country so long as the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has ratified an agreement with that country for reciprocal licensure.

(5) For the purposes of maintaining the proper educational qualifications for licensure under this chapter, the board may appoint an Educational Advisory Committee, which shall be composed of one member of the board, two persons in public practice who are licensed under this chapter, and four academicians on faculties of universities in this state.

History.—ss. 5, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 3, 10, 11, ch. 85-9; s. 2, ch. 87-221; s. 4, ch. 91-429; s. 125, ch. 94-119; s. 3, ch. 98-340; s. 9, ch. 2000-332; s. 1, ch. 2008-81; s. 1, ch. 2014-88.

473.3065 Clay Ford Scholarship Program; Certified Public Accountant Education Minority Assistance Advisory Council.—

(1) The Clay Ford Scholarship Program for Florida residents is hereby established in the division for the purpose of providing scholarships to minority persons as defined in s. 288.703 who are students enrolled in their fifth year of an accounting education program at an institution in this state approved by the board by rule. A Certified Public Accountant Education Minority Assistance Advisory Council shall assist the board in administering the program.

(2) All moneys used to provide scholarships under the Clay Ford Scholarship Program shall be funded by a portion of existing license fees, as set by the board, not to exceed \$10 per license. Such moneys shall be deposited into the Professional Regulation Trust Fund in a separate account maintained for that purpose. The department may spend up to \$200,000 per year for the program from this program account but may not allocate overhead charges to it. Moneys for scholarships shall be disbursed twice per year upon recommendation of the advisory council and approval by the board, based on the adopted eligibility criteria and comparative evaluation of all applicants. Funds in the program account may be invested by the Chief Financial Officer under the same limitations as apply to investment of other state funds, and all interest earned thereon shall be credited to the program account.

(3) The board shall adopt rules as necessary for administration of the Clay Ford Scholarship Program, including rules relating to the following:

(a) Eligibility criteria for receipt of a scholarship, which, at a minimum, shall include the following factors:

1. Financial need.
2. Ethnic, gender, or racial minority status pursuant to s. 288.703(4).
3. Scholastic ability and performance.

(b) Scholarship application procedures.

(c) Amounts in which scholarships may be provided, the total amount that may be provided, the timeframe for payments or partial payments, and criteria for how scholarship funds may be expended.

(d) The total amount of scholarships that can be made each year.

(e) The minimum balance that must be maintained in the program account.

(4) Determinations made by the board regarding recipients of scholarship moneys shall not be considered agency action for purposes of chapter 120.

(5) It is unlawful for any person or agent of such person to knowingly file with the board any notice, statement, or other document that is false or that contains any material misstatement of fact. A person who violates this subsection commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(6) There is hereby created the Certified Public Accountant Education Minority Assistance Advisory Council to assist the board in administering the Clay Ford Scholarship Program. The council shall be diverse and representative of the gender, ethnic, and racial categories set forth in s. 288.703(4).

(a) The council shall consist of five licensed Florida-certified public accountants selected by the board, of whom one shall be a board member who serves as chair of the council, one shall be a representative of the National Association of Black Accountants, one shall be a representative of the Cuban American CPA Association, and two shall be selected at large. At least one member of the council must be a woman.

(b) The board shall determine the terms for initial appointments and appointments thereafter.

(c) Any vacancy on the council shall be filled in the manner provided for the selection of the initial member. Any member appointed to fill a vacancy of an unexpired term shall be appointed for the remainder of that term.

(d) Three consecutive absences or absences constituting 50 percent or more of the council's meetings within any 12-month period shall cause the council membership of the member in question to become void, and the position shall be considered vacant.

(e) The members of the council shall serve without compensation, and any necessary and actual expenses incurred by a member while engaged in the business of the council shall be borne by such member or by the organization or agency such member represents. However, the council member who is a member of the board shall be compensated in accordance with ss. 455.207(4) and 112.061.

History.—s. 1, ch. 98-263; s. 504, ch. 2003-261; s. 349, ch. 2011-142; s. 1, ch. 2013-167.

473.308 Licensure.—

(1) A person desiring to be licensed as a Florida certified public accountant in this state shall apply to the department for licensure, and the department shall license any applicant who the board certifies is qualified to practice public accounting.

(2) The board shall certify for licensure any applicant who successfully passes the licensure examination and satisfies the requirements of subsections (3), (4), and (5), and shall certify for licensure any firm that satisfies the requirements of ss. 473.309 and 473.3101. The board may refuse to certify any applicant or firm that has violated any of the provisions of s. 473.322.

(3) An applicant for licensure must have at least 150 semester hours of college education, including a baccalaureate or higher degree conferred by an accredited college or university, with a concentration in accounting and business in the total educational program to the extent specified by the board.

