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SENATE BILL NO. 1042

Offered January 8, 2025

Prefiled January 7, 2025

A BILL to amend and reenact §§ 54.1-4400, 54.1-4403, 54.1-4409.1, 54.1-4409.2, 54.1-4411, 54.1-4412.1, 54.1-4413.4, 54.1-4414 and 54.1-4425 of the Code of Virginia, relating to certified public accountant; educational requirements.

Patron—Ebbin

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-4400, 54.1-4403, 54.1-4409.1, 54.1-4409.2, 54.1-4411, 54.1-4412.1, 54.1-4413.4, 54.1-4414 and 54.1-4425 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-4400. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Accredited institution" means a degree-granting institution of higher education accredited either by (i) one of the regional accrediting organizations, including the Middle States Association of Colleges and Schools, New England Commission of Higher Education, Higher Learning Commission, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools Commission on Colleges, and WASC Senior College and University Commission, or their successors or (ii) an accrediting organization demonstrating to the Board periodically, as prescribed by the Board, that its accreditation process and standards are substantially equivalent to the accreditation process and standards of the regional accrediting organizations.

"Assurance" means any form of expressed or implied opinion or conclusion about the conformity of a financial statement with any recognition, measurement, presentation, or disclosure principles for financial statements.

"Attest services" means audit, review, or other engagements performed in accordance with the standards that have been established by the Public Company Accounting Oversight Board, by the Auditing Standards Board or the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, or by any successor standard-setting authorities.

"Board" means the Virginia Board of Accountancy.

"Compilation services" means compiling financial statements in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

"Continuing professional education" means the education that a person obtains after passing the CPA examination and that relates to services provided to or on behalf of an employer in academia, government, or industry or to services provided to the public.

"CPA" means certified public accountant.

"CPA examination" means the national uniform CPA examination approved and administered by the board of accountancy of a state or by the board's designee.

"CPA wall certificate" means the symbolic document suitable for wall display that is issued by the board of accountancy of a state to a person meeting the requirements to use the CPA title in that state.

"Executive Director" means the Executive Director of the Board.

"Experience" means employment in academia, a firm, government, or an industry in any capacity involving the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the Board, to provide services to or on behalf of an employer or to the public. Such experience must be verified by an active, licensed CPA.

"Facilitated State Board Access" or "FSBA" means the sponsoring organization's process whereby it provides the Board access to peer review results via a secure website.

"Financial statement" means a presentation of historical or prospective financial information about one or more persons or entities.

"Financial statement preparation services" means engaging a licensee in public practice for financial statement preparation services executed in accordance with the standards established by the Statements on Standards for Accounting and Review Services of the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

"Firm" means an entity formed by one or more licensees as a sole proprietorship, a partnership, a corporation, a limited liability company, or any other type of entity permitted by law with the purpose of providing professional services to the public.

"License of another state" means the license that is issued by the board of accountancy of a state other

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59 than Virginia that gives a person the privilege of using the CPA title in that state or that gives a firm the
 60 privilege of providing attest services, compilation services, and financial statement preparation services to
 61 persons and entities located in that state.

62 "Licensed" means holding a Virginia license or the license of another state.

63 "Licensee" means a person or firm holding a Virginia license or the license of another state.

64 "Peer review" means a review of a firm's attest services, compilation services, and financial statements
 65 preparation services that is conducted in accordance with the applicable monitoring program of the American
 66 Institute of Certified Public Accountants or its successor, or with another monitoring program approved by
 67 the Board.

68 "Practice of public accounting" means the performance of professional services for a client by a licensee
 69 or licensee's firm.

70 "Professional services" means all services requiring substantial use of accountancy or related skills that
 71 are performed by a licensee for a client or for an employer. Such services are subject to the guidance of the
 72 standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of §
 73 54.1-4413.3 or by any equivalent standard-setting authority as approved by the Board.

74 "Providing services to or on behalf of an employer" means the performance of professional services while
 75 employed or engaged on a contractual basis by a licensee to or on behalf of an entity. "Providing services to
 76 or on behalf of an employer" does not include a person or firm engaged in the practice of public accounting.

