

P.L. 2021, CHAPTER 297, ***approved November 8, 2021***
 Assembly, No. 4633

1 **AN ACT** concerning the practice of accounting and amending
 2 P.L.2008 c.45 and P.L.1997, c.259.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 5 *of New Jersey:*

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7 1. Section 6 of P.L.2008 c.45 (C.45:2B-50.1) is amended to
 8 read as follows:

9 6. a. An individual whose principal place of business is not in
 10 this State shall be presumed to have qualifications substantially
 11 equivalent to this State's requirements for certified public
 12 accountants and shall have all the privileges of licensed certified
 13 public accountants of this State without the need to obtain a license
 14 under P.L.1997, c.259 (C.45:2B-42 et seq.) or to notify the board or
 15 pay any fee if that individual:

16 (1) Holds a valid license as a certified public accountant from
 17 any state which the National Association of State Boards of
 18 Accountancy's (NASBA) National Qualification Appraisal Service
 19 has verified to be in substantial equivalence with the certified
 20 public accountant licensure requirements of the American Institute
 21 of Certified Public Accountants (AICPA) and NASBA Uniform
 22 Accountancy Act; or

23 (2) Holds a valid license as a certified public accountant from
 24 any state which the NASBA's National Qualification Appraisal
 25 Service has not verified to be in substantial equivalence with the
 26 certified public accountant licensure requirements of the
 27 AICPA/NASBA Uniform Accountancy Act, but that individual
 28 obtains from the NASBA's National Qualification Appraisal Service
 29 verification that the individual's personal certified public accountant
 30 qualifications are substantially equivalent to the certified public
 31 accountant licensure requirements of the AICPA/NASBA Uniform
 32 Accountancy Act.

33 b. In accordance with the provisions of this section and
 34 notwithstanding any other provision of law, an individual who
 35 offers or renders professional services, whether in person or by
 36 mail, telephone, or electronic means, shall be granted practice
 37 privileges in this State and no notice or other submission shall be
 38 required of that individual. Such individual shall be subject to the
 39 requirements of subsection c. of this section.

40 c. An individual licensee of another state exercising the
 41 privilege afforded by this section and the firm that employs that

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 licensee hereby simultaneously consent, as a condition of exercising
2 that privilege:

3 (1) To the personal and subject matter jurisdiction and
4 disciplinary authority of the board;

5 (2) To comply with P.L.1997, c.259 (C.45:2B-42 et seq.) and
6 the regulations promulgated pursuant to that act;

7 (3) That in the event the license from the state of the individual's
8 principal place of business is no longer valid, the individual will
9 cease offering or rendering professional services in this State
10 individually and on behalf of a firm; and

11 (4) To the appointment of the state board or other authority that
12 issued the individual's license as the individual's agent upon which
13 process may be served in any action or proceeding by this State's
14 board against the licensee.

15 d. An individual who has been granted the practice privilege
16 under this section or who has a license issued pursuant to section 10
17 of P.L.1997, c.259 (C.45:2B-51), who performs any attest service
18 may only do so through a firm which meets the requirements of
19 subparagraph (c) of paragraph (1) of subsection a. of section 13 of
20 P.L.1997, c.259 (C.45:2B-54), or that is registered pursuant to
21 P.L.1997, c.259 (C.45:2B-42 et seq.).

22 e. A licensee of this State offering or rendering services or
23 using a title provided in section 21 of P.L.1997, c.259 (C.45:2B-62)
24 in another state shall be subject to disciplinary action in this State
25 for an action committed in another state for which the licensee
26 would be subject to discipline for an act committed in that state.
27 The board shall investigate any complaint made by the board of
28 accountancy or other licensing authority of another state.

29 f. Any individual who passed the Uniform Certified Public
30 Accountant Examination and holds a valid license issued by any
31 other state prior to January 1, 2012 shall be exempt from the 150
32 hour education requirement in subsection c. of section 8 of
33 P.L.1997, c.259 (C.45:2B-49).

34 (cf: P.L.2019, c.10, s.4.)

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36 2. Section 13 of P.L.1997, c.259 (C.45:2B-54) is amended to
37 read as follows:

38 13. a. The board shall only grant or renew registration to a firm
39 engaged in the practice of attest services or public accountancy if
40 that firm meets the requirements provided in this section.

