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PERMANENT ADMINISTRATIVE ORDER

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CHAPTER 801

OREGON BOARD OF ACCOUNTANCY

FILED

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ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: Updates rules to align with new CPA Exam format and streamlines CPA exam applications.

EFFECTIVE DATE: 01/04/2024

AGENCY APPROVED DATE: 12/21/2023

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RULES:

801-001-0005, 801-001-0035, 801-005-0010, 801-010-0050, 801-010-0060, 801-030-0005

AMEND: 801-001-0005

RULE TITLE: Model Rules of Procedure

NOTICE FILED DATE: 11/14/2023

RULE SUMMARY: Updates effective date of Attorney General Model Rules of Procedure adopted by the Board.

RULE TEXT:

Pursuant to ORS 183.341, the Oregon Board of Accountancy adopts the Attorney General's Uniform and Model Rules of Procedure in effect on January 1, 2024.

[ED. NOTE: The full text of the Attorney General's Model Rules of Procedure is available from the office of the Attorney General or Board of Accountancy.]

STATUTORY/OTHER AUTHORITY: ORS 670.310, 673.410

STATUTES/OTHER IMPLEMENTED: ORS 183.341

AMEND: 801-001-0035

RULE TITLE: Professional Standards

NOTICE FILED DATE: 11/14/2023

RULE SUMMARY: Updates effective date of the Professional Standards, Interpretations, Rulings and Rules adopted by the Board.

RULE TEXT:

The professional standards, interpretations, rulings and rules designated and adopted by the Board in OAR Chapter 801 are those in effect as of January 1, 2024.

STATUTORY/OTHER AUTHORITY: ORS 183.332, 673.410

STATUTES/OTHER IMPLEMENTED: ORS 183.337, 673.410

AMEND: 801-005-0010

RULE TITLE: Definitions

NOTICE FILED DATE: 11/14/2023

RULE SUMMARY: Updates definitions of the Board with emphasis on aligning professional standards adoption language with recent court decisions.

RULE TEXT:

As used in OAR Chapter 801, the following terms or abbreviations have the following meanings, unless otherwise defined therein:

- (1) Accounting Standards Codification (ASC) is published by the Financial Accounting Standards Board (FASB) and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual ACS standard that conflicts with or is outside the authority of the Board's statutes. The SFAS can be found on the FASB's website and a copy of it is on file at the Board's office.
- (2) Active means a license issued by the Oregon Board of Accountancy to an individual who has met the requirements to hold a CPA or PA license, maintains the license and is in good standing.
- (3) AICPA means American Institute of Certified Public Accountants.
- (4) AICPA Code of Professional Conduct issued by the AICPA and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual AICPA Code of Professional Conduct standard that conflicts with or is outside the authority of the Board's statutes. The AICPA Code of Professional conduct can be found on the AICPA's website and a copy of it is on file at the Board's office.
- (5) Applicant means a person applying for a license to practice public accountancy.
- (6) Attestation Services means the following professional services required to be performed under the following standards:
 - (a) Any audit or other engagement for which performance standards are included in the Statements on Auditing Standards (SAS), International Standards on Auditing (ISA), or other internationally recognized auditing standards;
 - (b) Any review of a financial statement for which performance standards are included in the Statement on Standards for Accounting and Review Services (SSARS);
 - (c) Any examination of prospective financial information for which performance standards are included in the Standards for Attest Engagements (SSAE);
 - (d) Any examination, review or agreed upon procedures engagement other than an examination described in paragraph (c) of this subsection for which performance standards are included in the Statements on Standards for Attestation Engagements (SSAE); and
 - (e) Any engagement for which performance standards are included in the Auditing Standards of the Public Company Accounting Oversight Board in the United States (PCAOB).
 - (f) The statements on standards specified in subsections (a) through (d) of this definition are those developed by the AICPA.
- (7) Auditing Standards (AS) issued by the Public Company Accounting Oversight Board (PCAOB) and adopted as if fully set forth herein as published on October 20, 2023, except for any individual AS that conflicts with or is outside the authority of the Board's statutes. The AS can be found on the PCAOB's website and a copy of it is on file at the Board's office.
- (8) Business Organization means any form of business organization authorized by law, including but not limited to a proprietorship, partnership, corporation, limited liability company, limited liability partnership or professional corporation.
- (9) CPA or Certified Public Accountant means a person who has a certificate of certified public accountant issued under ORS 673.040.
- (10) CPA Exam means the Uniform Certified Public Accountant Examination.
- (11) CPE means continuing professional education.