77 "Providing services to the public" means providing services that are subject to the guidance of the
 78 standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of §
 79 54.1-4413.3 or by an equivalent standard-setting authority as approved by the Board.

80 "Sponsoring organization" means a Board-approved professional society or other organization responsible
 81 for the facilitation and administration of peer reviews through use of its peer review program and applicable
 82 peer review standards.

83 "State" means any state of the United States, the District of Columbia, or any territory of the United States
 84 that is a recognized jurisdiction by the National Association of State Boards of Accountancy or its successor.

85 "*Substantially equivalent*" means a Board determination that the education requirements of another
 86 jurisdiction are comparable to those prescribed by the Board.

87 "Using the CPA title in Virginia" means the use of "CPA," "Certified Public Accountant," or "public
 88 accountant" in any manner of communication by any person, firm, or entity to persons or entities located in
 89 Virginia portraying such person, firm, or entity as being licensed or legally permitted to provide professional
 90 services in Virginia. Holding a Virginia license or the license of another state constitutes using the CPA title
 91 in Virginia.

92 "Virginia license" means a license that is issued by the Board giving a person or firm the privilege of
 93 using the CPA title in Virginia or a firm the privilege of providing attest services, compilation services, and
 94 financial statement preparation services to persons and entities located in Virginia.

95 **§ 54.1-4403. General powers and duties of the Board.**

96 The Board shall have the power and duty to:

97 1. Establish the qualifications of applicants for licensure, provided that all qualifications shall be
 98 necessary to ensure competence and integrity.

99 2. Examine, or cause to be examined, the qualifications of each applicant for licensure, including the
 100 preparation, administration, and grading of the CPA examination.

101 3. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.)
 102 necessary to assure continued competency, to prevent deceptive or misleading practices by licensees, and to
 103 effectively administer the regulatory system.

104 4. Levy and collect fees for the issuance, renewal, or reinstatement of Virginia licenses that are sufficient
 105 to cover all expenses of the administration and operation of the Board.

106 5. Levy on holders of Virginia licenses special assessments necessary to cover expenses of the Board.

107 6. Initiate or receive complaints concerning the conduct of or violation of the provisions of this chapter or
 108 regulations promulgated by the Board by holders of Virginia licenses, individuals, firms, or entities claiming
 109 to hold a Virginia license, or unlicensed individuals, firms, or entities using the CPA title in Virginia, and to
 110 take appropriate disciplinary action if warranted.

111 7. Initiate or receive complaints concerning the conduct of persons or firms who use the CPA title in
 112 Virginia under the ~~substantial equivalency~~ *practice privilege* provisions of § 54.1-4411 or firms that provide
 113 attest services, compilation services, or financial statement preparation services to persons or entities located
 114 in Virginia under the provisions of subsection C of § 54.1-4412.1, and to take appropriate disciplinary action
 115 if warranted.

116 8. Initiate or receive complaints concerning violations of the provisions of this chapter or regulations
 117 promulgated by the Board by persons or firms who use the CPA title in Virginia under the ~~substantial~~
 118 ~~equivalency~~ *practice privilege* provisions of § 54.1-4411 or firms that provide attest services, compilation
 119 services, or financial statement preparation services to persons or entities located in Virginia under the

