
A BILL FOR AN ACT

RELATING TO PUBLIC ACCOUNTANCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purposes of this Act are to:

2 (1) Clarify the rules governing practice in this State by
3 firms and individuals licensed to practice public
4 accounting in other states; and

5 (2) Insure that all certified public accountants
6 practicing in Hawaii are subject to the disciplinary
7 power of the state board of public accountancy.

8 SECTION 2. Chapter 466, Hawaii Revised Statutes, is
9 amended by adding two new sections to be appropriately
10 designated and to read as follows:

11 "§466-A Practice by certain out-of-state firms. (a) A
12 certified public accounting firm that holds a current valid
13 license to practice public accounting in another state, has its
14 primary place of business in that state, and does not maintain
15 an office in Hawaii, may practice in this State without a firm
16 license or notice to the board provided that the firm's practice
17 in this State is performed by and through an individual who



1 either holds a permit to practice under this chapter or
2 practices under a privilege under section 466-B.

3 (b) As a condition of practicing in this State pursuant to
4 this section, the firm shall:

5 (1) Be subject to the personal and subject matter
6 jurisdiction and disciplinary authority of the state
7 board of public accountancy;

8 (2) Comply with this chapter and with all applicable rules
9 established by the state board of public accountancy;
10 and

11 (3) Be deemed to have appointed the regulatory agency of
12 the state that issued the firm's license as the firm's
13 agent, upon whom process may be served in any action
14 or proceeding by the state board of public accountancy
15 against the firm.

16 **§466-B Limited practice by out-of-state practitioner.** (a)
17 An individual who holds a current valid license to practice as a
18 certified public accountant issued by another state whose
19 principal residence and principal place of business are in that
20 state and who does not maintain an office in this State may
21 practice public accountancy in this State subject to the
22 restrictions and conditions in this section; provided that:



1 (1) The National Association of State Boards of
2 Accountancy's National Qualification Appraisal Service
3 has verified that the other state has education,
4 examination, and experience requirements for
5 certification or licensure that are comparable to or
6 exceed the requirements for licensure as a certified
7 public accountant of The American Institute of
8 Certified Public Accountants/National Association of
9 State Boards of Accountancy Uniform Accountancy Act
10 and the board determines that the licensure
11 requirements of this chapter are met; or

12 (2) The individual obtains from the National Association
13 of State Boards of Accountancy's National
14 Qualification Appraisal Service verification that the
15 individual's education, examination, and experience
16 qualifications are comparable to or exceed the
17 requirements of this chapter for obtaining a permit to
18 practice.

19 (b) An individual who meets the requirements of subsection
20 (a) (1) or (2) and who offers or renders professional services in
21 person or by mail, telephone, or electronic means may practice



1 public accountancy in this State without notice to the state
2 board of public accountancy.

3 (c) An individual practicing under this section, as a
4 condition of the privilege of practicing in this State shall:

5 (1) Be subject to the personal and subject matter
6 jurisdiction and disciplinary authority of the state
7 board of public accountancy;

8 (2) Comply with this chapter and with all applicable rules
9 established by the state board of public accountancy;
10 and

11 (3) Be deemed to have appointed the regulatory agency of
12 the state that issued the person's license as the
13 person's agent, upon whom process may be served in any
14 action or proceeding by the state board of public
15 accountancy against the person.

16 (d) An individual practicing under this section shall
17 practice through a firm that holds a license under this chapter
18 if, for an entity with its principal office in this State, the
19 individual performs:

20 (1) A financial statement audit or other engagement in
21 accordance with the Statements on Auditing Standards;



- 1 (2) An examination of prospective financial information in
- 2 accordance with the Statements on Standards of
- 3 Attestation Engagements; or
- 4 (3) An engagement in accordance with auditing standards of
- 5 the Public Company Accounting Oversight Board or its
- 6 successor."

7 SECTION 3. This Act does not affect rights and duties that

8 matured, penalties that were incurred, and proceedings that were

9 begun, before its effective date.

10 SECTION 4. New statutory material is underscored.

11 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

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Report Title:

Public Accountancy; Out-of-State Practice

Description:

Authorizes the out-of-state practice of public accountancy in this State provided that the practice is conducted through an individual with a permit or privilege to practice in this State. Establishes a privilege to practice in this State for out-of-state practitioners.

