

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 30 Department or Agency Alabama State Board of Public Accountancy  
Rule No. 30-X-3-.08  
Rule Title: Foreign Reciprocity

         New          X     Amend               Repeal               Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?          No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?          Yes

Is there another, less restrictive method of regulation available that could adequately protect the public?          No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?          No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?          No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?          Yes

\*\*\*\*\*

Does the proposed rule have an economic impact?          No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

\*\*\*\*\*

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer         D. Boyd Busby          
D. Boyd Busby, CPA, Executive Director

Date September 19, 2016

(DATE FILED)  
(STAMP)

**ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY**

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** The Alabama State Board of Public Accountancy

**RULE NO. & TITLE:** 30-X-3-.08, Foreign Reciprocity

**INTENDED ACTION:** The Alabama State Board of Public Accountancy intends to amend rule 30-X-3-.08.

**SUBSTANCE OF PROPOSED ACTION:** Rule will be amended to require that a foreign license be valid and in good standing for foreign applicants who wish to sit for the CPA exam.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** Interested persons may present their views in writing to the Executive Director of the Alabama State Board of Public Accountancy at any time until and including November 16, 2016 following the 30<sup>th</sup> day of September 2016, or, if requested in advance, by personally appearing at the Alabama State Board of Public Accountancy Board Meeting to be held at The University of Alabama, The Ferguson Student Center, 751 Campus Drive West, Tuscaloosa, Alabama, 35404, at 10:00 a.m., Wednesday, November 16, 2016.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:** November 16, 2016

**CONTACT PERSON AT AGENCY:**

*D. Boyd Busby*

D. Boyd Busby, CPA  
Executive Director  
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**ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY  
ADMINISTRATIVE CODE**

**CHAPTER 30-X-3  
REGISTRATION, ANNUAL PERMITS, BRANCH OFFICES**

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**30-X-3-.01      Initial Registration.      Registration of**

permit holders and officers shall be as provided in Sections 5, 7, 8, and 9 of the Act.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §§34-1-1, et seq.

**History:** Filed September 3, 1982.

**30-X-3-.02      Annual Registration.**

(1) Each person who holds a certificate as a Certified Public Accountant of this State, or who is registered as a Public Accountant under the Act, or who is registered as a non-licensee owner under the Act shall register on ~~or before~~ the first day of October in each year on a form furnished by the Board, giving his present place of residence, his present employer, and such other information as the Board may require, and signing under penalty of perjury that all representations made on the form are true and accurate and that the licensee has not been convicted of any felony during the time from his or her prior registration through the date signed.

(2) Each licensee and non-licensee owner shall notify the Board in writing within thirty (30) days of any change of address and, in the case of individual licensees and non-licensee

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owners, change of employment.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §§34-1-1, et seq.

**History:** Filed September 3, 1982. **Amended:** Filed January 23, 2004; effective February 27, 2004. **Amended:** Filed May 18, 2004; effective June 22, 2004. **Amended:** Filed September 19, 2016.

**30-X-3-.03 Annual Permits.** Each Certified Public Accountant

and Public Accountant practicing in the State of Alabama who prepares and signs financial statements or who expresses an opinion thereon must hold an annual permit issued by the Alabama State Board of Public Accountancy.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §§34-1-1, et seq.

**History:** Filed September 3, 1982.

**30-X-3-.04 Mobility - Practice Privilege For Nonresident Certified Public Accountants.**

(1) A person who is licensed as a certified public accountant in another state whose principal place of business is not in this state shall have all the privileges of a certified public accountant in this state without the need to obtain a certificate, license, or permit or to notify or register with the Board and may offer or render professional services in this state in person or by mail, telephone, or electronic means, without any notice, fee, or other submission. No firm or office not located in this state, even if engaged in business in this state, shall be required to register as a firm with this Board.

(2) A person exercising the practice privilege granted in subsection (1) and any firm that employs the person, as a grant of the practice privilege, are deemed to consent to all of the following:

(a) The personal and subject matter jurisdiction and disciplinary authority of the Board and the courts of Alabama.

(b) Compliance with Alabama's accountancy laws and any Rules promulgated by the Board.

(c) That the person shall cease offering or rendering professional services under the practice privilege personally and on behalf of a firm, if the license of the person from the

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state by which the person was licensed as a certified public accountant when any professional services were offered or rendered, or began to be offered or rendered, pursuant to the practice privilege provided in this section, is no longer valid.

(d) To the appointment of any out-of-state board by which the person was licensed as a certified public accountant when any professional services were offered or rendered, or began to be offered or rendered, pursuant to the practice privilege provided in this section, to be his or her agent for the purpose of process in any action or proceeding by the Board in this state against the person.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §§34-1-7, 34-1-10.

**History:** Filed September 3, 1982. **Repealed and New Rule:** Filed November 18, 2009; effective December 23, 2009.

**30-X-3-.05****Firm Registration And Branch Offices.**

(1) Each firm and office thereof established or maintained for the practice of public accountancy in this State shall register with the Board within 30 days after it is opened, and annually thereafter, on a form prescribed by the Board. Each firm shall submit reports to the Board with the registration form as provided in Rule 30-X-8-.03. Each firm must pay an annual firm permit fee as provided for in these rules however, no fee is required for the registration of the offices.