- (12) Candidate means a person applying for the CPA Exam.
- (13) Censure means an official written expression of reprimand, by Board action, to a licensee for specified conduct.
- (14) Certificate means a certificate of certified public accountant issued under ORS 673.040.
- (15) Circular No. 230 is the Treasury Department Regulations Governing Practice before the Internal Revenue Service, Rev. 6-2014 and is adopted as if fully set forth herein except for any individual Circular No. 230 regulation that conflicts with or is outside the authority of the Board's statutes. Circular No. 230 Rev. 6-14 can be found on the Internal Revenue Service's website and a copy of it is on file at the Board's office.
- (16) Client means a person or entity who agrees with a licensee, or employer of a licensee to receive any professional service from the licensee or employer of licensee. An employer is considered a client for inactive status licensees.
- (17) Commission means a fee calculated as a percentage of the total value of the sale of a product or service that is paid or received in the form of money or other valuable consideration.
- (18) Compilation Services means a professional service required to be performed in accordance with the Statement on Standards for Accounting and Review Services (SSARS) in which the person performing the services presents a financial statement that:
- (a) Is based on the responsibility of the owner or management of the company for which the statement is presented; and
 - (b) Does not include assurances by the person that the representations in the financial statement conform to the applicable reporting framework.
- (19) Confidential Client Information is information that is obtained from a source or developed by the licensee in the course of performing professional services for the client, excluding information available to the public.
- (20) Contingent Fee means a fee established for the performance of any professional service and directly or indirectly paid to a licensee pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. A fee is not contingent if the fee:
- (a) Is fixed by courts or other public authorities; or
 - (b) In tax matters, is determined based on the results of judicial proceedings or the findings of governmental agencies.
- (21) Direct Supervision is regular and meaningful interaction between the supervisor licensee and the person being supervised in terms of planning, coordinating, guiding, inspecting, controlling, and evaluating activities, and having authority over the employee being supervised. A licensee acting as a consulting or independent contractor to the applicant's employer will not meet the requirement of direct supervision.
- (22) Enterprise means any person or entity, whether organized for profit or not, for which a licensee provides public accounting services.
- (23) Ethics Exam means the AICPA professional ethics exam or the California Professional Ethics Exam (PETH).
- (24) Expired means a license that has not been renewed after six years from the close of the last license period for which the license was active, inactive or retired.
- (25) Fees include commissions, contingent fees and referral fees.
- (26) Financial Statements means the presentation of financial data, including accompanying notes, that is derived from accounting records and intended to communicate an entity's economic resources or obligations or the changes therein, at a specific point in time, and/or the results of operations for a specific period of time, presented in accordance with generally accepted accounting principles or a applicable reporting framework other than generally accepted accounting principles. Financial presentations included in tax returns are not financial statements. Incidental financial data included in management advisory services reports to support recommendations to a client are not financial statements. The method of preparation (for example, manual or computer preparation) is not relevant to the definition of a financial statement.
- (27) Firm means a business organization as defined in ORS 673.010 that is engaged in the practice of public accountancy and is required to be registered with the Board.
- (28) First Time Candidate means a candidate for the CPA exam who is sitting for the exam for the first time in Oregon.
- (29) Generally Accepted Accounting Principles (GAAP) means accounting principles or standards generally accepted in

the United States, including but not limited to Statements of Financial Accounting Standards (SFAS) and interpretations thereof, as published by the Financial Accounting Standards Board (FASB), and Statements of Governmental Accounting Standards (SGAS) and interpretations thereof, as published by the Government Accounting Standards Board (GASB) and the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual GAAP standard that conflicts with or is outside the authority of the Board's statutes. The GAAP can be found on the FASB and GASB websites and a copy of it is on file at the Board's office.

(30) Generally Accepted Auditing Standards (GAAS) means the Generally Accepted Auditing Standards including but not limited to those standards adopted by the American Institute of Certified Public Accountants, together with interpretations thereof, as set forth in Statements on Auditing Standards issued by the AICPA, and for federal audits, the Single Audit Act and related U.S. Office of Management and Budget Circulars published by the Government Accountability Office, and International Standards on Auditing (ISAs) issued by International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Board (IAASB).

(31) Holding out as a CPA or PA means to assume or use by oral or written communication the titles or designations "certified public accountant" or "public accountant" or the abbreviations "CPA" or "PA", or any number or other title, sign, card, device or use of any internet domain or e-mail name, tending to indicate that the person holds a valid certificate or license under the authority of ORS 673 as a certified public accountant or a public accountant.

(32) Inactive status means a license status granted by the Board to a licensee:

(a) Whose license is not expired, suspended, revoked or in retired status; and

(b) Who has met and agreed to all conditions and requirements set out in OAR 801-010-0120 relating to inactive status licensure.

(33) In good standing means the status of a holder of a license or firm registration issued by any jurisdiction that is not suspended, revoked, expired, resigned or lapsed. The good standing status of a licensee or registered firm will not be affected by the lapse of a license issued in another jurisdiction provided that the licensee holds an active, inactive or retired license to practice public accountancy in the State of Oregon.

(34) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual IFRS standard that conflicts with or is outside the authority of the Board's statutes. The IFRS can be found on the IASB website and a copy of it is on file at the Board's office.

(35) International Standards on Auditing (ISA) issued by International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Board (IAASB) and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual ISA standard that conflicts with or is outside the authority of the Board's statutes. The ISA can be found on the IAASB website and a copy of it is on file at the Board's office.

(36) Jurisdiction means the licensing authority for the practice of public accountancy in any state, U.S. Territory or foreign country.

(37) Lapsed means a license status that is not renewed within 60 days of the close of a license period.

(a) Lapsed licensees are not permitted practice public accounting as defined in OAR 801-005-0010(48).

(b) A person in lapsed status must not hold out in any form or manner that they are a CPA or PA.

(c) A lapsed license may be reinstated to active, inactive or retired status only prior to becoming expired.

(38) License means:

(a) A certificate, permit or registration, or a license issued under ORS 673.100, enabling the holder thereof to practice public accountancy in this state; or

(b) A certificate, permit, registration or other authorization issued by a jurisdiction outside this state enabling the holder thereof to practice public accountancy in that jurisdiction.

(39) Licensee means the holder of a license as defined in these rules.

(40) Material Participation means participation that is regular, continuous and substantial.

(41) Manager means a manager of a limited liability company.