- 120 provisions of subsection C of § 54.1-4412.1, and to take appropriate disciplinary action if warranted.
- 121 9. Revoke, suspend, or refuse to renew or reinstate a Virginia license for just causes as prescribed by the
- 122 Board.
- 123 10. Revoke or suspend, for just causes as prescribed by the Board, a person's or firm's privilege of using
- 124 the CPA title in Virginia under the ~~substantial equivalency~~ *practice privilege* provisions of § 54.1-4411 or a
- 125 firm's privilege of providing attest services, compilation services, or financial statement preparation services
- 126 to persons or entities located in Virginia under the provisions of subsection C of § 54.1-4412.1.
- 127 11. Establish requirements for peer reviews.
- 128 12. Establish continuing professional educational requirements as a condition for issuance, renewal, or
- 129 reinstatement of a Virginia license.
- 130 13. Expand or interpret the standards of conduct and practice in § 54.1-4413.3.
- 131 14. Enter into contracts necessary or convenient for carrying out the provisions of this chapter or the
- 132 functions of the Board.
- 133 15. Permit certain biographical references to previous CPA licensure.
- 134 16. Promulgate additional guidance on using the CPA title in Virginia as necessary.
- 135 17. Do all things necessary and convenient for carrying into effect this chapter and regulations
- 136 promulgated by the Board.
- 137 **§ 54.1-4409.1. Licensing requirements for persons.**
- 138 A. A person must be licensed in order to use the CPA title in Virginia.
- 139 1. The person shall hold a Virginia license if he provides services to the public and the principal place of
- 140 business in which he provides those services is in Virginia.
- 141 2. Other persons shall not be required to hold a Virginia license in order to use the CPA title in Virginia
- 142 provided that they hold the license of another state and comply with the ~~substantial equivalency~~ *practice*
- 143 *privilege* provisions of § 54.1-4411.
- 144 B. The Board shall prescribe the methods, fees, and continuing professional education requirements for a
- 145 person to apply for the issuance, renewal, or reinstatement of a Virginia license.
- 146 C. The Board has the authority to refuse to grant a person the privilege of using the CPA title in Virginia
- 147 if, based upon all the information available, the Board finds that the person is unfit or unsuited to use the
- 148 CPA title in Virginia. The Board shall not refuse to grant a person the privilege of using the CPA title in
- 149 Virginia solely because of a criminal conviction.
- 150 **§ 54.1-4409.2. How a person may obtain a Virginia license.**
- 151 A. A person who has not held the license of any state may obtain a Virginia license under this subsection.
- 152 1. To be considered for a Virginia license, the person seeking licensure shall:
- 153 a. Provide documentation that he has obtained from one or more accredited institutions at least 150
- 154 semester hours of education, a baccalaureate or higher degree, and an accounting concentration or equivalent,
- 155 as defined by the Board. *For a person seeking licensure on or after January 1, 2026, provide documentation*
- 156 *that he has obtained from one or more accredited institutions a baccalaureate or higher degree and an*
- 157 *accounting concentration or equivalent, as defined by the Board;*
- 158 b. Provide documentation that he has passed the CPA examination;
- 159 c. Describe his continuing professional education since he passed the CPA examination. The Board shall
- 160 determine whether his continuing professional education complies with the continuing professional education
- 161 requirement prescribed by the Board for that period; and
- 162 d. (1) *For a person seeking licensure prior to January 1, 2026, describe* ~~Describe~~ his experience. The
- 163 Board shall determine whether his experience complies with the experience requirement prescribed by the
- 164 Board.
- 165 (2) *For a person seeking licensure on or after January 1, 2026, provide documentation of qualifying*
- 166 *experience as determined by the Board, which shall include:*
- 167 (a) *Two years of experience for a person who has obtained a baccalaureate degree. The Board shall*
- 168 *permit at least 30 additional semester hours of education beyond the minimum hours required for a*
- 169 *baccalaureate degree to be substituted for one year of experience; or*
- 170 (b) *One year of experience for a person who has obtained a master's degree.*
- 171 2. After evaluating information provided by the person, the Board may request additional information and
- 172 may impose additional requirements for obtaining a Virginia license.
- 173 B. A person who does not hold the license of another state but has previously held the license of another
- 174 state may obtain a Virginia license under this subsection.
- 175 1. To be considered for a Virginia license, the person seeking licensure shall:
- 176 a. Disclose to the Board each state in which he has held a license;
- 177 b. Disclose, for each of those states, why the license is no longer held and provide documentation from the
- 178 board of accountancy concerning whether he has been found guilty of any violations of the standards of
- 179 conduct and practice established by statutes of the state or regulations promulgated by the board;
- 180 c. Describe the semester hours of education he has obtained from institutions of higher education. The

181 Board shall determine whether the education obtained is substantially equivalent to the education ~~that would~~
 182 ~~have been~~ required by the Board ~~when the person passed the CPA examination;~~

183 d. *Provide documentation that the person has passed the CPA examination;*

184 e. Describe his continuing professional education since he last held the license of another state. The Board
 185 shall determine whether his continuing professional education complies with requirement prescribed by the
 186 Board for reinstatement of a Virginia license; and

187 ~~e. f.~~ Describe his experience. The Board shall determine whether his experience complies with the
 188 experience requirement prescribed by the Board.