(4)(a) An applicant for licensure after December 31, 2008, must show that he or she has had 1 year of work experience. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which must be verified by a certified public accountant who is licensed by a state or territory of the United States. This experience is acceptable if it was gained through employment in government, industry, academia, or public practice; constituted a substantial part of the applicant's duties; and was verified by a certified public accountant licensed by a state or territory of the United States. The board shall adopt rules specifying standards and providing for the review and approval of the work experience required by this section.

(b) However, an applicant who completed the requirements of subsection (3) on or before December 31, 2008, and who passes the licensure examination on or before June 30, 2010, is exempt from the requirements of this subsection.

(5) An applicant for licensure shall show that the applicant has good moral character.

(6)(a) "Good moral character" means a personal history of honesty, fairness, and respect for the rights of others and for the laws of this state and nation.

(b) The board may refuse to certify an applicant for failure to satisfy this requirement if:

1. The board finds a reasonable relationship between the lack of good moral character of the applicant and the professional responsibilities of a certified public accountant; and
2. The finding by the board of lack of good moral character is supported by competent substantial evidence.

(c) When an applicant is found to be unqualified for a license because of a lack of good moral character, the board shall furnish to the applicant a statement containing the findings of the board, a complete record of the evidence upon which the determination was based, and a notice of the rights of the applicant to a rehearing and appeal.

(7) The board shall certify as qualified for a license by endorsement an applicant who:

- (a)1. Is not licensed and has not been licensed in another state or territory and who has met the requirements of this section for education, work experience, and good moral character and has passed a national, regional, state, or territorial licensing examination that is substantially equivalent to the examination required by s. 473.306; and
2. Has completed such continuing education courses as the board deems appropriate, within the limits for each applicable 2-year period as set forth in s. 473.312, but at least such courses as are equivalent to the continuing education requirements for a Florida certified public accountant licensed in this state during the 2 years immediately preceding her or his application for licensure by endorsement; or

(b)1.a. Holds a valid license to practice public accounting issued by another state or territory of the United States, if the criteria for issuance of such license were substantially equivalent to the licensure criteria that existed in this state at the time the license was issued;

b. Holds a valid license to practice public accounting issued by another state or territory of the United States but the criteria for issuance of such license did not meet the requirements of sub-subparagraph a.; has met the requirements of this section for education, work experience, and good moral character; and has passed a national, regional, state, or territorial licensing examination that is substantially equivalent to the examination required by s. 473.306; or

c. Holds a valid license to practice public accounting issued by another state or territory of the United States for at least 10 years before the date of application; has passed a national, regional, state, or territorial licensing examination that is substantially equivalent to the examination required by s. 473.306; and has met the requirements of this section for good moral character; and

2. Has completed continuing education courses that are equivalent to the continuing education requirements for a Florida certified public accountant licensed in this state during the 2 years immediately preceding her or his application for licensure by endorsement.

(8) If the applicant has at least 5 years of experience in the practice of public accountancy in the United States or in the practice of public accountancy or its equivalent in a foreign country that the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has determined has licensure standards that are substantially equivalent to those in the United States, or has at least 5 years of work experience that meets the requirements of subsection (4), the board shall waive the requirements of subsection (3) which are in excess of a baccalaureate degree. All experience that is used as a basis for waiving the requirements of subsection (3) must be while licensed as a certified public accountant by another state or territory of the United States or while licensed in the practice of public accountancy or its equivalent in a foreign country that the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has determined has licensure standards that are

substantially equivalent to those in the United States. The board shall have the authority to establish the standards for experience that meet this requirement.

(9) The board may refuse to certify for licensure any applicant who is under investigation in another state for any act that would constitute a violation of this act or chapter 455, until such time as the investigation is complete and disciplinary proceedings have been terminated.

History.—ss. 7, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 4, 10, 11, ch. 85-9; s. 1, ch. 86-102; s. 21, ch. 89-374; s. 4, ch. 91-429; ss. 126, 223, ch. 94-119; s. 3, ch. 94-151; s. 347, ch. 97-103; s. 115, ch. 98-166; s. 4, ch. 98-340; s. 1, ch. 2000-114; s. 176, ch. 2000-160; s. 10, ch. 2000-332; s. 1, ch. 2004-87; s. 1, ch. 2007-139; s. 2, ch. 2008-81; s. 7, ch. 2009-54; s. 1, ch. 2012-176.

473.309 Practice requirements for partnerships, corporations, and limited liability companies; business entities practicing public accounting.-

(1) A partnership may not engage in the practice of public accounting, as defined in s. 473.302(8)(a), unless:

(a) It is a form of partnership recognized by Florida law.