- (42) Member means a member of a limited liability company.
- (43) NASBA means National Association of State Boards of Accountancy.
- (44) Non-licensee Owner means a person who does not hold a certificate, license or permit as a certified public accountant or public accountant in Oregon or in any other jurisdiction.
- (45) PA or Public Accountant means a person who is the holder of a license issued under ORS 673.100.
- (46) Peer Review means a study, appraisal or review of one or more aspects of the public accountancy work of a holder of a license under ORS 673.150 or of a registered business organization that performs attestation services or compilation services that is conducted by a CPA who holds an active license issued by any state or a public accountant licensed under 673.100 who was required to pass the audit section of the Uniform CPA Exam as a requirement for licensing. The peer reviewer must also be independent of the license holder or registered business organization being reviewed.
- (47) Permit means a license to practice public accountancy issued under ORS 673.150.
- (48) Practice of Public Accountancy means performance of or any offer to perform one or more services for a client or potential client, including the performance of such services while in the employ of another person by a licensee, professional services of accounting, tax, personal financial planning, litigation support services, and those professional services for which standards are promulgated. These standards include Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Statements of Financial Accounting Standards, Statements on Auditing Standards, Statements on Standards for Accounting and Review Services, Statements on Standards for Consulting Services, Statements of Governmental Accounting Standards, International Financial Reporting Standards, International Accounting Standards, International Standards on Auditing, Statements on Standards for Attestation Engagements, and Statements on Standards for Valuation Services.
- (49) Preparation of Financial Statements means providing a service of any preparation of financial statements engagement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS).
- (50) Principal Place of Business means the office location where the licensee performs public accounting services, and designated by a person for purposes of substantial equivalency and reciprocity.
- (51) Professional means arising out of or related to the specialized knowledge or skills associated with certified public accountants and public accountants.
- (52) Professional Services means any services performed or offered to be performed by a licensee for a client or potential client in the course of the practice of public accountancy.
- (53) Regional Accreditation means the college or university is accredited by one of the six regional accrediting associations or by another accrediting body that is recognized by the Board.
- (54) Referral Fee means a referral fee that includes, but is not limited to, a rebate, preference, discount or any item of value, whether in the form of money or otherwise, given or received by a certified public accountant, public accountant or firm, to or from any third party, directly or indirectly, in exchange for the purchase of any product or service, unless made in the ordinary course of business.
- (55) Registration means the authority issued under ORS 673.160 to a business organization to practice public accountancy in this state.
- (56) Report. "Report", when used with reference to attestation services or compilation services means an opinion or other form of language that states or implies assurance as to the reliability of the attested information or compiled 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 may arise from the language of the report itself.
- (a) Any form of language that:
- (A) Disclaims an opinion when the form of language implies any positive assurance as to the reliability of the attested information or the compiled financial statements referred to or of the special knowledge or competence on the part of

the person or firm issuing the language;

(B) Implies any positive assurance as to the reliability of the attested information or compiled financial statements referred to or of the special knowledge or competence on the part of the person or firm issuing the language; or

(C) Relates to the affairs of a person and that is conventionally used by licensees in reports or financial statements.

(b) Language Not Constituting a Report: The following statement, signed by a person who does not hold a license issued under ORS 673.150, shall not constitute a report under ORS 673.320 so long as the statement is not accompanied by any wording indicating the person is an accountant or auditor or other language prohibited by ORS 673.020, 673.030, 673.310 or 673.320:

"The accompanying balance sheet (or . . .) of XYZ Company as of (date) and the related statements of income (or retained earnings or cash flows) for the year then ended have been prepared by me (us). The information presented in these financial statements is the responsibility of management (owners)."

(57) Retired means a license status conferred by the Board upon a licensee who:

(a) At any age, has held an active license in good standing to practice public accountancy for a combined period of not less than 20 years, and

(b) Has met and agreed to all conditions and requirements set out in OAR 801-010-0120 relating to retired status licensure.

(58) Returning Candidate means a person who has received grades for any section of the Uniform CPA exam who applies to sit for any part of the CPA exam in Oregon.

(59) Revoked means a license, certificate or permit that has been fully canceled and cannot be reinstated.

(60) Single Audit Act means the Single Audit Act with the Single Audit Act Amendments of 1996, as published by the United States Government Accountability Office, Office of Management and Budget and related U.S. Office of Management and Budget (OMB) Circulars, and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual standard that conflicts with or is outside the authority of the Board's statutes. The current OMB Circulars can be found on the Federal Register website and a copy is on file at the Board's office. Past circulars are archived on the White House's OMB website. All related OMB guidance can also be found in Title 2 of the Code of Federal Regulations.

(61) Sole Practitioner/Sole Proprietor means a CPA or PA who practices independently and may include unlicensed support personnel, but does not include any other licensed CPA's or PA's.

(62) Standards for Accounting and Review Services (SARS) means the Statements on Standards for Accounting and Review Services published by the AICPA and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual GAPP standard that conflicts with or is outside the authority of the Board's statutes. The GAAP can be found on the FASB and GASB websites and a copy of it is on file at the Board's office.

(63) Standards for Board Approved Peer Review Programs means the Standards for Performing and Reporting on Peer Reviews published by the AICPA.

(64) Standards for Performing and Reporting on Peer Reviews (SPRPR) issued by the AICPA is adopted as if fully set forth herein as published on October 20, 2023, except for any individual SPRPR standard that conflicts with or is outside the authority of the Board's statutes. The SPRPR can be found on the AICPA's website and a copy of it is on file at the Board's office.

