

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Public Accounting Act is amended by changing Sections 0.03, 2, 3, 4, 5.1, 6, 6.1, 7, 14, 14.1, and 17.3 as follows:

(225 ILCS 450/0.03) (from Ch. 111, par. 5500.03)

(Section scheduled to be repealed on January 1, 2024)

Sec. 0.03. Definitions. As used in this Act, unless the context otherwise requires:

"Accountancy activities" means the services as set forth in Section 8.05 of the Act.

"Address of record" means the designated address recorded by the Department in the applicant's, licensee's, or registrant's application file or license file maintained by the Department's licensure maintenance unit. It is the duty of the applicant, licensee, or registrant to inform the Department of any change of address, and those changes must be made either through the Department's website or by directly contacting the Department.

"Certification" ~~"Certificate"~~ means certification ~~a certificate issued~~ by the Board or University or similar jurisdictions specifying an individual has successfully passed

all sections and requirements of the Uniform Certified Public Accountant Examination and verification of completion of 150 credit hours. Certification ~~A certificate issued~~ by the Board or University or similar jurisdiction does not confer the ability to use the CPA title and is not equivalent to a registration or license under this Act.

"Compilation" means providing a service to be performed in accordance with Statements on Standards for Accounting and Review Services that is presented in the form of financial statements or information that is the representation of management or owners without undertaking to express any assurance on the statements.

"Coordinator" means the CPA Coordinator.

"CPA" or "C.P.A." means a certified public accountant who holds a license or registration issued by the Department or an individual authorized to use the CPA title under Section 5.2 of this Act.

"CPA firm" means a sole proprietorship, a corporation, registered limited liability partnership, limited liability company, partnership, professional service corporation, or any other form of organization issued a license in accordance with this Act or a CPA firm authorized to use the CPA firm title under Section 5.2 of this Act.

"CPA (inactive)" means a licensed certified public accountant who elects to have the Department place his or her license on inactive status pursuant to Section 17.2 of this

Act.

"Exam certificate" means an exam certificate issued by the Board, the University, or a similar jurisdiction specifying that an individual has successfully passed all sections and requirements of the Uniform Certified Public Accountant Examination. An exam certificate issued by the Board, the University, or a similar jurisdiction does not confer the ability to use the CPA title and is not equivalent to a registration or license under this Act.

"Financial statement" means a structured presentation of historical financial information, including, but not limited to, related notes intended to communicate an entity's economic resources and obligations at a point in time or the changes therein for a period of time in accordance with generally accepted accounting principles (GAAP) or other comprehensive basis of accounting (OCBOA).

"Other attestation engagements" means an engagement performed in accordance with the Statements on Standards for Attestation Engagements.

"Registered Certified Public Accountant" or "registered CPA" means any person who has been issued a registration under this Act as a Registered Certified Public Accountant.

"Report", when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of any financial statements and that also includes

or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. "Report" includes any form of language that disclaims an opinion when the form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statements referred to or special competence on the part of the person or firm issuing such language; it includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

"Licensed Certified Public Accountant" or "licensed CPA" means any person licensed under this Act as a Licensed Certified Public Accountant.

"Committee" means the Public Accountant Registration and Licensure Committee appointed by the Secretary.

"Department" means the Department of Financial and Professional Regulation.

"License", "licensee", and "licensure" refer to the authorization to practice under the provisions of this Act.

"Peer review" means a study, appraisal, or review of one or more aspects of a CPA firm's or sole practitioner's compliance with applicable accounting, auditing, and other

attestation standards adopted by generally recognized standard-setting bodies.

"Principal place of business" means the office location designated by the licensee from which the person directs, controls, and coordinates his or her professional services.

"Review committee" means any person or persons conducting, reviewing, administering, or supervising a peer review program.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

"University" means the University of Illinois.

"Board" means the Board of Examiners established under Section 2.

"Registration", "registrant", and "registered" refer to the authorization to hold oneself out as or use the title "Registered Certified Public Accountant" or "Certified Public Accountant", unless the context otherwise requires.

"Peer Review Administrator" means an organization designated by the Department that meets the requirements of subsection (f) of Section 16 of this Act and other rules that the Department may adopt.

(Source: P.A. 99-78, eff. 7-20-15; 100-419, eff. 8-25-17.)