(b) Partners owning at least 51 percent of the financial interest and voting rights of the partnership are certified public accountants in some state. However, each partner who is a certified public accountant in another state and is domiciled in this state must be a certified public accountant of this state and hold an active license.

(c) At least one general partner is a certified public accountant of this state and holds an active license or, in the case of a firm that must have a license pursuant to s. 473.3101(1)(a)2., at least one general partner is a certified public accountant in some state and meets the requirements of s. 473.3141(1)(a) or (b).

(d) All partners who are not certified public accountants in any state are engaged in the business of the partnership as their principal occupation.

(e) It is in compliance with rules adopted by the board pertaining to minimum capitalization, letters of credit, and adequate public liability insurance.

(f) It is currently licensed as required by s. 473.3101.

(2) A corporation may not engage in the practice of public accounting, as defined in s. 473.302(8)(a), unless:

(a) It is a corporation duly organized in this or some other state.

(b) Shareholders of the corporation owning at least 51 percent of the financial interest and voting rights of the corporation are certified public accountants in some state and are principally engaged in the business of the corporation. However, each shareholder who is a certified public accountant in another state and is domiciled in this state must be a certified public accountant of this state and hold an active license.

(c) The principal officer of the corporation is a certified public accountant in some state.

(d) At least one shareholder of the corporation is a certified public accountant and holds an active license in this state or, in the case of a firm that must have a license pursuant to s. 473.3101(1)(a)2., at least one shareholder is a certified public accountant in some state and meets the requirements of s. 473.3141(1)(a) or (b).

(e) All shareholders who are not certified public accountants in any state are engaged in the business of the corporation as their principal occupation.

(f) It is in compliance with rules adopted by the board pertaining to minimum capitalization, letters of credit, and adequate public liability insurance.

(g) It is currently licensed as required by s. 473.3101.

(3) A limited liability company may not engage in the practice of public accounting, as defined in s. 473.302(8)(a), unless:

(a) It is a limited liability company duly organized in this or some other state.

(b) Members of the limited liability company owning at least 51 percent of the financial interest and voting rights of the company are certified public accountants in some state. However, each member who is a certified public accountant in some state and is domiciled in this state must be a certified public accountant of this state and hold an active license.

(c) At least one member of the limited liability company is a certified public accountant and holds an active license in this state or, in the case of a firm that must have a license pursuant to s. 473.3101(1)(a)2., at least one member is a certified public accountant in some state and meets the requirements of s. 473.3141(1)(a) or (b).

(d) All members who are not certified public accountants in any state are engaged in the business of the company as their principal occupation.

(e) It is in compliance with rules adopted by the board pertaining to minimum capitalization, letters of credit, and adequate public liability insurance.

(f) It is currently licensed as required by s. 473.3101.

(4) A partnership, corporation, limited liability company, or any other firm is engaged in the practice of public accounting if its employees are engaged in the practice of public accounting. Notwithstanding any other provision of law, a licensed audit firm may own all or part of another licensed audit firm.

History.—ss. 8, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 22, ch. 89-374; s. 4, ch. 91-429; s. 16, ch. 93-110; s. 1, ch. 93-284; s. 1, ch. 97-35; s. 5, ch. 98-340; s. 2, ch. 2000-114; s. 8, ch. 2009-54.

473.3101 Licensure of sole proprietors, partnerships, corporations, limited liability companies, and other legal entities.—

(1) Each sole proprietor, partnership, corporation, limited liability company, or any other firm seeking to engage in the practice of public accounting, as defined in s. 473.302(8)(a), in this state must file an application for licensure with the department and supply the information the board requires. An application must be made upon the affidavit of a sole proprietor, general partner, shareholder, or member who is a certified public accountant.

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

1. Any firm with an office in this state which uses the title “CPA,” “CPA firm,” or any other title, designation, words, letters, abbreviations, or device tending to indicate that the firm practices public accounting.

2. Any firm that does not have an office in this state but performs the services described in s. 473.3141(4) for a client having its home office in this state. The board shall define by rule what constitutes an office.

(b) A firm that is not subject to the requirements of subparagraph (a)2. may perform other professional services while using the title “CPA,” “CPA firm,” or any other title, designation, words, letters, abbreviations, or device tending to indicate that the firm practices public accounting in this state without a license issued under this section only if:

1. It performs such services through an individual with practice privileges granted under s. 473.3141; and

2. It can lawfully do so in the state where the individual with practice privileges has his or her principal place of business.

(2) The board shall determine whether the sole proprietor, partnership, corporation, limited liability company, or any other firm meets the requirements for practice and, pending that determination, may certify to the department the partnership, corporation, or limited liability company for provisional licensure.