(65) Statements of Governmental Accounting Standards and interpretations thereof (SGAS) is published by the Government Accounting Standards Board (GASB) and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual SGAS standard that conflicts with or is outside the authority of the Board's statutes. The SGAS can be found on the GASB website and a copy of it is on file at the Board's office.

(66) Statements of Financial Accounting Standards and interpretations thereof (SFAS) is published by the Financial Accounting Standards Board (FASB) and is adopted as if fully set forth herein as published on October 20, 2023, except for any individual SFAS standard that conflicts with or is outside the authority of the Board's statutes. The SFAS can be found on the FASB's website and a copy of it is on file at the Board's office.

(67) Statements on Auditing Standards (SAS) and interpretations thereof as issued by the AICPA is adopted as if fully

set forth herein as published on October 20, 2023, except for any individual SAS standard that conflicts with or is outside the authority of the Board's statutes. The SAS can be found on the AICPA's website and a copy of it is on file at the Board's office.

(68) Statements on Consulting Services (SCS) issued by the AICPA is adopted as if fully set forth herein as published on October 20, 2023, except for any individual SCS statement that conflicts with or is outside the authority of the Board's statutes. The SCS can be found on the AICPA's website and a copy of it is on file at the Board's office.

(69) Statements on Standards for Accounting and Review Services (SSARS) issued by the AICPA is adopted as if fully set forth herein as published on October 20, 2023, except for any individual SSARS standard that conflicts with or is outside the authority of the Board's statutes. The SSARS can be found on the AICPA's website and a copy of it is on file at the Board's office.

(70) Statements on Standards for Attestation Engagements (SSAE) means the statements by that name issued by the AICPA is adopted as if fully set forth herein as published on October 20, 2023, except for any individual SSAE standard that conflicts with or is outside the authority of the Board's statutes. The SSAE can be found on the AICPA's website and a copy of it is on file at the Board's office.

(71) Statements on Standards for Valuation Services (SSVS) as issued by the AICPA is adopted as if fully set forth herein as published on October 20, 2023, except for any individual SSVS standard that conflicts with or is outside the authority of the Board's statutes. The SSVS can be found on the AICPA's website and a copy of it is on file at the Board's office.

(72) State means any state, territory or insular possession of the United States, and the District of Columbia.

(73) Substantial Equivalency means:

(a) An individual holds a valid license as a certified public accountant from another state that requires an individual, as a condition of licensure as a certified public accountant to:

(A) Complete at least 150 semester hours of college education and obtain a baccalaureate or higher degree conferred by a college or university;

(B) Achieve a passing grade on the Uniform Certified Public Accountant Examination; and

(C) Possess at least one year of experience, verified by a licensee, providing any type of service or advice involving the use of accounting, attestation, compilation, management advisory, financial advisory, tax or related consulting skills, obtained through public practice or government, industry or academic work; or

(b) An individual licensee who holds a valid license from another state but that state does not have the qualifications specified in (a) but can provide evidence that they have met the requirements of (a) will be deemed substantially equivalent.

(74) Supervisor Licensee is a licensee who provides direct supervision to an applicant and provides verification of any experience requirement. Supervisor licensee must have held a valid license during the period of supervision.

(75) Suspended means a licensee who is not permitted to practice public accountancy for a period of time.

(76) Uniform Accountancy Act (UAA) is a model bill and set of regulations designed by the AICPA and NASBA to provide a uniform approach to regulation of the accounting profession, provisions of which may or may not be adopted by state boards of accountancy.

(77) Working papers: include but are not limited to all statements, records, schedules, general ledgers, journals, trial balances and depreciation schedules made by the licensee incident to or in the course of rendering services to a client or former client. Working papers are and shall remain the property of the licensee in the absence of an express agreement to the contrary between the licensee and client. In addition to the requirements specified in paragraph above, attest documentation shall include, but not be limited to, the following:

(a) The objectives, scope and methodology, including any sampling criteria used;

(b) Documentation of the work performed to support significant conclusions and judgments, including descriptions of transactions and records examined that would enable a reviewer with relevant knowledge and experience, having no previous connection with the attest engagement, to examine the same transactions and records; and

(c) Evidence of any supervisory review of the work performed.

(78) Valid means a certified public accountant or a public accountant license, municipal roster authority, firm

registration or chartered accountant certificate that is in active status and in good standing with the appropriate licensing authority. A license in active status is one that is not revoked, suspended, subject to probation, lapsed, inactive, retired or expired.

[Publications: Publications referenced are available from the agency.]

STATUTORY/OTHER AUTHORITY: ORS 670.310

STATUTES/OTHER IMPLEMENTED: ORS 670.310

AMEND: 801-010-0050

RULE TITLE: Application for Uniform CPA Examination

NOTICE FILED DATE: 11/14/2023

RULE SUMMARY: Aligns Board rules on eligibility to sit for the CPA Examination with the lower 120 semester hour education standard in HB2523 (2023).

RULE TEXT:

(1) Definitions.

(a) Authorization to Test (ATT): Issued by NASBA on behalf of the Board of Accountancy to eligible exam candidates to authorize the candidate to test for specified sections of the CPA exam. The ATT may be issued for one or more CPA exam sections. Each ATT authorizes the candidate to take each CPA exam section designated in the ATT one time only. The ATT may become expired as to one exam section named in the ATT, and remain valid as to other specified exam sections. The candidate must submit an application and re-examination fee to NASBA for any exam section that is expired under the ATT or to retake any section of the CPA Exam not passed.

