

New Rules Govern Non-CPA Ownership of Public Accounting Firms

On October 28, 2011, Governor Mary Fallin approved changes to Oklahoma law to allow for non-CPA ownership of public accounting firms or affiliated entities. The new rules govern firm registrations and permits, and prescribe specific requirements for non-CPA owners, and/or individuals with financial interest or voting rights in public accounting firms.

Specific verbiage added to the Oklahoma Administrative Code is as follows. Please review and direct any questions to the Oklahoma Accountancy Board, at 405-521-2397.

10:15-23-2.1. Non-CPA owners of public accounting firms or affiliated entities

- (a) A firm which includes non-CPA owners may not qualify for a firm registration and permit unless every non-CPA owner of the firm:
 - (1) is an individual;
 - (2) is actively providing personal services in the nature of management of some portion of the firm's business interest or performing services for clients of the firm or an affiliated entity;
 - (3) is of good character as defined in Section 15.9 of the Act;
 - (4) is not a suspended or revoked CPA or PA;
 - (5) is registered with the Board in the same manner as a CPA under Section 15:14 of the Oklahoma Accountancy Act on a form prescribed by the Board.
- (b) Each of the non-CPA owners who are residents of Oklahoma must:
 - (1) be in compliance with Oklahoma tax laws;
 - (2) provide evidence of the successful completion (90% or better), within the past 365 days prior to initial registration, of the AICPA Ethics Examination or its equivalent as determined by the Board;
 - (3) comply with the Rules of Professional Conduct as set out in 10:15-39-1;
 - (4) hold a baccalaureate or graduate degree conferred by a college or university, or equivalent education as determined by the Board;
 - (5) maintain any professional designation held by the individual in good standing with the appropriate organization or regulatory body that is identified or used in an advertisement, letterhead, business card, or other firm-related communication;
 - (6) maintain continuing education in accordance with Section 10:15-32-1, provided credit shall be given for any other professional CPE or equivalent professional continuing education earned;
 - (7) submit to a national criminal history record check. The costs associated with the record check shall be paid by the non-CPA owner.
- (c) A "Non-CPA Owner" includes any individual who has any financial interest in the firm or any voting rights in the firm.