(225 ILCS 450/2) (from Ch. 111, par. 5502)

(Section scheduled to be repealed on January 1, 2024)

Sec. 2. Board of Examiners. The Governor shall appoint a

Board of Examiners that shall determine the qualifications of persons applying for certification ~~certificates~~ and shall make rules for and conduct examinations for determining the qualifications.

The Board shall consist of 11 examiners, including 2 public members. The remainder shall be certified public accountants in this State who have been residents of this State for at least 5 years immediately preceding their appointment, except that one shall be either a certified public accountant of the grade herein described or an attorney licensed and residing in this State and one shall be a certified public accountant who is an active or retired educator residing in this State. The term of office of each examiner shall be 3 years. As the term of each examiner expires, the appointment shall be filled for a term of 3 years from the date of expiration. Any Board member who has served as a member for 6 consecutive years shall not be eligible for reappointment until 2 years after the end of the term in which the sixth consecutive year of service occurred, except that members of the Board serving on the effective date of this Section shall be eligible for appointment to one additional 3-year term. Where the expiration of any member's term shall result in less than 11 members then serving on the Board, the member shall continue to serve until his or her successor is appointed and has qualified. Except as otherwise provided in this Section, no Board member shall serve more than 2 full

consecutive terms. Anyone appointed to the Board shall be ineligible to be appointed to the Illinois Public Accountants Registration and Licensure Committee appointed by the Secretary. Appointments to fill vacancies shall be made in the same manner as original appointments for the unexpired portion of the vacated term. The membership of the Board shall reasonably reflect representation from the geographic areas in this State. The members of the Board appointed by the Governor shall receive reasonable compensation for their necessary, legitimate, and authorized expenses in accordance with the Governor's Travel Control Board rules and the Travel Regulation Rules. The Governor may terminate the term of any member of the Board at any time for cause.

Information regarding educational requirements, the application process, the examination, and fees shall be available on the Board's Internet web site as well as in printed documents available from the Board's office.

The Board shall adopt all necessary and reasonable rules and regulations for the effective administration of this Act. Without limiting the foregoing, the Board shall adopt and prescribe rules and regulations for a fair and impartial method of determining the qualifications of applicants for examination and for a fair and impartial method of examination of persons under Section 2 and may establish rules for subjects conditioned and for the transfer of credits from other jurisdictions with respect to subjects passed. The Board

shall verify completion of educational requirements for certification as required under this Act.

The Board shall make an annual report of its activities to the Governor and the Secretary. This report shall include a complete operating and financial statement covering its operations during the year, the number of examinations given, the pass/fail ratio for examinations, and any other information deemed appropriate. The Board shall have an audit of its books and accounts every 2 years by the Auditor General. (Source: P.A. 98-254, eff. 8-9-13.)

(225 ILCS 450/3) (from Ch. 111, par. 5504)

(Section scheduled to be repealed on January 1, 2024)

Sec. 3. Qualifications of applicants. The Board shall certify applicants who successfully complete all portions of the examination and verify completion of 150 semester credit hours.

(a) To be admitted to take the examination after the year 2000 and before January 1, 2023, for the purpose of determining the qualifications of applicants for certificates as certified public accountants under this Act, the applicants shall be required to present proof of the successful completion of 150 college or university semester hours of study or their quarter-hour or other academic credit unit equivalent, to include a baccalaureate or higher degree conferred by a college or university acceptable to the Board,

the total educational program to include an accounting concentration or equivalent as determined by Board rule. In adopting those rules, the Board shall consider, among other things, any impediments to the interstate practice of public accounting that may result from differences in the requirements in other states.

(b) Beginning January 1, 2023, an applicant for the examination shall be required to present proof of 120 college or university semester hours of study or their quarter-hour or other academic credit unit equivalent, to include a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration or equivalent as determined by Board rule. Applicants shall receive certification by the Board upon successful passage of all sections and requirements of the Uniform Certified Public Accountant Examination and verification of completion of educational requirements as determined by rule.

(c) In adopting rules, the Board shall consider, among other things, any impediments to the interstate practice of public accounting that may result from differences in the requirements in other states.