189 2. After evaluating the information provided by the person, the Board may request additional information
 190 and may impose additional requirements for obtaining a Virginia license.

191 C. A person who holds the license of another state may obtain a Virginia license under this subsection.

192 1. To be considered for a Virginia license, the person seeking licensure shall:

193 a. Disclose to the Board each state in which he holds or has held a license;

194 b. Provide, for each state in which the person holds a license, documentation from the board of
 195 accountancy concerning whether he is in good standing with the board, whether there are any pending actions
 196 alleging violations of the standards of conduct and practice established by statutes of the state or regulations
 197 promulgated by the board, and whether he has been found guilty of any violations of the standards of conduct
 198 and practice established by statutes of the state or regulations promulgated by the board;

199 c. Disclose, for each state in which the person has held a license, why the license is no longer held and
 200 provide documentation from the board of accountancy concerning whether he has been found guilty of any
 201 violations of the standards of conduct and practice established by statutes of the state or regulations
 202 promulgated by the board;

203 d. Describe the semester hours of education he has obtained from institutions of higher education. The
 204 Board shall determine whether the education obtained is substantially equivalent to the education ~~that would~~
 205 ~~have been~~ required by the Board ~~when the person passed the CPA examination;~~

206 e. *Provide documentation that the person has passed the CPA examination;*

207 f. Describe his continuing professional education during the most recent reporting period that would be
 208 required for the holder of a Virginia license. The Board shall determine whether his continuing professional
 209 education complies with the continuing professional education requirement prescribed by the Board for that
 210 period; and

211 ~~f. g.~~ Describe his experience. The Board shall determine whether his experience complies with the
 212 experience requirement prescribed by the Board.

213 2. After evaluating the information provided by the person, the Board may request additional information
 214 and may impose additional requirements for obtaining a Virginia license.

215 **§ 54.1-4411. Practice privilege provisions for persons who hold the license of another state.**

216 A. A person who (i) holds ~~the license of another state shall be considered to have met requirements that~~
 217 ~~are substantially equivalent to those prescribed by the Board if:~~

218 ~~1. The Board has determined that the education, CPA examination, and experience requirements of the~~
 219 ~~state are substantially equivalent to those prescribed by the Board; or~~

220 ~~2. The person has demonstrated meeting education, CPA examination, and experience requirements that~~
 221 ~~are substantially equivalent to those prescribed by the Board; a license in good standing issued by another~~
 222 ~~state, territory of the United States, or the District of Columbia and (ii) has passed the CPA examination~~
 223 ~~shall be granted practice privilege to provide services to the public in the Commonwealth without notice to~~
 224 ~~the Board or payment of any fees.~~

225 B. A person who holds the license of another state and meets the substantial equivalency provisions of
 226 *exercises practice privilege pursuant to* subsection A shall not be required to hold a Virginia license to use
 227 the CPA title in Virginia provided that either (i) he provides services to the public and the principal place of
 228 business in which he provides those services is in other states or (ii) he does not provide services to the public
 229 .

230 However, to use the CPA title in Virginia, the person shall:

231 1. Consent to be subject to:

232 a. The provisions of this chapter and regulations promulgated by the Board that apply to the holder of a
 233 Virginia license,

234 b. The jurisdiction of the Board in all disciplinary proceedings arising out of matters related to his use of
 235 the CPA title *or providing services to the public* in Virginia, and

236 c. The Board's authority to revoke or suspend his privilege to use the CPA title in Virginia and to impose
 237 penalties for the person's violations of the provisions of this chapter and regulations promulgated by the
 238 Board.

239 2. Consent to the appointment of the executive director of the board of accountancy of the state that issued
 240 the license as his agent, upon whom process may be served (i) in any action or proceeding by the Board
 241 against him, or (ii) in any civil action in Virginia courts arising out of his using the CPA title in Virginia. In

242 the event he holds a license from more than one state, the Board shall establish which executive director shall
243 serve as his agent.