(3) Each license must be renewed every 2 years. Each sole proprietor, partnership, corporation, limited liability company, or any other firm licensed under this section must notify the department within 1 month after any change in the information contained in the application on which its license is based.

History.—ss. 9, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 17, ch. 93-110; s. 2, ch. 93-284; s. 6, ch. 98-340; s. 9, ch. 2009-54.

473.311 Renewal of license.—

(1) The department shall renew a license issued under s. 473.308 upon receipt of the renewal application and fee and upon certification by the board that the Florida certified public accountant has satisfactorily completed the continuing education requirements of s. 473.312.

(2) The department shall adopt rules establishing a procedure for the biennial renewal of licenses issued pursuant to this section.

History.—ss. 11, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 5, 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 220, ch. 94-119; s. 116, ch. 98-166; s. 177, ch. 2000-160; s. 2, ch. 2004-87; s. 10, ch. 2009-54; s. 3, ch. 2009-69; s. 14, ch. 2009-195; s. 2, ch. 2013-167.

473.312 Continuing education.—

(1)(a) As part of the license renewal procedure, the board shall by rule require Florida certified public accountants to submit proof satisfactory to the board that during the 2 years prior to application for renewal, they have successfully completed not less than 48 or more than 80 hours of continuing professional education programs in public accounting subjects approved by the board. The board may prescribe by rule additional continuing professional education hours, not to exceed 25 percent of the total hours required, for failure to complete the hours required for renewal by the end of the reestablishment period.

(b) Not less than 25 percent of the total hours required by the board shall be in accounting-related and auditing-related subjects, as distinguished from federal and local taxation matters and management services.

(c) Not less than 5 percent of the total hours required by the board shall be in ethics applicable to the practice of public accounting. This requirement shall be administered by providers approved by the board and shall include a review of the provisions of chapter 455 and this chapter and the related administrative rules.

(2) Programs of continuing professional education approved by the board shall be formal programs of learning which contribute directly to the professional competency of an individual following licensure to practice public accounting and may be any of the following:

(a) Professional development programs of the American Institute of Certified Public Accountants, state societies of certified public accountants, or other organizations.

(b) Technical sessions at meetings of the American Institute of Certified Public Accountants, state societies, chapters, or other organizations.

(c) University and college courses.

(d) Formal organized in-firm education programs.

(3) The board shall adopt rules establishing the continuing education requirements for Florida certified public accountants who are engaged in the audit of a governmental entity. The board shall approve subjects directly related to the governmental environment and to governmental auditing for purposes of satisfying the requirement of this subsection.

(4) For the purposes of maintaining proper continuing education requirements for renewal of licensure under this chapter, the board may appoint a Continuing Professional Education Advisory Committee, which shall be composed of one member of the board, one academician on the faculty of a university in this state, and six certified public accountants.

History.—ss. 10, 25, ch. 79-202; s. 345, ch. 81-259; ss. 2, 3, ch. 81-318; ss. 6, 10, 11, ch. 85-9; s. 3, ch. 87-221; s. 2, ch. 89-87; s. 4, ch. 91-429; s. 7, ch. 98-340; s. 3, ch. 2004-87; s. 2, ch. 2007-139; s. 11, ch. 2009-54.

473.3125 Peer review.—

(1) As used in this section, the term:

(a) “Licensee” means a sole proprietor, partnership, corporation, limited liability company, or any other firm engaged in the practice of public accounting as defined in s. 473.302(8)(a) that is required to be licensed under s. 473.3101.

(b) “Peer review” means the study, appraisal, or review by one or more independent certified public accountants of one or more aspects of the professional work of a licensee.

(2) The board shall adopt rules establishing minimum standards for peer review programs, including, but not limited to, standards for administering, performing, and reporting peer reviews. The board shall also adopt rules establishing minimum criteria for the board’s approval of one or more organizations that facilitate and administer peer review programs.

(3) For the purposes of maintaining oversight of the license renewal requirements of s. 473.311(2), the board may establish a peer review oversight committee, which shall be composed of at least three, but no more than five, members who are licensed under this chapter and whose firms are subject to s. 473.311(2) and have received a review rating of “pass” on the most recent peer review.

(4) Effective January 1, 2015, a sole proprietor, partnership, corporation, limited liability company, or other firm licensed under s. 473.3101 and engaged in the practice of public accounting as defined in s. 473.302(8)(a), except for the performance of compilations and reviews as those terms are defined by the board, must be enrolled in a peer review program.

History.—s. 3, ch. 2013-167.