(b) Notice to Schedule (NTS): Issued by NASBA and enables the candidate to schedule testing at an examination test center. The NTS will remain open until the candidate schedules testing or until six months have elapsed since the NTS was issued, whichever occurs first.

(c) Testing Opportunity: Each NTS issued for an exam section is considered a testing opportunity. A candidate may not retake a failed exam section(s) until the score for that section has been released.

(2) Applications.

(a) Applications for the CPA exam must be submitted to NASBA on a form provided by NASBA and must be accompanied by the appropriate fee as provided for by NASBA. The act of filing an application for the CPA exam constitutes an agreement by the candidate to observe and comply with the CPA Exam rules adopted by the Board.

(b) An application will not be reviewed until the application fee and all required supporting documents have been received, including proof of identity (as determined by the Board and specified on the application form), official transcripts and/or evaluation of foreign credentials from NASBA International Evaluation Services (NIES) and evidence that the candidate has met eligibility requirements.

(c) All foreign academic credentials submitted as evidence of eligibility for the CPA exam are required to be evaluated by NASBA International Evaluation Services (NIES).

(d) An application for the CPA examination must be complete in every particular within 90 days from the date it is received by NASBA. If an application is incomplete, the candidate will be found ineligible and the file will be closed. A candidate whose file has been closed as described herein is required to submit a new application, application fee and all required documents.

(e) Candidates shall pay NASBA's CPA exam application fee and all other fees associated with the CPA exam to NASBA. All CPA exam fees are non-refundable. If a candidate fails to appear for a scheduled testing at an approved test center, all fees paid will be forfeited for the examinations scheduled on that day.

(f) At the time of application and during the time any ATT issued by NASBA on behalf of the Oregon Board of Accountancy is open, the candidate must not have an open ATT for the same section in any other state or jurisdiction.

(g) The candidate must certify at the time of application that they are in compliance with subsection (f) of this rule. Falsifying this certification or including any false, fraudulent, or materially misleading statements on the application for the examination, or including any material omission on the application for the examination is cause for disciplinary action under ORS 673.170.

(3) Eligibility under education requirements. Candidates for admission to the CPA exam applying under the educational requirements of ORS 673.050(1) must demonstrate eligibility as follows:

(a) 120 Hour Rule: Satisfactory evidence that the candidate has successfully completed 120 semester hours or 180 quarter hours, including:

(A) A baccalaureate or higher degree from a college or university that is accredited by one of the six regional accrediting

associations or by another accrediting body that is recognized by the Board as described in ORS 673.050(1);

(B) A minimum of 24 semester hours or 36 quarter hours, or the equivalent thereof, in the study of core accounting coursework at the upper division or graduate level in some or all of the subject-matter content areas listed below:

- (i) Financial accounting and reporting for business organizations.
- (ii) Financial statement auditing
- (iii) Taxation
- (iv) Accounting information systems
- (v) Financial accounting and reporting for government and not-for-profit entities.
- (vi) Attestation engagements
- (vii) Managerial or cost accounting
- (viii) Mergers and acquisitions
- (ix) Tax and financial planning
- (x) Fraud examination
- (xi) Internal controls and risk assessment
- (xii) Financial statements analysis
- (xiii) Accounting research analysis
- (xiv) Tax research and analysis
- (xv) Data analytics, data interrogation techniques, and/or digital acumen in accounting context, whether taken in the business school or in another college or university program, such as the engineering, computer science, or math programs.
- (xvi) Ethics (accounting course)
- (xvii) Other accounting-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the board.

(C) A minimum of 24 semester hours or 36 quarter hours in business or accounting courses, at the undergraduate and/or graduate level, covering some or all of the following subject-matter content:

- (i) Business law
- (ii) Economics
- (iii) Management
- (iv) Marketing
- (v) Finance
- (vi) Business communications: whether taken in the business school or in another college or university program, such as English, Speech Communications, or other courses designed to improve a student's communication skills.
- (vii) Statistics
- (viii) Quantitative methods
- (ix) Information systems or technology
- (x) Data analytics, data interrogation techniques, and/or digital acumen, whether taken in the business school or in another college or university program, such as the engineering, computer science, or math programs.
- (xi) Ethics (business course)
- (xii) Other business-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.
- (xiii) Additional accounting courses in excess of 24 semester hours or 36 quarter hours.

(D) Credit for community college courses. Applicants who have earned a baccalaureate or higher degree from a regionally accredited college or university may obtain additional hours from a community college, if such hours would be transferable to an accredited college or university.

(E) Internship or Accounting Internship courses are limited to a maximum of 12 semester hours or 18 quarter hours. A maximum of four semester hours or six quarter hours may be counted toward the core accounting courses if the credit is upper division and accounting coded.