~~Candidates who have taken the examination at least once before January 1, 2001, may take the examination under the qualifications in effect when they first took the examination.~~

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/4) (from Ch. 111, par. 5505)

(Section scheduled to be repealed on January 1, 2024)

Sec. 4. Transitional language.

(a) The provisions of this Act shall not be construed to invalidate any certificates as certified public accountants issued by the University under "An Act to regulate the profession of public accountants", approved May 15, 1903, as amended, or any certificates as Certified Public Accountants issued by the University or the Board under Section 4 of "An Act to regulate the practice of public accounting and to repeal certain acts therein named", approved July 22, 1943, as amended, which certificates shall be valid and in force as though issued under the provisions of this Act.

(b) Before July 1, 2012, persons who have received a Certified Public Accountant (CPA) Certificate issued by the Board or University or holding similar certifications from other jurisdictions with equivalent educational requirements and examination standards may apply to the Department on forms supplied by the Department for and may be granted a registration as a registered CPA from the Department upon payment of the required fee.

(c) Beginning with the 2006 renewal, the Department shall cease to issue a license as a Public Accountant. Any person holding a valid license as a Public Accountant prior to September 30, 2006 who meets the conditions for renewal of a

license under this Act, shall be issued a license as a licensed CPA under this Act and shall be subject to continued regulation by the Department under this Act. The Department may adopt rules to implement this Section.

(d) The Department shall not issue any new registrations as a registered CPA on or after July 1, 2012. After that date, any applicant for licensure under this Act shall apply for a license as a licensed CPA and shall meet the requirements set forth in this Act. Any person who has been issued a registration as a registered CPA may renew the registration under the provisions of this Act and that person may continue to renew or restore the registration during his or her lifetime, subject only to the renewal or restoration requirements for the registration under this Act. Such registration shall be subject to the disciplinary provisions of this Act.

(e) (Blank).

(f) The changes made by this amendatory Act of the 102nd General Assembly do not invalidate any certificate issued before the effective date of this amendatory Act of the 102nd General Assembly.

(Source: P.A. 98-254, eff. 8-9-13.)

(225 ILCS 450/5.1)

(Section scheduled to be repealed on January 1, 2024)

Sec. 5.1. Foreign accountants. The Board shall certify

~~issue a certificate to~~ a holder of a foreign designation, granted in a foreign country entitling the holder thereof to engage in the practice of public accounting, provided:

(a) The foreign authority that granted the designation makes similar provision to allow a person who holds a valid certification ~~certificate~~ issued by this State to obtain the foreign authority's comparable designation; and

(b) The foreign designation (i) was duly issued by a foreign authority that regulates the practice of public accounting and the foreign designation has not expired or been revoked or suspended; and (ii) was issued upon the basis of educational and examination requirements established by the foreign authority or by law; and

(c) The applicant (i) received the designation based on educational and examination standards substantially equivalent to those in effect in this State at the time the foreign designation was granted; and (ii) passed a uniform qualifying examination in national standards and an examination on the laws, regulations, and code of ethical conduct in effect in this State acceptable to the Board.

(Source: P.A. 93-683, eff. 7-2-04.)

(225 ILCS 450/6) (from Ch. 111, par. 5507)

(Section scheduled to be repealed on January 1, 2024)

Sec. 6. Fees; pay of examiners; expenses. The Board shall charge a fee in an amount at least sufficient to defray the

costs and expenses incident to the examination and certification ~~issuance of a certificate~~ provided for in Section 6.1 ~~and for the issuance of a certificate provided for in Section 5~~. This fee shall be payable by the applicant at the time of filing an application.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/6.1)

(Section scheduled to be repealed on January 1, 2024)

Sec. 6.1. Examinations.

(a) The examination shall test the applicant's knowledge of accounting, auditing, and other related subjects, if any, as the Board may deem advisable. A candidate shall be required to pass all sections of the examination in order to qualify for certification ~~a certificate~~. A candidate may take the required test sections individually and in any order, as long as the examination is taken within a timeframe established by Board rule.

(b) On and after January 1, 2005, applicants shall also be required to pass an examination on the rules of professional conduct for certification by the Board, ~~as determined by Board rule to be appropriate, before they may be awarded a certificate as a Certified Public Accountant~~.