(2) Each office shall be under the direct supervision of a resident manager who must be registered with this Board and the holder of a valid annual permit. In the case of an individual or firm practicing as a CPA or CPAs, the resident manager must also be the holder of a CPA certificate issued by this State. Such resident manager may serve in such capacity in only one office in this State, which office shall be his principal place of employment and which he manages on a continuous, full-time basis. Notice shall be given to the Board, within 30 days, of any change in the position of resident manager.

(3) A firm registered pursuant to the Act shall file with the Board a written notification of any of the following events concerning the practice of public accountancy within this State within thirty (30) days after its occurrence:

(a) Change of firm address;

(b) Formation of a new firm;

(c) Addition of a partner, member, manager or shareholder;

(d) Retirement, withdrawal or death of a partner, member, manager or shareholder;

(e) Any change in the name of the firm;

(f) Termination of the firm;

(g) Change in the resident manager of any branch office in this State;

(h) Establishment of a new branch office or the closing or change of address of a branch office in this State; and

(i) The occurrence of any event or events which would cause such firm not to be in conformity with the provisions of the Act or these Rules.

(4) In the event of any change in legal form of a firm, such new or successor firm shall within thirty (30) days of the change file an application for an initial firm permit in accordance with these rules and pay the permit fee required by these Rules.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §§34-1-1, et seq.

**History:** Filed September 3, 1982. **Amended:** Filed July 9, 1987.

**Amended:** Filed May 18, 2004; effective June 22, 2004.

**30-X-3-.06 Continued Use Of Designation Pending Receipt Of Reciprocal Certificate.** In keeping with the provisions of

Section 5(1) of the Act, a firm of Certified Public Accountants and its branch offices may continue to use the designation "Certified Public Accountants" and the abbreviation "C.P.A." during the temporary period pending the receipt of an Alabama CPA certificate by a partner or resident manager newly transferred into Alabama. Such partner or resident manager must obtain an Alabama certificate within 24 months from the date of such transfer.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §34-1-3.

**History:** Filed September 3, 1982.

**30-X-3-.07 Annual Permits, Annual Registration Fees And Late Penalties.**

(1) An annual permit must be obtained by each Certified Public Accountant, registered Public Accountant, and



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each firm (i.e., sole proprietorship, partnership, professional association, professional corporation, limited liability company, limited liability partnership, or any other form of business entity recognized by Alabama law) doing business. Effective October 1, 201~~0~~<sup>7</sup>, the amount of the annual permit fee shall be ~~\$100.00~~ and ~~\$130.00~~, individual and firm respectively, and shall be paid at the time the licensee reports continuing professional education hours, but no later than December 31 following expiration of the permit of each year.

(2) Effective October 1, 2010, the amount of the annual registration fee for Certified Public Accountants and registered Public Accountants who are ineligible for an annual permit or who have elected inactive status shall be \$50.00 and shall be paid no later than December 31 following expiration of the registration of each year.

(3) Effective October 1, 201~~7~~<sup>+</sup>, the amount of the annual registration fee for non-licensee owners registered under the Act shall be ~~\$100.00~~ and shall be paid no later than December 31 following expiration of the registration of each year.

(4) Any permit holder or registrant who fails to renew in a timely fashion as provided in subsections (1), (2), and (3) of this section may have his or her permit or registration renewed on or before March 31 following the December 31 deadline upon payment of a late penalty of \$100, or on or before September 30 following the December 31 deadline upon payment of a late penalty of \$500. The late penalty provided for in this subsection shall be in addition to all other fees and penalties. The Board may, upon petition and for good cause or hardship shown, waive all or a portion of the late penalty.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §§34-1-3, 34-1-4, 34-1-11.

**History:** Filed July 8, 1985. **Amended:** Filed September 12, 1989; September 11, 1992. **Amended:** Filed September 29, 1993; effective November 3, 1993. **Amended:** Filed January 23, 2004; effective February 27, 2004. **Amended:** Filed November 18, 2009; effective December 23, 2009. Amended: Filed September 19, 2016.

**30-X-3-.08****Foreign Reciprocity.**

(1) The Board shall allow a holder of a foreign license to sit for the uniform CPA Exam upon showing that

(a) The foreign license

1. was duly issued by a foreign agency or institute

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that regulates the practice of public accountancy, and has not expired or been revoked or suspended;

2. entitled the holder to issue reports upon financial statements;

3. was issued upon the basis of educational, examination, and experience requirements established by the foreign agency or institute or by law and the foreign credential is valid and in good standing at the time of application for a domestic credential; and

(b) The applicant

1. legally resides in the United States, ~~and has resided for at least one year prior to making application;~~

2. had, within the six years prior to residing in the United States, been continuously employed for no less than three years in the practice of public accountancy or its equivalent, or in an accounting-related job in a firm or audit agency that was itself required to hold a foreign license or was subject to discipline by a professional organization.

(2) The Board shall grant a CPA certificate and permit to practice to a holder of a foreign license if the applicant

(a) has passed the uniform CPA exam;

(b) has obtained one or more years of public accounting experience as defined in Rule 30-X-5-.06.

**Author:** Alabama Board of Public Accountancy

**Statutory Authority:** Code of Ala. 1975, §§34-1-4, 34-1-5.

**History:** Filed November 7, 1985. **Amended:** Filed May 18, 2004; effective June 22, 2004. **Amended:** Filed September 19, 2016.