- (F) Courses taken for CPA Exam preparation or review do not qualify toward the accounting specific course requirement or the related subject course requirements.
- (G) A candidate will only receive credit for a course one time.
- (b) Evidence of eligibility. Candidates must meet all requirements under this rule at the time of application. Satisfactory evidence of the educational requirement may be provided in the following manner:
- (A) Candidates who have completed all course requirements and been awarded a baccalaureate or higher degree must provide an official transcript(s) demonstrating successful completion of all courses required under these rules, and that a degree was awarded.
- (B) Candidates who have completed all course requirements at the time of application, but for whom a baccalaureate degree has not yet been awarded must provide an official transcript(s) showing successful completion of all courses required under these rules, together with a letter from the Registrar's Office of the college or university stating that the candidate has met the degree requirements and the date that the degree will be awarded.
- (C) Only official transcripts that are forwarded directly to NASBA by the issuing college or university will be accepted.
- (D) Colleges or universities which are accredited by one of the six regional accrediting associations or by another accrediting body that is recognized by the Board will be accepted.
- (4) Eligibility under experience standards. Candidates for the CPA exam who are applying under the experience requirements of ORS 673.050(2) to be licensed as a Public Accountant must submit satisfactory evidence that:
- (a) The candidate graduated from a high school with a four-year program, or the equivalent; and
- (b) The candidate completed two years of experience in public accountancy or the equivalent satisfactory to the Board that meets the requirements of OAR 801-010-0100(2) and 801-010-0065(2).
- (5) Authorization to Test (ATT) and Notice to Schedule (NTS).
- (a) An ATT authorizes the candidate to test for those sections of the CPA exam that are specified in the ATT. An ATT is effective for 90 days, pending payment of the exam section fees to NASBA. The ATT will expire 90 days after it is issued if the candidate has not paid the appropriate fees.
- (b) Suspension of the ATT. An ATT may be suspended by NASBA if it determines that a problem related to the candidate is identified on the National Candidate Database, or for other good cause as determined by the Board.
- (c) Payment of CPA Exam testing fees. To obtain a Notice to Schedule (NTS), the candidate must remit the CPA exam testing fees required for the CPA exam sections specified in the ATT to NASBA within ninety (90) days from the date the ATT is issued. Failure to remit the required fees and obtain the NTS will cause the ATT to expire, and the candidate must submit a re-examination application to NASBA, with the appropriate CPA exam fee, to receive another ATT.
- (d) NTS. When the candidate receives an ATT from NASBA, the candidate is required to:
- (A) Submit to NASBA payment of all fees related to testing of the CPA exam sections authorized by the ATT;
- (B) Upon receipt of the NTS, contact an approved test center to schedule the time and place for testing of the exam sections authorized by the NTS. CPA exam sections do not have to be scheduled on the same date.
- (C) The NTS remains valid for each exam section until the candidate schedules testing for that specific section, or for six months from the date the NTS was issued, whichever occurs first.
- (D) The NTS expires when:
- (i) The candidate schedules and takes a designated exam section; or
- (ii) The candidate schedules a testing date for a designated exam section but fails to appear and take the section at the scheduled time; or
- (iii) The candidate fails to schedule a designated exam section within the six-month period defined by the NTS; or
- (e) Testing. A candidate may schedule testing at an approved testing center in Oregon or in another jurisdiction. A list of approved testing centers is available through NASBA. Candidates must comply with the procedures and rules of the test center.
- (f) Re-examination. A completed re-examination application and payment of the appropriate fee to NASBA is required:
- (A) To take an exam section for which the candidate has not previously applied; or
- (B) To retake any exam section that the candidate does not pass; or

- (C) To obtain an ATT for any exam section that the candidate failed to schedule during the six-month period for which a previous NTS was issued; or
- (D) To obtain an ATT for any exam section for which the candidate failed to obtain an NTS during the ninety (90) day period after the date the ATT was issued.
- (g) Request for extension of NTS. The Board, in its discretion, may grant a request for extension of the 6-month NTS window for:
 - (A) Reasons of health, certified by a medical doctor, that prevent the candidate from completing the CPA exam section(s) listed on the NTS; or
 - (B) A candidate on active military duty who is deployed during the 6-month period of the NTS; or
 - (C) Other good cause, to be determined by the Board on a case-by-case basis.
 - (D) A request for extension of a valid NTS must be submitted to NASBA in writing prior to the expiration of the NTS and must include documentation supporting the conditions for extension.

STATUTORY/OTHER AUTHORITY: ORS 670.310, 673.050, 673.100

STATUTES/OTHER IMPLEMENTED: ORS 673.050, 673.100, 673.410

AMEND: 801-010-0060

RULE TITLE: Credit for Uniform CPA Examination Sections

NOTICE FILED DATE: 11/14/2023

RULE SUMMARY: Amends Uniform CPA examination rules to align with the new examination format, lengthens exam credit validity window to 30 months, and adopts national Credit Relief Initiative to restore exam credits lost during the declared public health emergency.

RULE TEXT:

(1) Exam section requirements.

(a) A candidate may sit for any of the sections of the computer-based CPA exam individually and in any order. A candidate who fails to pass any section of the exam may retake that section; however, a candidate may not retake a failed section until the score has been released for that section.

(b) Candidates who are eligible under ORS 673.050(2) (2001 Edition) to take the CPA exam as a public accountant candidate are required to take and pass the following two sections of the CPA exam within a thirty (30) month window: Financial Accounting and Reporting (FAR), and Regulation (REG).

(2) Credit for CPA exam sections.

(a) Passing Grade. The passing grade for each section of the exam is 75 or higher.

(b) Credit for Computer Based CPA Exam. A candidate may take the required exam sections individually and in any order. Credit for any exam section(s) passed is valid for thirty (30) months from the date NASBA publishes the score for that section(s), without having to attain a minimum score on any failed section and without regard to whether the candidate has taken other exam sections provided that:

(A) Candidates must pass all core sections and 1 discipline section of the CPA exam within a rolling thirty (30) month period, which begins on the date the score of the first passed section is released;

(B) Upon passing any CPA exam section, the passing date of that section is the date the candidate took the section; and

(C) Candidates who do not pass all sections of the CPA exam within the rolling thirty (30) month period lose credit for any section passed outside the thirty (30) month period and that section must be retaken.