(c) Pursuant to compliance with the Americans with Disabilities Act, the Board may provide alternative test administration arrangements that are reasonable in the context

of the Certified Public Accountant examination for applicants who are unable to take the examination under standard conditions upon an applicant's submission of evidence as the Board may require, which may include a signed statement from a medical or other licensed medical professional, identifying the applicant's disabilities and the specific alternative accommodations the applicant may need. Any alteration in test administration arrangements does not waive the requirement of sitting for and passing the examination.

(d) Any application, document, or other information filed by or concerning an applicant and any examination grades of an applicant shall be deemed confidential and shall not be disclosed to anyone without the prior written permission of the applicant, except that the names and addresses only of all applicants shall be a public record and be released as public information. Nothing in this subsection shall prevent the Board from making public announcement of the names of persons receiving certificates under this Act.

(Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

(225 ILCS 450/7) (from Ch. 111, par. 5508)

(Section scheduled to be repealed on January 1, 2024)

Sec. 7. Licensure. A holder of an exam certificate, ~~a certificate or~~ registration as a certified public accountant, or certification issued by the Board or Department shall not be entitled to practice public accounting, as defined in

Section 8, in this State until the person has been licensed as a licensed CPA by the Department.

(Source: P.A. 98-254, eff. 8-9-13.)

(225 ILCS 450/14) (from Ch. 111, par. 5515)

(Section scheduled to be repealed on January 1, 2024)

Sec. 14. Qualifications for licensure as a licensed CPA. The Department may license as licensed CPAs individuals meeting the following requirements:

(a) All persons who have received exam certificates or certifications ~~certificates~~ as certified public accountants from the Board or who hereafter received registrations as registered CPAs from the Department who have had at least one year of full-time experience, or its equivalent, providing any type of service or advice involving the use of accounting, audit, management advisory, financial advisory, tax, consulting skills, or other attestation engagements which may be gained through employment in government, industry, academia, or public practice.

(a-5) If the applicant's exam certificate or certification ~~certificate~~ as a certified public accountant from the Board or the applicant's registration as a registered CPA from the Department was issued more than 4 years prior to the application for a license as a licensed CPA under this Section, the applicant shall submit any evidence the Department may require showing the applicant has completed not

less than 90 hours of continuing professional education acceptable to the Department within the 3 years immediately preceding the date of application.

(b) (Blank).

(Source: P.A. 98-254, eff. 8-9-13.)

(225 ILCS 450/14.1)

(Section scheduled to be repealed on January 1, 2024)

Sec. 14.1. Foreign accountants. The Department may issue a license as a licensed CPA to a holder of a foreign designation, granted in a foreign country, provided that:

(a) the applicant has received certification ~~is the holder of a certificate~~ as a certified public accountant from the Board or a registration as a registered CPA from the Department issued under this Act;

(b) (Blank);

(c) the foreign designation (i) was duly issued by a foreign authority that regulates the practice of public accounting and the foreign designation has not expired or been revoked or suspended; (ii) entitles the holder to issue reports upon financial statements; and (iii) was issued upon the basis of educational, examination, and experience requirements established by the foreign authority or by law; and

(d) the applicant (i) received the designation based on standards substantially equivalent to those in effect

in this State at the time the foreign designation was granted; and (ii) completed an experience requirement, substantially equivalent to the requirement set out in Section 14, in the jurisdiction that granted the foreign designation or meets equivalent requirements prescribed by the Department by rule, within the 10 years immediately preceding the application.

Applicants have 3 years from the date of application to complete the application process. If the process has not been completed in 3 years, the application shall be denied, the fee shall be forfeited, and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(Source: P.A. 98-254, eff. 8-9-13.)

(225 ILCS 450/17.3)

(Section scheduled to be repealed on January 1, 2024)

Sec. 17.3. Restoration of license from discipline. At any time after the successful completion of a term of indefinite probation, suspension, or revocation of a license or registration, the Department may restore the license or registration to active status, unless, after an investigation and a hearing, the Secretary determines that restoration is not in the public interest. No person or entity whose license, certification ~~certificate~~, or authority has been revoked as authorized in this Act may apply for restoration of that license, certification, or authority until such time as

Public Act 102-0222

SB1723 Enrolled

LRB102 05168 SPS 15189 b

provided for in the Civil Administrative Code of Illinois.

(Source: P.A. 98-254, eff. 8-9-13.)