473.313 Inactive status.—

(1) A Florida certified public accountant may request that her or his license be placed in an inactive status by making application to the department. The board may prescribe by rule fees for placing a license on inactive status, renewal of inactive status, and reactivation of an inactive license.

(2) A license that has become inactive under subsection (1) or for failure to complete the requirements in s. 473.312 may be reactivated under s. 473.311 upon application to the department. The board may prescribe by rule continuing education requirements as a condition of reactivating a license. The minimum continuing education requirements for reactivating a license are those prescribed by board rule and those of the most recent biennium plus one-half of the requirements in s. 473.312. Notwithstanding any other provision of this section, the continuing education requirements are 120 hours, including at least 30 hours in accounting-related and auditing-related subjects, not more than 30 hours in behavioral subjects, and a minimum of 8 hours in ethics subjects approved by the board, for the reactivation of a license that is inactive or delinquent on June 30, 2014, if the Florida certified public accountant notifies the Board of Accountancy by December 31, 2014, of an intention to reactivate such a license and completes such reactivation by June 30, 2016.

(3) A license that is delinquent for failure to report completion of the requirements in s. 473.312 may be reactivated under s. 473.311 upon application to the department. Reactivation requires the payment of an application fee as determined by the board and certification by the Florida certified public accountant that the applicant satisfactorily completed the continuing education requirements set forth under s. 473.311. If the license is delinquent on January 1 because of failure to report completed continuing education requirements, the applicant must submit a complete application to the board by March 15 immediately after the delinquent period.

(4) Any Florida certified public accountant holding an inactive license may be permitted to reactivate such license in a conditional manner. The conditions of reactivation shall require the payment of fees and the completion of required continuing education.

(5) Notwithstanding the provisions of s. 455.271, the board may, at its discretion, reinstate the license of an individual whose license has become null and void if the individual has made a good faith effort to comply with this section but has failed to comply because of illness or unusual hardship. The individual shall apply to the board for reinstatement in a manner prescribed by rules of the board and shall pay an application fee in an amount determined by rule of the board. The board shall require that the individual meet all continuing education requirements as provided in subsection (2), pay appropriate licensing fees, and otherwise be eligible for renewal of licensure under this chapter.

History.—ss. 12, 25, ch. 79-202; s. 346, ch. 81-259; ss. 17, 18, ch. 81-302; ss. 2, 3, ch. 81-318; s. 3, ch. 83-265; s. 53, ch. 83-329; ss. 7, 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 221, ch. 94-119; s. 348, ch. 97-103; s. 8, ch. 98-340; s. 5, ch. 2001-269; s. 12, ch. 2009-54; s. 4, ch. 2009-69; s. 15, ch. 2009-195; s. 2, ch. 2012-176; s. 4, ch. 2013-167; s. 2, ch. 2014-88.

473.314 Temporary license.—

(1) The board shall adopt rules providing for the issuance of temporary licenses to certified public accountants or firms of other states who do not meet the requirements of s. 473.3141, for the purpose of enabling them or their employees to perform specific engagements involving the practice of public accountancy in this state. No temporary license shall be valid for more than 90 days after its issuance, and no license shall cover more than one engagement. After the expiration of 90 days, a new license shall be required.

(2) Each application for a temporary license shall state the names of all persons who are to enter this state and shall be accompanied by a fee in an amount established by the board not to exceed \$400.

(3) A temporary license shall not be required of certified public accountants or firms entering this state solely for the purpose of preparing federal tax returns or advising as to federal tax matters if they do not use the title “CPA,” “CPA firm,” or any other title, designation, words, letters, abbreviations, or device tending to indicate that the certified public accountants or firms are authorized to practice public accounting. To use such terms in this state, certified public accountants or firms from other states must comply with the provisions of this section or s. 473.3141.

(4) Upon certification of the applicant by the board, the department shall issue a temporary license to the applicant.

(5) The application for a temporary license shall constitute the appointment of the Department of State as an agent of the applicant for service of process in any action or proceeding against the applicant arising out of any transaction or operation connected with, or incidental to, the practice of public accounting for which the temporary license was issued.

History.—ss. 13, 25, ch. 79-202; s. 347, ch. 81-259; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 24, ch. 91-137; s. 4, ch. 91-429; s. 13, ch. 2009-54.

473.3141 Certified public accountants licensed in other states.—

(1) Except as otherwise provided in this chapter, an individual who does not have an office in this state has the privileges of Florida certified public accountants and may provide public accounting services in this state without obtaining a license under this chapter or notifying or registering with the board or paying a fee if the individual:

(a) Holds a valid license as a certified public accountant from a state that the board or its designee has determined by rule to have adopted standards that are substantially equivalent to the certificate requirements in s. 5 of the Uniform Accountancy Act in the issuance of licenses; or

(b) Holds a valid license as a certified public accountant from a state that has not been approved by the board as having adopted standards in substantial equivalence with s. 5 of the Uniform Accountancy Act, but obtains verification from the board, or its designee, as determined by rule, that the individual’s certified public accountant qualifications are substantially equivalent to the certificate requirements in s. 5 of the Uniform Accountancy Act.