244 3. Consent to the personal and subject matter jurisdiction of the courts of Virginia in any civil action
245 arising out of his use of the CPA title *or providing services to the public* in Virginia and agree that the proper
246 venue for such actions is in Virginia.

247 4. Agree to cease using the CPA title in Virginia if he is no longer licensed.

248 C. A holder of a Virginia license who is using the CPA title in another state under substantial equivalency
249 *or practice privilege* provisions of statutes of the state or regulations promulgated by the board of
250 accountancy of the state shall be subject to disciplinary action by the Board for an act or omission committed
251 in that state. The Board may investigate any complaint made to or by the board of accountancy of any state
252 related to the person's use of the CPA title in that state.

253 D. The Board may cooperate and share information with appropriate authorities in other states in
254 investigations or enforcement matters concerning violations of the provisions of this chapter or regulations
255 promulgated by the Board and comparable statutes or regulations of other states or boards of accountancy.

256 E. *Notwithstanding any provision of law to the contrary, if the Board determines after evaluation that*
257 *another state has granted CPA licenses without requiring candidates to meet minimum qualifications*
258 *acceptable to the Board, the Board may revoke practice privileges in the Commonwealth for CPAs licensed*
259 *by that state. Individual CPAs from states for which practice privileges have been revoked can still qualify*
260 *for practice privileges in the Commonwealth if the person would qualify for licensure in Virginia.*

261 **§ 54.1-4412.1. Licensing requirements for firms.**

262 A. Only a licensed firm can provide attest services, compilation services, or financial statement
263 preparation services to persons or entities located in Virginia. However, this shall not affect the privilege of a
264 person who is not licensed to include a statement on financial statements indicating that no assurance is
265 provided on the financial statements, to say that financial statements have been compiled, or to use the
266 compilation language, as prescribed by subsections B and C of § 54.1-4401.

267 B. A firm that provides attest services, compilation services, or financial statement preparation services to
268 persons or entities located in Virginia shall obtain a Virginia license if such firm's principal place of business
269 is in Virginia.

270 C. A firm whose principal place of business is not in Virginia is not required to obtain a Virginia license
271 but may provide attest services, compilation services, or financial statement preparation services to persons or
272 entities located in Virginia if the following provisions are met:

273 1. The firm holds the license of another state and can lawfully provide attest services, compilation
274 services, or financial statement preparation services to persons or entities in the state where its principal place
275 of business is located; and

276 2. The firm complies with subsection D; and

277 3. The firm's personnel working on the engagement either (i) hold a Virginia license or (ii) hold the
278 license of another state and comply with the ~~substantial equivalency~~ *practice privilege* provisions of §
279 54.1-4411; or

280 4. The firm's personnel working on the engagement are under the supervision of a person who either (i)
281 holds a Virginia license or (ii) holds the license of another state and complies with the ~~substantial equivalency~~
282 *practice privilege* provisions of § 54.1-4411.

283 D. For a firm to obtain and hold a Virginia license:

284 1. As determined on a firm-wide basis:

285 a. At least 51 percent of the owners of the firm shall be licensees, trustees of an eligible employee stock
286 ownership plan as defined in § 13.1-543, or a firm that meets this requirement; and

287 b. At least 51 percent of the voting equity interest in the firm shall be owned by persons who are licensees,
288 by trustees of an eligible employee stock ownership plan as defined in § 13.1-543, or by a firm that meets this
289 requirement.

290 If the death, retirement, or departure of an owner causes either of these requirements not to be met, the
291 requirement shall be met within one year after the death, retirement, or departure of the owner.

292 2. The Board shall prescribe requirements concerning the hours that owners who are not licensees work in
293 the firm and may prescribe other requirements for those persons.

294 3. All attest services, compilation services, and financial statement preparation services provided for
295 persons and entities located in Virginia shall be under the supervision of a person who either (i) holds a
296 Virginia license or (ii) holds the license of another state and complies with the ~~substantial equivalency~~
297 *practice privilege* provisions of § 54.1-4411.

