

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 1, 4, 9, 9.01, 9.02, 13, 14, 14.3, and 30.2 and by adding Section 5.2 as follows:

(225 ILCS 450/1) (from Ch. 111, par. 5501)

(Section scheduled to be repealed on January 1, 2014)

Sec. 1. No person shall hold himself or herself out to the public in this State in any manner by using the title "Certified Public Accountant" or use the abbreviation "C.P.A." or "CPA" or any words or letters to indicate that the person using the same is a certified public accountant, unless he or she has been issued a license or registration by the Department under this Act or is exercising the practice privilege afforded under Section 5.2 of this Act.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 10-1-06.)

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

(Section scheduled to be repealed on January 1, 2014)

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, 2010, persons who have received a Certified Public Accountant (CPA) Certificate issued by the Board of Examiners 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 Certified Public Accountant 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 Certified Public Accountant 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 Certified Public Accountant after July 1, 2010.

After that date, any applicant for licensure under this Act shall apply for a license as a Licensed Certified Public Accountant and shall meet the requirements set forth in this Act. Any person issued a Certified Public Accountant certificate who has been issued a registration as a Registered Certified Public Accountant 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) On and after October 1, 2006, no person shall hold himself or herself out to the public in this State in any manner by using the title "certified public accountant" or use the abbreviation "C.P.A." or "CPA" or any words or letters to indicate that the person using the same is a certified public accountant unless he or she maintains a current registration or license issued by the Department or is exercising the practice privilege afforded under Section 5.2 of this Act. It shall be a violation of this Act for an individual to assume or use the title "certified public accountant" or use the abbreviation "C.P.A." or "CPA" or any words or letters to indicate that the person using the same is a certified public accountant in this State unless he or she maintains a current registration or license issued by the Department or is exercising the practice privilege afforded under Section 5.2 of this Act.

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

(225 ILCS 450/5.2 new)

(Section scheduled to be repealed on January 1, 2014)

Sec. 5.2. Substantial equivalency.

(a) An individual whose principal place of business is not in this State shall have all the privileges of a person licensed under this Act as a licensed certified public accountant without the need to obtain a license or registration from the Department or to file notice with the Department, if the individual:

(1) holds a valid license as a certified public accountant issued by another state that the National Qualification Appraisal Service of the National Association of State Boards of Accountancy has verified to be in substantial equivalence with the CPA licensure requirements of the Uniform Accountancy Act of the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy; or

(2) holds a valid license as a certified public accountant issued by another state and obtains from the National Qualification Appraisal Service of the National Association of State Boards of Accountancy verification that the individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act of the American Institute of Certified

Public Accountants and the National Association of State Boards of Accountancy; however, any individual who has passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the education requirements of Section 3 of this Act for the purposes of this item (2).

(b) Notwithstanding any other provision of law, an individual who offers or renders professional services under this Section, whether in person or by mail, telephone, or electronic means, shall be granted practice privileges in this State and no notice or other submission must be provided by any such individual.

(c) An individual licensee of another state who is exercising the privilege afforded under this Section and the CPA firm that employs such individual, if any, as a condition of the grant of this privilege, hereby simultaneously consents:

(1) to the personal and subject matter jurisdiction and disciplinary authority of the Department;

(2) to comply with this Act and the Department's rules adopted under this Act;

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

(4) to the appointment of the state board that issued

the individual's or the CPA firm's license as the agent upon which process may be served in any action or proceeding by the Department against the individual.

(d) An individual licensee who qualifies for practice privileges under this Section who, for any entity headquartered in this State, performs (i) a financial statement audit or other engagement in accordance with Statements on Auditing Standards; (ii) an examination of prospective financial information in accordance with Statements on Standards for Attestation Engagements; or (iii) an engagement in accordance with Public Company Accounting Oversight Board Auditing Standards may only do so through a firm licensed under this Act.

(225 ILCS 450/9) (from Ch. 111, par. 5510)

(Section scheduled to be repealed on January 1, 2014)

Sec. 9. Unlicensed practice.

