

JAN 23 2009

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# A BILL FOR AN ACT

RELATING TO PUBLIC ACCOUNTANCY.

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

1           SECTION 1. The purpose of this Act is to clarify the rules  
2 governing practice in this State by firms and individuals  
3 licensed to practice public accounting in other states by  
4 requiring that all certified public accountants practicing in  
5 Hawaii be subject to the disciplinary power of the Hawaii state  
6 board of public accountancy.

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

10           "§466-A Practice by certain out-of-state firms. (a) A  
11 certified public accountant firm that holds a current, valid  
12 license or permit to practice public accountancy in another  
13 state, has its primary place of business in that state, and does  
14 not maintain an office or division in Hawaii may practice in  
15 this State without a firm permit required pursuant to section  
16 466-7(d) and without notice to the board if the firm's practice  
17 of public accountancy in Hawaii is performed solely by and



1 through a single individual who holds a permit to practice  
2 pursuant to section 466-7, or who is eligible to engage in a  
3 limited practice of accountancy under section 466-B.

4 (b) A firm practicing under this section, as a condition  
5 of the privilege of practicing in this State:

6 (1) Shall be subject to the personal jurisdiction, subject  
7 matter jurisdiction, and disciplinary authority of the  
8 board;

9 (2) Shall comply with this chapter and with all applicable  
10 rules established by the board; and

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

16 **§466-B Limited practice by out-of-state practitioner.** (a)

17 A person who holds a current, valid license to practice as a  
18 certified public accountant issued by another state, maintains a  
19 principal residence and principal place of business in that  
20 state, and does not maintain an office in Hawaii may practice  
21 public accountancy in this State subject to the restrictions and  
22 conditions in this section, if:



1       (1) The National Association of State Boards of  
2       Accountancy's National Qualification Appraisal Service  
3       has verified that the state in which the person is  
4       licensed has education, examination, and experience  
5       requirements for certification or licensure that are  
6       substantially equivalent to or exceed the requirements  
7       for licensure as a certified public accountant under  
8       the Uniform Accountancy Act; or

9       (2) The person obtains from the National Association of  
10       State Boards of Accountancy's National Qualification  
11       Appraisal Service verification that the person's  
12       education, examination, and experience qualifications  
13       are comparable to or exceed the requirements of this  
14       chapter.

15       (b) A person who meets the requirements of subsection (a)  
16       may practice public accountancy in this State without notice to  
17       the board.

18       (c) A person practicing under this section, as a condition  
19       of the privilege of practicing in this State:

20       (1) Shall be subject to the personal jurisdiction, subject  
21       matter jurisdiction, and disciplinary authority of the  
22       board;



1       (2) Shall comply with this chapter and with all applicable  
2           rules established by the board; and

3       (3) Shall be deemed to have appointed the regulatory  
4           agency of the state that issued the person's license  
5           as the person's agent, upon whom process may be served  
6           in any action or proceeding by the board against the  
7           person.

8       (d) A person practicing under this section shall practice  
9       through a firm that holds a current valid license under this  
10       chapter if the practice of public accountancy performed by the  
11       person includes any of the following for an entity with its  
12       principal office in this State:

13       (1) A financial statement audit or other service performed  
14           in accordance with the Statements on Auditing  
15           Standards issued by the American Institute of  
16           Certified Public Accountants;

17       (2) An examination of prospective financial information  
18           performed in accordance with the Statements on  
19           Standards of Attestation Engagements issued by the  
20           American Institute of Certified Public Accountants; or



1       (3) Services subject to the auditing standards of the  
2           Public Company Accounting Oversight Board or its  
3           successor under the Sarbanes-Oxley Act of 2002."

4       SECTION 3. In codifying the new sections added by section  
5       2 of this Act, the revisor of statutes shall substitute  
6       appropriate section numbers for the letters used in designating  
7       the new sections in this Act.

8       SECTION 4. New statutory material is underscored.

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

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INTRODUCED BY: Will Engro  
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**Report Title:**

Public Accountancy; Board of Accountancy; Licensing; Out-of-State

**Description:**

Allows out-of-state accountants and accounting firms that are certified public accountants not licensed in Hawaii to practice in the State under certain conditions. Subjects all certified public accountants practicing in Hawaii to the authority and supervision of the board of accountancy.