298 4. Any person who releases or authorizes the release of reports on attest services, compilation services, or
299 financial statement preparation services provided for persons or entities located in Virginia shall:

300 a. Either (i) hold a Virginia license or (ii) hold the license of another state and comply with the ~~substantial~~
301 ~~equivalency~~ *practice privilege* provisions of § 54.1-4411; and

302 b. Meet any additional requirements the Board prescribes.

303 5. The firm shall conduct its attest services, compilation services, and financial statement preparation

304 services in conformity with the standards of conduct and practice in § 54.1-4413.3 and regulations
305 promulgated by the Board.

306 6. If the services provided by the firm are within the scope of the practice-monitoring program of the
307 American Institute of Certified Public Accountants or its successor, the firm shall enroll in the program or in
308 another practice-monitoring program for attest services, compilation services, and financial statement
309 preparation services that is approved by the Board. In addition, if enrolled the firm shall:

310 a. Comply with any requirements prescribed by the Board in response to the results of peer reviews; and
311 b. Participate in the American Institute of Certified Public Accountants', or sponsoring organizations',
312 Facilitated State Board Access process, or its successor process, or another process approved by the Board for
313 peer reviews.

314 7. The name of the firm shall not be false, misleading, or deceptive.

315 E. The Board shall prescribe the methods and fees for a firm to apply for the issuance, renewal, or
316 reinstatement of a Virginia license.

317 F. A firm may not use the CPA title in Virginia unless it holds a Virginia license or the license of another
318 state as permitted in subsection C.

319 **§ 54.1-4413.4. Penalties.**

320 A. Penalties the Board may impose consist of:

321 1. Revoking a Virginia license or the privilege of using the CPA title in Virginia or providing attest
322 services, compilation services, or financial statement preparation services to persons or entities located in
323 Virginia;

324 2. Suspending or refusing to renew or reinstate a Virginia license or the privilege of using the CPA title in
325 Virginia or providing attest services, compilation services, or financial statement preparation services to
326 persons or entities located in Virginia;

327 3. Reprimanding, censuring, or limiting the scope of practice of any person, firm, or entity using a
328 Virginia license or the CPA title in Virginia or any firm providing attest services, compilation services, or
329 financial statement preparation services to persons or entities located in Virginia;

330 4. Placing any person, firm, or entity using a Virginia license or the CPA title in Virginia or any firm
331 providing attest services, compilation services, or financial statement preparation services to persons or
332 entities located in Virginia on probation, with or without terms, conditions, and limitations;

333 5. Requiring a firm holding a Virginia license to have an accelerated peer review conducted as the Board
334 may specify or to take other remedial actions;

335 6. Requiring a person holding a Virginia license to satisfactorily complete additional or specific
336 continuing professional education as the Board may specify;

337 7. Imposing a monetary penalty up to \$100,000 for each violation of the provisions of this chapter or
338 regulations promulgated by the Board; any monetary penalty may be sued for and recovered in the name of
339 the Commonwealth; and

340 8. Requiring any person, firm, or entity that violates § 54.1-4414 to discontinue any acts in violation of
341 that provision.

342 B. The Board may impose penalties on persons, firms, or entities using a Virginia license or the CPA title
343 in Virginia or firms or entities providing attest services, compilation services, or financial statement
344 preparation services to persons or entities located in Virginia for:

345 1. Violation of the provisions of this chapter or violation of any regulation, subpoena, or order of the
346 Board;

347 2. Fraud or deceit in obtaining, renewing, or applying for reinstatement or lifting the suspension of a
348 Virginia license;

349 3. Revocation, suspension, or refusal to reinstate the license of another state for disciplinary reasons;

350 4. Revocation or suspension of the privilege of practicing before any state or federal agency or federal
351 court of law;

352 5. Dishonesty, fraud, or gross negligence in providing services to or on behalf of an employer, in
353 providing services to the public, or in providing attest services, compilation services, or financial statement
354 preparation services;

355 6. Dishonesty, fraud, or gross negligence in preparing the person's or firm's own state or federal income
356 tax return or financial statement;

357 7. Conviction of a felony, or of any crime involving moral turpitude, under the laws of the United States,
358 of Virginia, or of any other state if the acts involved would have constituted a crime under the laws of
359 Virginia; or

360 8. Lack of the competence required to provide services to the public for persons and entities located in
361 Virginia or to provide attest services, compilation services, and financial statement preparation services to
362 persons and entities located in Virginia, as determined by the Board.