No person shall, ~~after the effective date of this amendatory Act of the 93rd General Assembly, begin to practice in this State or hold himself out as being able to practice licensed certified public accounting in this State or hold himself or herself out as being able to practice~~ in this State as a licensed certified public accountant, unless he or she is licensed in accordance with the provisions of this Act or is exercising the practice privilege afforded under Section 5.2 of

this Act. Any person who is the holder of a license as a public accountant heretofore issued, under any prior Act licensing or registering public accountants in this State, valid on the effective date of this amendatory Act shall be deemed to be licensed under this Act shall be subject to the same rights and obligations as persons originally licensed under this Act.

~~No person shall, after the effective date of this amendatory Act of the 93rd General Assembly, begin to hold himself or herself out as a registered certified public accountant unless he or she is registered in accordance with the provisions of this Act.~~

~~On and after October 1, 2006, no person may use or incorporate the title "certified public accountant" without holding a license as a licensed certified public accountant or registered certified public accountant under this Act.~~

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

(225 ILCS 450/9.01)

(Section scheduled to be repealed on January 1, 2014)

Sec. 9.01. Unlicensed practice; violation; civil penalty.

(a) Any person or firm that practices, offers to practice, attempts to practice, or holds oneself out to practice as a licensed certified public accountant in this State without being licensed under this Act or qualifying for the practice privilege set forth in Section 5.2 of this Act shall, in addition to any other penalty provided by law, pay a civil

penalty to the Department in an amount not to exceed \$5,000 for each offense as determined by the Department. The civil penalty shall be assessed by the Department after a hearing is held in accordance with the provisions set forth in this Act regarding the provision of a hearing for the discipline of a licensee.

(b) The Department has the authority and power to investigate any and all unlicensed activity.

(c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner as any judgment from any court of record.

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

(225 ILCS 450/9.02)

(Section scheduled to be repealed on January 1, 2014)

Sec. 9.02. Unauthorized use of title; violation; civil penalty.

(a) Any ~~On and after October 1, 2006,~~ any person who holds himself or herself out to the public as a certified public accountant in this State by using ~~shall assume~~ the title "certified public accountant" or ~~use~~ the abbreviation "CPA" or any words or letters to indicate that the person using the same is a certified public accountant without having been issued a registration ~~as a registered certified public accountant~~ or a license as a ~~licensed~~ certified public accountant under the

provisions of this Act or without qualifying for the practice privilege under Section 5.2 of this Act shall, in addition to any other penalty provided by law, pay a civil penalty to the Department in an amount not to exceed \$5,000 for each offense as determined by the Department. The civil penalty shall be assessed by the Department after a hearing is held in accordance with the provisions set forth in this Act regarding the provision of a hearing for the discipline of a licensee.

(b) The Department has the authority and power to investigate any and all alleged improper use of the certified public accountant title or CPA designation.

(c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner as any judgment from any court of record.

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

(225 ILCS 450/13) (from Ch. 111, par. 5514)

(Section scheduled to be repealed on January 1, 2014)

Sec. 13. Application for licensure.

(a) A person, partnership, limited liability company, or corporation desiring to practice public accounting in this State shall make application to the Department for licensure as a licensed certified public accountant and shall pay the fee required by rule.

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 forfeited and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(b) Any firm, whether organized as a partnership, limited liability company, corporation, or other entity, that (i) has an office in this State that uses the title "CPA" or "CPA firm"; (ii) has an office in this State that performs public accounting services, as defined in Section 8 of this Act; or (iii) does not have an office in this State, but performs attest services, as set forth in subsection (d) of Section 5.2 of this Act, for a client that has its home office in this State must hold a license issued under this Act.

(c) A firm that does not have an office in this State may perform a review of a financial statement in accordance with the Statements on Standards for Accounting and Review Services for a client with its home office in this State and may use the title "CPA" or "CPA firm" without obtaining a license under this Act, only if the firm (i) performs such services through individuals with practice privileges under Section 5.2 of this Act; (ii) satisfies any peer review requirements in those states in which the individuals with practice privileges under Section 5.2 have their principal place of business; and (iii) meets the qualifications set forth in item (2) of subsection (b) of Section 14 of this Act.