The board shall define by rule what constitutes an office.

(2) Except as otherwise provided in this chapter, an individual who qualifies to practice under this section may offer or provide services in this state in person, by mail, by telephone, or by electronic means, and a notice, fee, or other submission is not required.

(3) An individual certified public accountant from another state who practices pursuant to this section, and the firm that employs that individual, shall both consent, as a condition of the privilege of practicing in this state:

(a) To the personal and subject matter jurisdiction and disciplinary authority of the board;

(b) To comply with this chapter and the applicable board rules;

(c) That if the license as a certified public accountant from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering public accounting services in this state, individually and on behalf of a firm; and

(d) To the appointment of the state board that issued the individual's license as the agent upon whom process may be served in any action or proceeding by the board or department against the individual or firm.

(4) An individual who qualifies to practice under this section may perform the services identified in s. 473.302(8)(a) only through a firm that has obtained a license issued under s. 473.3101 or is authorized by s. 473.3101 to provide such services.

(5) Disciplinary action against an individual or firm that practices pursuant to this section is not valid unless, prior to the entry of a final order, the agency has served, by personal service pursuant to this chapter or chapter 48 or by certified mail, an administrative complaint that provides reasonable notice to the individual or firm of facts or conduct that warrants the intended action and unless the individual or firm has been given an adequate opportunity to request a proceeding pursuant to ss. 120.569 and 120.57. History.—s. 14, ch. 2009-54; s. 16, ch. 2012-212.

473.315 Independence, technical standards.—

(1) A certified public accountant shall not express an opinion on the financial statements of an enterprise unless she or he and her or his firm are independent with respect to such enterprise.

(2) A certified public accountant shall not undertake any engagement in the practice of public accounting which she or he or her or his firm cannot reasonably expect to complete with professional competence.

(3) The board shall adopt rules establishing the standards of practice of public accounting, including, but not limited to, independence, competence, and technical standards.

(4) Attorneys who are admitted to practice law by the Supreme Court of Florida are exempt from the standards of practice of public accounting as defined in s. 473.302(8)(b) and (c) when such standards conflict with the rules of The Florida Bar or orders of the Florida Supreme Court.

History.—ss. 14, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 349, ch. 97-103; s. 9, ch. 98-340; s. 107, ch. 2010-5.

473.316 Communications between the accountant and client privileged.—

(1) For purposes of this section:

(a) An "accountant" is a certified public accountant.

(b) A "client" is any person, public officer, corporation, association, or other organization or entity, either public or private, who consults an accountant with the purpose of obtaining accounting services.

(c) A communication between an accountant and her or his client is "confidential" if it is not intended to be disclosed to third persons other than:

1. Those to whom disclosure is in furtherance of the rendition of accounting services to the client.

2. Those reasonably necessary for the transmission of the communication.

(d) A "quality review" is a study, appraisal, or review of one or more aspects of the professional work of an accountant in the practice of public accountancy which is conducted by a professional organization for the purpose of evaluating quality assurance required by professional standards, including a quality assurance or peer review.

(e) A "review committee" is any person or persons who are not owners or employees of an accountant or firm that is the subject of a quality review and who carry out, administer, or oversee a quality review.

(2) A client has a privilege to refuse to disclose, and to prevent any other person from disclosing, the contents of confidential communications with an accountant when such other person learned of the communications because they were made in the rendition of accounting services to the client. This privilege includes other confidential information obtained by the accountant from the client for the purpose of rendering accounting advice.

(3) The privilege may be claimed by:

(a) The client.

(b) A guardian or conservator of the client.