41 (1) A firm shall register with the board if it:

42 (a) Has an office in this State engaged in the practice of attest
43 services;

44 (b) Has an office in this State that uses the title "Certified Public
45 Accountant," "CPA," "Certified Public Accountant firm," or "CPA
46 firm;" or

47 (c) Does not have an office in this State, but offers or renders
48 attest services, as defined in section 3 of P.L.1997, c.259 (C.45:2B-

- 1 44), **【but only if】** unless it meets each of the following
2 requirements:
- 3 (i) It complies with the qualifications described in subsection b.
4 of this section;
- 5 (ii) It complies with the qualifications described in section 26 of
6 P.L.1997, c.259 (C.45:2B-67); and
- 7 (iii) It can lawfully offer or render attest services in the state
8 where those individuals with practice privileges have their principal
9 place of business.
- 10 (2) A firm that is not subject to the requirements of paragraph
11 (1) of this subsection may perform compilation services and
12 professional services other than attest services while using the title
13 "Certified Public Accountant," "CPA," "Certified Public Account
14 firm," or "CPA firm," without registering with the board only if:
- 15 (a) It can lawfully do so in the state where those individuals
16 with practice privileges have their principal place of business; and
- 17 (b) It performs those services through an individual with
18 practice privileges under subsection d. of section 6 of P.L.2008,
19 c.45 (C.45:2B-50.1).
- 20 (3) (Deleted by amendment, P.L.2019, c.10)
- 21 (a) (Deleted by amendment, P.L.2019, c.10)
- 22 (b) (Deleted by amendment, P.L.2019, c.10)
- 23 (4) (Deleted by amendment, P.L.2019, c.10)
- 24 b. A firm seeking to register with the board shall meet the
25 following requirements:
- 26 (1) (Deleted by amendment, P.L.2019, c.10);
- 27 (2) Notwithstanding any other provision of law to the contrary,
28 a simple majority of the ownership of a firm, in terms of financial
29 interest and voting rights of all partners, officers, shareholders,
30 members, or managers, shall belong to certified public accountants
31 of any state or possession of the United States or the District of
32 Columbia in good standing, and licensed to practice public
33 accountancy where licensed. Other than a nonlicensee owner, any
34 partner, officer, shareholder, member, or manager whose principal
35 place of business is in this State shall be a certified public
36 accountant in good standing, and licensed to practice public
37 accountancy in this State; and
- 38 (3) There shall be a certified public accountant in the firm who
39 has ultimate responsibility for each attest engagement. On all firm
40 applications and renewal forms, a licensee or an individual who
41 qualifies for the practice privilege under section 6 of P.L.2008, c.45
42 (C.45:2B-50.1) shall be designated as responsible and in charge of
43 all professional matters relating to the practice of accountancy by
44 the registered firm. Each owner of a firm in this State, other than a
45 nonlicensee, personally engaged within this State in the practice of
46 public accountancy shall be a certified public accountant in good
47 standing, and licensed to practice public accountancy in this State,

1 or shall be an individual who qualifies for the practice privilege
2 under section 6 of P.L.2008, c.45 (C.45:2B-50.1).

3 c. Application for registration of a firm shall be made upon the
4 affidavit of an owner of the firm who is a certified public
5 accountant in good standing and licensed to practice public
6 accountancy in this State or who qualifies for the practice privilege
7 under section 6 of P.L.2008, c.45 (C.45:2B-50.1). The board shall
8 in each case determine whether the applicant is eligible for
9 registration. A firm which is so registered may use the words
10 "certified public accountant" or the abbreviation "CPAs" in
11 connection with its firm name. Notification shall be given to the
12 board within 90 days after admission or withdrawal of an owner
13 licensed and practicing in this State from any firm so registered.
14 (cf: P.L.2019, c.10, s.6.)

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16 3. This act shall take effect immediately.

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19 STATEMENT

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21 The bill revises the attest mobility provisions of the
22 "Accountancy Act of 1997" to make them conform to the Uniform
23 Accountancy Act. This bill allows a nonresident CPA to provide
24 attest services in this State without registering with the New Jersey
25 State Board of Accountancy and without having to have a physical
26 office in this State. While a nonresident CPA would not be required
27 to provide notice to the board or pay a fee for the privilege of
28 practicing in this State, the nonresident CPA will be subject to the
29 full regulatory oversight of the board.

30 The bill makes a technical correction to language that was added
31 to the "Accountancy Act of 1997" by P.L.2019, c.10 to eliminate
32 the restriction on nonresident CPAs that provide attest services.

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37 Permits certain nonresident Certified Public Accountants to
38 provide attest services.