(c) The Board may extend the period for conditional credit for an exam section upon demonstration by the candidate that the credit was lost because of circumstances beyond the candidate's control.

(d) The time limitations for a candidate to complete all sections of the CPA exam may be extended by the Board on a case-by-case basis due to illness, accident or other exigent circumstance, and shall be extended during the time a candidate is in active military service. A written request must be received by the Board that includes documentation supporting the request for extension.

(e) Notwithstanding the provisions in OAR 801-010-0060(2)(c)(d), in response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board will extend credit periods through June 30, 2025 for CPA Examination credits that expired from January 30, 2020 through May 11, 2023 which have not been subsequently replaced by new credits for the same sections.

(3) Transfer of CPA exam scores from other jurisdictions. The Board allows NASBA to transfer CPA exam scores and grant credit to a candidate who has successfully completed any section of the CPA exam in another jurisdiction if NASBA determines that:

(a) The examination for which credit is requested is the Uniform Certified Public Accountant Examination;

(b) The candidate received a grade of 75 or higher in the section passed; and

(c) A candidate who first sat for the CPA exam after January 1, 2000, and met the 120 hour educational requirement at the time the section was taken and passed for which grades are requested to be transferred. Candidates must provide NASBA with official transcripts to verify the educational requirements have been met.

(d) An exam score transferred from another jurisdiction is valid for thirty (30) months from the date the exam section was passed.

STATUTORY/OTHER AUTHORITY: ORS 670.310, 673.410

STATUTES/OTHER IMPLEMENTED: ORS 673.050, 673.060, 673.075

AMEND: 801-030-0005

RULE TITLE: Professional Conduct

NOTICE FILED DATE: 11/14/2023

RULE SUMMARY: Updates Citation of AICPA's Code of Professional Conduct as the source of the Board's Independence, Integrity & Objectivity Rules.

RULE TEXT:

(1) Independence. The Board adopts the Independence Rules in the Code of Professional Conduct established by the AICPA. The AICPA Interpretations and Ethics Rulings on Independence are adopted as non-exclusive guidance to licensees, prospective licensees, the Board and members of the public. Licensees who perform services that are subject to independence standards promulgated by other regulatory or professional standard setting bodies, agencies and organizations, including but not limited to the Securities and Exchange Commission, the General Accounting Office and the US Department of Labor, or other similarly recognized international bodies must also comply with those standards applicable to the services provided.

(2) Integrity and objectivity.

(a) In all aspects of public accounting and the practice of public accountancy, a licensee shall maintain objectivity and integrity, shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate the licensee's judgment to the judgment of others.

(b) In tax practice, however, a licensee may resolve doubt in favor of the client as long as there is reasonable support for the client's position.

(c) When accepting new employment or a new engagement, a licensee shall not use confidential client information in a manner that is adverse to a former client. Confidential client information is any information communicated to or obtained by the licensee from a client or employer that relates to services rendered by the licensee to the client or employer.

(d) The Board adopts the Integrity and Objectivity Rules in the Code of Professional Conduct established by the AICPA. The AICPA Interpretations and definitions are adopted as a non-exclusive list to provide guidance to licensees, prospective licensees, the Board, and members of the public.

(e) When a licensee represents two clients at the same time and becomes reasonably aware of divorce proceedings, the licensee must obtain a signed conflict of interest waiver from both clients.

(3) Commissions and referral fees. Certified public accountants, public accountants and firms in the practice of public accountancy are permitted to pay and receive commissions and referral fees subject to the requirements of ORS 673.345 and this rule.

(a) Notice to the Board. Licensees and Firms who receive or pay commissions or referral fees shall report this fact on the application for biennial renewal of the license/registration.

(b) Related licensure/registration. Prior to accepting commissions, licensees shall acquire and maintain in good standing any license or registration required by another governmental or private standard-setting body for the purpose of receiving commissions. Examples of licensing requirements include, but are not limited to, the following:

(A) Oregon Department of Consumer and Business Services;

(B) National Association of Securities Dealers;

(C) Oregon Real Estate Agency; and

(D) Oregon Appraiser Certification and Licensure Board.

(c) Prohibited commissions and referral fees. A certified public accountant, public accountant or firm engaged in the practice of public accountancy shall not recommend or refer to a client any product or service, or recommend or refer any product or service to be supplied by a third party to a client, in exchange for the payment, acceptance of a commission or referral fee when the licensee or firm also performs any of the following listed services for that client:

(A) An attestation engagement as defined in OAR 801-005-0010(4); or

(B) A compilation of a financial statement if the compilation report does not disclose a lack of independence between

the client and the certified public accountant.

(d) Application of prohibitions. The prohibitions in this rule apply:

(A) When the holder of a permit or any partner, officer, shareholder, member, manager or owner of the firm performs the services listed in this rule, and

(B) During the period in which the certified public accountant, public accountant or firm is engaged to perform any of the services listed in this rule, including the period(s) subject of the report and the period covered by any historical financial statements involved in the listed services.

(e) Disclosure requirements. A certified public accountant, public accountant or firm engaged in the practice of public accountancy who is not prohibited by this rule from paying or receiving a commission or referral fee and who is paid or expects to be paid a commission or referral fee, shall disclose that fact to any client to whom the commission or referral fee relates.