- (c) The personal representative of a deceased client.
- (d) A successor, assignee, trustee in dissolution, or any similar representative of an organization, corporation, or association or other entity, either public or private, whether or not in existence.
- (e) The accountant, but only on behalf of the client. The accountant's authority to claim the privilege is presumed in the absence of contrary evidence.
- (4) There is no accountant-client privilege under this section when:
 - (a) The services of the accountant were sought or obtained to enable or aid anyone to commit or plan to commit what the client knew or should have known was a crime or fraud.
 - (b) A communication is relevant to an issue of breach of duty by the accountant to her or his client or by the client to her or his accountant.
 - (c) A communication is relevant to a matter of common interest between two or more clients, if the communication was made by any of them to an accountant retained or consulted in common when offered in a civil action between the clients.
- (5) Communications are not privileged from disclosure in any disciplinary investigation or proceeding conducted pursuant to this act by the department or before the board or in any judicial review of such a proceeding. In any such proceeding, a certified public accountant or public accountant, without the consent of her or his client, may testify with respect to any communication between the accountant and the accountant's client or be compelled, pursuant to a subpoena of the department or the board, to testify or produce records, books, or papers. Such a communication disclosed to the board and records of the board relating to the communication shall for all other purposes and proceedings be a privileged communication in all of the courts of this state.
- (6) The proceedings, records, and work papers of a review committee are privileged and are not subject to discovery, subpoena, or other means of legal process or to introduction into evidence in a civil action or arbitration, administrative proceeding, or state accountancy board proceeding. A member of a review committee or person who was involved in a quality review may not testify in a civil action or arbitration, administrative proceeding, or state accountancy board proceeding as to any matter produced or disclosed during the quality review or as to any findings, recommendations, evaluations, opinions, or other actions of the review committee or any members thereof. Public records and materials prepared for a particular engagement are not privileged merely because they were presented during the quality review. This privilege does not apply to disputes between a review committee and a person subject to a quality review. History.—ss. 15, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 1, ch. 91-63; s. 26, ch. 91-140; s. 4, ch. 91-429; s. 350, ch. 97-103; s. 15, ch. 2009-54.

473.318 Ownership of working papers.—All statements, records, schedules, working papers, and memoranda made by a certified public accountant or firm or her or his employee incident to, or in the course of, professional services to a client, except the reports submitted by the certified public accountant or firm to the client and except for records which are part of the client's records, shall be and remain the property of the certified public accountant or firm in the absence of an express agreement between the certified public accountant or firm and the client to the contrary. History.—ss. 17, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 351, ch. 97-103; s. 16, ch. 2009-54.

473.319 Contingent fees.—Public accounting services as defined in s. 473.302(8)(a) and (c), and those that include tax filings with federal, state, or local government, shall not be offered or rendered for a fee contingent upon the findings or results of such service. This section does not apply to services involving federal, state, or other taxes in which the findings are those of the tax authorities and not those of the certified public accountant or firm. Fees to be fixed by courts or other public authorities, which are of an indeterminate amount at the time a public accounting service is undertaken, shall not be regarded as contingent fees for purposes of this section. History.—ss. 18, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 2, ch. 97-35; s. 10, ch. 98-340; ss. 17, 18, ch. 2009-54.

473.3205 Commissions or referral fees.—A certified public accountant or firm may not accept or pay a commission or referral fee in connection with the sale or referral of public accounting services as defined in s. 473.302(8)(a) and (c). Any certified public accountant or firm that is engaged in the practice of public accounting and that accepts a commission for the sale of a product or service to a client must disclose that fact to the client in writing in accordance with rules adopted by the board. However, this section shall not prohibit:

- (1) Payments for the purchase of an accounting practice;
- (2) Retirement payments to individuals formerly engaged in the practice of public accounting or payments to their heirs or estates; or

(3) Payment of fees to a referring certified public accountant or firm for public accounting services to the successor certified public accountant or firm or the client in connection with an engagement.

History.—ss. 3, 5, ch. 89-87; s. 4, ch. 91-429; s. 3, ch. 97-35; s. 352, ch. 97-103; s. 11, ch. 98-340; s. 19, ch. 2009-54.

473.321 Fictitious names.—

(1) A certified public accountant, partnership, corporation, or limited liability company may not practice public accountancy in this state under any name that is misleading or deceptive as to the legal form; as to persons who are partners, officers, shareholders, or members of the firm; or as to any other matter.

However, a firm name may include the names of retired or deceased persons who were active partners, shareholders, or members of the firm.

(2) This section does not prohibit any certified public accountant or firm from practicing public accounting under a fictitious name that is not misleading or deceptive as to the persons who are partners, officers, shareholders, or members.

(3) The board shall adopt rules for interpretation of this section.

History.—ss. 19, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 4, ch. 91-429; s. 18, ch. 93-110; s. 3, ch. 93-284; s. 20, ch. 2009-54.