363 C. The Board may also impose penalties on:

364 1. A person, firm, or entity that does not hold a Virginia license, or that does not meet the requirements to

365 use the CPA title in Virginia under the ~~substantial equivalency~~ *practice privilege* provisions of § 54.1-4411,
 366 and commits any of the acts prohibited by § 54.1-4414; or

367 2. A firm or entity that does not meet the criteria prescribed by subdivision D 1 of § 54.1-4412.1 and
 368 commits any of the acts prohibited by § 54.1-4414.

369 **§ 54.1-4414. Prohibited acts.**

370 Neither (i) a person who does not hold a Virginia license or who does not meet the requirements to use the
 371 CPA title in Virginia under the ~~substantial equivalency~~ *practice privilege* provisions of § 54.1-4411 nor (ii)
 372 an entity that does not meet the criteria prescribed by subdivision D 1 of § 54.1-4412.1 shall:

373 1. Practice public accounting;

374 2. Claim to hold a license to use the CPA title;

375 3. Make any other claim of licensure, registration, or approval related to the preparation of financial
 376 statements that is false or misleading;

377 4. Use the CPA title; or

378 5. Refer to any of the standard-setting authorities listed in the standards of conduct and practice in
 379 subdivisions 5 and 6 of § 54.1-4413.3, or refer to or use any of the terminology prescribed by those
 380 authorities for reporting on financial statements, in any form or manner of communication about services
 381 provided to persons or entities located in Virginia.

382 **§ 54.1-4425. Time for filing complaints against CPAs or CPA firms.**

383 A. Except as otherwise provided in subsections B and C, any complaint against the holder of a Virginia
 384 license for any violation of statutes or regulations pertaining to the Board or any of the programs that may be
 385 in another title of the Code for which the Board has enforcement responsibility, in order to be investigated by
 386 the Board, shall be made in writing, or otherwise made in accordance with Board procedures, and received by
 387 the Board within three years of the act, omission, or occurrence giving rise to the violation.

388 B. However, where a holder of a Virginia license has materially and willfully misrepresented, concealed,
 389 or omitted any information and the information so misrepresented, concealed, or omitted is material to the
 390 establishment of the violation, the complaint may be made at any time within two years after discovery of the
 391 misrepresentation, concealment, or omission.

392 C. In cases where criminal charges have been filed involving matters that, if found to be true, would also
 393 constitute a violation of the regulations or laws of the regulant's profession enforced by the Board, an
 394 investigation may be initiated by the Board at any time within ~~three~~ *five* years following the date of
 395 conviction.

396 D. In order to be investigated by the Board, any complaint against an individual or firm using the CPA
 397 title in Virginia under the ~~substantial equivalency~~ *practice privilege* provisions of § 54.1-4411 or against a
 398 firm or entity providing attest services, compilation services, or financial statement preparation services under
 399 subsection C of § 54.1-4412.1 for any violation of statutes or regulations pertaining to the Board or any of the
 400 programs that may be in another title of this Code for which the Board has enforcement responsibility shall
 401 be made in writing, or otherwise made in accordance with Board procedures, and received by the Board
 402 within five years of the act, omission, or occurrence giving rise to the violation.

403 E. Public information obtained from any source may serve as the basis for a written complaint. Nothing in
 404 this section shall be construed to require the filing of a complaint if the alleged violation of the statute or
 405 regulation is discovered during an investigation authorized by law, and the acts, omissions, or conditions
 406 constituting the alleged violations are witnessed by a sworn investigator appointed by the Executive Director.

407 F. Nothing herein shall deny the right of any party to bring a civil cause of action in a court of law.

408 **2. That the Board of Accountancy shall promulgate regulations to implement the provisions of this act**
 409 **to be effective within 280 days of its enactment.**