(d) A firm that is not subject to the requirements of subsection (b) or (c) of this Section may perform professional services that are not regulated under subsection (b) or (c) of this Section while using the title "CPA" or "CPA firm" in this State without obtaining a license under this Act if the firm (i) performs such services through individuals with practice privileges under Section 5.2 of this Act and (ii) may lawfully perform such services in the state where those individuals with practice privileges under Section 5.2 of this Act have their principal place of business.

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

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

(Section scheduled to be repealed on January 1, 2014)

Sec. 14. Qualifications. The Department may license as licensed certified public accountants the following:

(a) All persons who have received certificates as certified public accountants from the Board or who hereafter receive registrations as registered certified public accountants 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, attest, management advisory, financial advisory, tax, or consulting skills, which may be gained through employment in government, industry, academia, or public practice.

If the applicant's certificate as a certified public

accountant from the Board or the applicant's registration as a registered certified public accountant from the Department was issued more than 4 years prior to the application for a license 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) All partnerships, limited liability companies, or corporations, or other entities engaged in the practice of public accounting in this State and meeting the following requirements:

(1) (Blank).

(2) A majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, belongs to persons licensed in some state, and the partners, officers, shareholders, members, or managers whose principal place of business is in this State and who practice public accounting in this State, as defined in Section 8 of this Act, hold a valid license issued by this State. An individual exercising the practice privilege afforded under Section 5.2 who performs services for which a firm license is required under subsection (d) of Section 5.2 shall not be required to obtain an individual license under this Act.

(3) It shall be lawful for a nonprofit cooperative association engaged in rendering an auditing and accounting service to its members only, to continue to render that service provided that the rendering of auditing and accounting service by the cooperative association shall at all times be under the control and supervision of licensed certified public accountants.

(4) The Department may adopt rules and regulations as necessary to provide for the practice of public accounting by business entities that may be otherwise authorized by law to conduct business in Illinois.

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

(225 ILCS 450/14.3)

(Section scheduled to be repealed on January 1, 2014)

Sec. 14.3. Additional requirements for firms. In addition to the ownership requirements set forth in subsection (b) of Section 14, all firms licensed under this Act shall meet the following requirements:

(a) All owners of the firm, whether licensed or not, shall be active participants in the firm or its affiliated entities.

(b) An individual who supervises services for which a license is required under Section 8 of this Act, ~~or~~ who signs or authorizes another to sign any report for which a license is required under Section 8 of this Act, or who supervises services for which a firm license is required under subsection

(d) of Section 5.2 of this Act shall hold a valid, active Licensed Certified Public Accountant license from this State or another state and shall comply with such additional experience requirements as may be required by rule of the Department Board.

(c) The firm shall require that all owners of the firm, whether or not certified or licensed under this Act, comply with rules promulgated under this Act.

(d) The firm shall designate to the Department in writing an individual licensed under this Act or, in the case of a firm that must have a license pursuant to subsection (b) of Section 13 of this Act, a licensee of another state who meets the requirements set out in item (1) or (2) of subsection (a) of Section 5.2 of this Act, who shall be responsible for the proper registration of the firm.

(e) 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. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

(225 ILCS 450/30.2) (from Ch. 111, par. 5535.2)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30.2. Contributory fault. Except in causes of action based on actual fraud or intentional misrepresentation, ~~the the~~

principles of liability set forth in Sections 2-1115.05, 2-1116, and 2-1117 of the Code of Civil Procedure shall apply to all claims for civil damages brought against any person, partnership, corporation, or any other entity certified, licensed, or practicing under this Act, or any of its employees, partners, members, officers, or shareholders that are alleged to result from acts, omissions, decisions, or other conduct in connection with professional services.

This Section applies to causes of action accruing on or after the effective date of this amendatory Act of 1992. This amendatory Act of 1995 applies to causes of action accruing on or after its effective date.

(Source: P.A. 89-380, eff. 8-18-95.)

(225 ILCS 450/9.1 rep.)

Section 10. The Illinois Public Accounting Act is amended by repealing Section 9.1.

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99. Effective date. This Act takes effect January 1, 2008.