(A) A copy of each disclosure shall be provided to the client prior to the time the product or service that is the basis of the fee is recommended, referred or sold, or prior to the time the client retains the licensee to whom the client has been referred and for which the fee or other valuable consideration will be paid.

(B) A copy of the disclosure shall be retained by the certified public accountant, public accountant or firm for a period of at least six years after the licensee performs any services for the client.

(C) In the event of continuing engagements or a series of related transactions involving similar products or services with the same client, one written disclosure may cover more than one recommendation, referral or sale so long as the disclosure is provided at least annually and is not misleading.

(D) Disclosures under this rule shall:

(i) Be in clear and legible writing, in no less than 12 point font (if typed) and provided on a separate form that is acknowledged in writing by the client with the client's signature and date of acknowledgement;

(ii) State the amount of the commission or referral fee or the basis on which the payment will be calculated;

(iii) Identify the source of the payment and the relationship between the source of the payment and the person receiving the payment; and

(iv) Specify the services to be performed by the Licensee for the compensation to be received by the licensee.

(f) Transactions not prohibited. This rule does not prohibit the following transactions:

(A) Payments for the purchase of all or a material part of an accounting practice;

(B) Retirement payments to persons formerly engaged in the practice of public accountancy or payments to the heirs or estates of such persons; or

(C) Payments, including incentive or bonus payments, to employees or members of an accounting firm as compensation for their services.

(g) Audit of disclosure requirements. Licensees are subject to audits conducted by the Board or its designee to determine licensee compliance with the provisions of this rule. Licensees shall, upon request, furnish to the Board copies of disclosure records required under this rule.

(4) Contingent fees. Certified public accountants, public accountants, and firms in the practice of public accountancy may perform professional services for a client in exchange for a contingent fee subject to the requirements of ORS 673.345 and this rule.

(a) Notice to the Board. Licensees and firms who receive contingent fees in exchange for professional services shall report this fact on the application for biennial renewal of the license/registration.

(b) Prohibited contingent fees.

(A) A certified public accountant, public accountant, or firm in the practice of public accountancy may not perform professional services for a client in exchange for a contingent fee when the certified public accountant, public accountant or firm also performs any of the following listed services for that client:

(i) An attestation engagement as defined in OAR 801-005-0010(4); or

(ii) A compilation of a financial statement if the compilation report does not disclose a lack of independence between the client and the licensee.

- (B) A certified public accountant, public accountant, or firm in the practice of public accountancy may not prepare an original or amended tax return or a claim for a tax refund for any client in exchange for a contingent fee.
- (c) Application of prohibitions. The prohibitions stated in paragraph (4)(b)(A) of this rule apply during the period in which the licensee or the licensee's firm is engaged to perform any of the services listed in this rule and during any period covered by any historical or prospective financial statements involved with or related to such services.
- (d) Requirement for written agreement. Every agreement to perform services in exchange for a contingent fee shall be in writing and shall be signed by the client.
- (A) A copy of the agreement shall be provided to the client prior to the time the client retains the licensee for the service or prior to the time that the service that is subject to the agreement is performed.
- (B) Agreements under this rule shall:
- (i) Be in clear and legible writing in no less than 12 point font (if typed);
 - (ii) Include the signatures of all parties and date of each signature; and
 - (iii) State the amount of the contingent fee or the basis on which the fee will be calculated.
- (C) A copy of the agreement shall be retained by the certified public accountant, public accountant, or firm for a period of at least six years after the licensee performs the disclosed services for the client.
- (e) Contingent fee transactions not prohibited. Fees are not contingent if fixed by courts or other public authorities, or in tax matters if such fees are determined based on the results of judicial proceedings or the findings of governmental agencies.
- (f) Audit of contingent fee agreements. Licensees are subject to audits conducted by the Board or its designee to determine licensee compliance with the provisions of this rule. Licensees shall, upon request, furnish to the Board copies of contingent fee agreements required under this rule.
- (5) Improper use of CPA and PA designation.
- (a) Non-public accounting business. Licensees engaged in a business or occupation other than the practice of public accountancy or performance of attestation services may use the "CPA" or "PA" designation in oral or other communications such as business cards, stationery or comparable forms if the use of the designation does not indicate in any way that the licensee is authorized to perform public accountancy or attestation services as part of the licensee's other business or occupation.
- (b) Commissions or contingent fees. Licensees shall not engage in any activity for which the licensee receives commissions or contingent fees while holding out to the public as a CPA or PA, except as provided under sections (3) and (4) of this rule.
- (c) Non-licensee owners.
- (A) A non-licensee owner of a business organization registered in Oregon under the provisions of ORS 673.160(4) shall not use any name or title that indicates or suggests that such owner is a certified public accountant or public accountant. This does not preclude a non-licensee owner from using the title "principal," "partner," "officer," "member" or "shareholder" to describe the ownership interest in the business organization.
- (B) A business organization that includes non-licensee owners shall not use a firm name that includes both the name of a non-licensee owner and the title or designation for "certified public accountant", "public accountant", or any other words or description that would imply that the non-licensee owner included in the firm name is authorized to provide public accounting services.

STATUTORY/OTHER AUTHORITY: ORS 670.310, 673.410 & OL 2001, Ch. 313

STATUTES/OTHER IMPLEMENTED: ORS 673.160, 673.320, 673.345