473.322 Prohibitions; penalties.—

(1) A person may not knowingly:

(a) Practice public accounting unless the person is a certified public accountant or a public accountant;

(b) Assume or use the titles or designations “certified public accountant” or “public accountant” or the abbreviation “C.P.A.” or any other title, designation, words, letters, abbreviations, sign, card, or device tending to indicate that the person holds a license to practice public accounting under this chapter or the laws of any other state, territory, or foreign jurisdiction, unless the person holds an active license under this chapter or has the practice privileges pursuant to s. 473.3141;

(c) Perform or offer to perform any services described in s. 473.302(8)(a) unless such person holds an active license under this chapter and is a licensed audit firm, provides such services through a licensed audit firm, or complies with ss. 473.3101 and 473.3141. This paragraph does not prohibit the performance by persons other than certified public accountants of other services involving the use of accounting skills, including the preparation of tax returns and the preparation of financial statements without expression of opinion thereon;

(d) Present as her or his own the license of another;

(e) Give false or forged evidence to the board or a member thereof;

(f) Use or attempt to use a public accounting license that has been suspended, revoked, or placed on inactive or delinquent status;

(g) Employ unlicensed persons to practice public accounting; or

(h) Conceal information relative to violations of this chapter.

(2) Any person who violates any provision of this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

History.—ss. 20, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 10, 11, ch. 85-9; s. 104, ch. 91-224; s. 4, ch. 91-429; s. 222, ch. 94-119; s. 2, ch. 94-151; s. 2, ch. 96-261; s. 1116, ch. 97-103; s. 12, ch. 98-340; s. 3, ch. 2000-114; s. 21, ch. 2009-54.

473.323 Disciplinary proceedings.—

(1) The following acts constitute grounds for which the disciplinary actions in subsection (3) may be taken:

(a) Violation of any provision of s. 455.227(1) or any other provision of this chapter.

(b) Attempting to procure a license to practice public accounting by bribery or fraudulent misrepresentations.

(c) Having a license to practice public accounting revoked, suspended, or otherwise acted against, including the denial of licensure, by the licensing authority of another state, territory, or country.

(d) Being convicted or found guilty of, or entering a plea of nolo contendere to, regardless of adjudication, a crime in any jurisdiction which directly relates to the practice of public accounting or the ability to practice public accounting.

(e) Making or filing a report or record that the certified public accountant or firm knows to be false, willfully failing to file a report or record required by state or federal law, willfully impeding or obstructing such filing, or inducing another person to impede or obstruct such filing. Such reports or records include only those that are signed in the capacity of a certified public accountant.

(f) Advertising goods or services in a manner that is fraudulent, false, deceptive, or misleading in form or content.

- (g) Committing an act of fraud or deceit, or of negligence, incompetency, or misconduct, in the practice of public accounting.
 - (h) Violation of any rule adopted pursuant to this chapter or chapter 455.
 - (i) Practicing on a revoked, suspended, inactive, or delinquent license.
 - (j) Suspension or revocation of the right to practice before any state or federal agency.
 - (k) Performance of any fraudulent act in any jurisdiction while holding a license to practice public accounting in this state or using practice privileges in this state.
 - (l) Failing to maintain a good moral character as provided in s. 473.308 while applying for licensure, or while licensed in this state or using practice privileges pursuant to s. 473.3141.
 - (m) Failing to provide any written disclosure to a client or the public which is required by this chapter or rule of the board.
 - (n) Having the same or equivalent practice privileges of a Florida certified public accountant or firm revoked, suspended, or otherwise acted against by the licensing authority of another state, territory, or country as a result of activity in that jurisdiction which would have subjected the Florida certified public accountant or firm to discipline in this state.
- (2) The board shall specify, by rule, what acts or omissions constitute a violation of subsection (1).
- (3) When the board finds any certified public accountant or firm guilty of any of the grounds set forth in subsection (1), it may enter an order imposing one or more of the following penalties:
- (a) Denial of an application for licensure.
 - (b) Revocation or suspension of the certified public accountant or firm's license or practice privileges in this state.
 - (c) Imposition of an administrative fine not to exceed \$5,000 for each count or separate offense.
 - (d) Issuance of a reprimand.
 - (e) Placement of the certified public accountant on probation for a period of time and subject to such conditions as the board may specify, including requiring the certified public accountant to attend continuing education courses or to work under the supervision of another licensee.
 - (f) Restriction of the authorized scope of practice by the certified public accountant.
- (4) The department shall reissue the license of a disciplined licensee upon certification by the board that the disciplined licensee has complied with all of the terms and conditions set forth in the final order.
- History.—ss. 21, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 8, 10, 11, ch. 85-9; s. 25, ch. 91-137; s. 4, ch. 91-429; s. 224, ch. 94-119; s. 4, ch. 94-151; s. 5, ch. 95-140; s. 3, ch. 96-261; s. 4, ch. 97-35; s. 117, ch. 98-166; s. 3, ch. 2000-154; s. 178, ch. 2000-160; s. 3, ch. 2008-81; s. 22, ch. 2009-54; s. 55, ch. 2009-195; s. 46, ch. 2010-106.