

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Barclay**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED §17-12-106 AND
9 §17-12-309 TO MAKE IT UNLAWFUL FOR ACCOUNTANTS TO PAY A
10 COMMISSION TO OBTAIN A CLIENT; TO PROVIDE FOR TEMPORARY
11 PERMITS FOR ACCOUNTANTS LICENSED IN OTHER JURISDICTIONS;
12 TO PROVIDE A FEE FOR TEMPORARY PERMITS; AND FOR OTHER
13 PURPOSES."

14
15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

16
17 SECTION 1. Arkansas Code Annotated §17-12-106 is amended to read as
18 follows:

19 "17-12-106. Unlawful acts.

20 (a) No person shall assume or use the title or designation 'certified
21 public accountant' or the abbreviation 'CPA' or any other title, designation,
22 words, letters, abbreviation, sign, card, or device tending to indicate that
23 he is a certified public accountant, unless he has received a certificate as a
24 certified public accountant under §§17-12-301 - 17-2-308 and 17-12-310,
25 holds a permit issued under subchapter 5 of this chapter which is not revoked
26 or suspended, hereinafter referred to as a 'live permit,' and all of his
27 offices in this state for the practice of public accounting are maintained and
28 registered as required under §17-12-403. However, a foreign accountant who
29 has registered under the provisions of §17-12-404, and who holds a live permit
30 issued under subchapter 5 of this chapter, may use the title under which he is
31 generally known in his country, followed by the name of the country from which
32 he received his certificate, license, or degree.

33 (b) No partnership or corporation shall assume or use the title or
34 designation 'certified public accountant' or the abbreviation 'CPA' or any
35 other title, designation, words, letters, abbreviation, sign, card, or device

1 tending to indicate that the partnership or corporation is composed of
2 certified public accountants unless the partnership or corporation is
3 registered as a partnership or corporation of certified public accountants
4 under §17-12-401, holds a live permit issued under subchapter 5 of this
5 chapter, and all offices of the partnership or corporation in this state for
6 the practice of public accounting are maintained and registered as required
7 under §17-12-403.

8 (c) No person shall assume or use the title or designation 'public
9 accountant' or any other title, designation, words, letters, abbreviation,
10 sign, card, or device tending to indicate that he is a public accountant,
11 unless he is registered as a public accountant, holds a live permit issued
12 under subchapter 5 of this chapter, and all of the person's offices in this
13 state for the practice of public accounting are maintained and registered as
14 required under §17-12-403, or unless the person has received a certificate as
15 a certified public accountant under §§17-12-301 - 17-12-308, 17-12-310, holds
16 a live permit issued under subchapter 5 of this chapter, and all of the
17 person's offices in this state for the practice of public accounting are
18 maintained and registered as required under §17-12-403.

19 (d) No partnership or corporation shall assume or use the title or
20 designation 'public accountant' or any other title, designation, words,
21 letters, abbreviation, sign, card, or device tending to indicate that the
22 partnership or corporation is composed of public accountants unless the
23 partnership or corporation is registered as a partnership or corporation of
24 public accountants under §17-12-402 or as a partnership or corporation of
25 certified public accountants under §17-12-401 and holds a live permit issued
26 under subchapter 5 of this chapter and all offices of the partnership or
27 corporation in this state for the practice of public accounting are maintained
28 and registered as required under §17-12-403.

29 (e) No person, partnership, or corporation shall assume or use the
30 title or designation 'certified accountant,' 'chartered accountant,'
31 'enrolled accountant,' 'licensed accountant,' 'registered accountant,'
32 'accredited accountant,' 'accounting practitioner,' or any other title or
33 designation likely to be confused with 'certified public accountant' or
34 'public accountant,' or any of the abbreviations, 'CA,' 'PA,' 'EA,' 'LA,'
35 'RA,' 'AA,' 'AP,' or similar abbreviations likely to be confused with

1 'CPA.' However, anyone who holds a live permit issued under subchapter 5 of
2 this chapter and all of whose offices in this state for the practice of public
3 accounting are maintained and registered as required under §17-12-403 may hold
4 himself out to the public as an 'accountant' or 'auditor.' A foreign
5 accountant registered under §17-12-404 who holds a live permit issued under
6 subchapter 5 of this chapter and all of whose offices in this state for the
7 practice of public accounting are maintained and registered as required under
8 §17-12-403 may use the title under which he is generally known in his country,
9 followed by the name of the country from which he received his certificate,
10 license, or degree.

11 (f) (1) Unless he holds a live permit issued under subchapter 5 of this
12 chapter and all of his offices in this state for the practice of public
13 accounting are maintained and registered under §17-12-403, no person shall
14 sign or affix his name or any trade or assumed name used by him in his
15 profession or business with any wording indicating that he is an accountant or
16 auditor, or with any wording indicating that he has expert knowledge in
17 accounting or auditing, to any opinion or certificate attesting in any way to
18 the reliability of any representation or estimate in regard to any person or
19 organization embracing:

20 (A) Financial information; or

21 (B) Facts respecting compliance with conditions established
22 by law or contract including, but not limited to, statutes, ordinances,
23 regulations, grants, loans, and appropriations.

24 (2) However, the provisions of this subsection shall not prohibit
25 any officer, employee, partner, or principal of any organization from affixing
26 his signature to any statement or report in reference to the affairs of the
27 organization with any wording designating the position, title, or office which
28 he holds in the organization, nor shall the provisions of this subsection
29 prohibit any act of a public official or public employee in the performance of
30 his duties as such.

31 (g) Unless the partnership or corporation holds a live permit issued
32 under subchapter 5 of this chapter and all of its offices in this state for
33 the practice of public accounting are maintained and registered as required
34 under §17-12-403, no person shall sign or affix a partnership or corporate
35 name with any wording indicating that it is a partnership or corporation

1 composed of accountants or auditors or persons having expert knowledge in
2 accounting or auditing to any opinion or certificate attesting in any way to
3 the reliability of any representation or estimate in regard to any person or
4 organization embracing:

5 (1) Financial information; or

6 (2) Facts respecting compliance with conditions established by
7 law or contract including, but not limited to, statutes, ordinances,
8 regulations, grants, loans, and appropriations.

9 (h) No person or partnership or corporation not holding a live permit
10 issued under subchapter 5 of this chapter shall hold himself or itself out to
11 the public as an 'accountant' or 'auditor' by use of either or both of such
12 words on any sign, card, letterhead, or in any advertisement or directory,
13 without indicating thereon or therein that the person, partnership, or
14 corporation does not hold such a permit. This subsection shall not prohibit
15 any officer, employee, partner, or principal of any organization from
16 describing himself by the position, title, or office he holds in such
17 organization; nor shall this subsection prohibit any act of public official or
18 public employee in the performance of his duties as such.

19 (i) No person shall assume or use the title or designation 'certified
20 public accountant' or 'public accountant' in conjunction with names
21 indicating or implying that there is a partnership or corporation, or in
22 conjunction with the designation 'and Company' or 'and Co.' or a similar
23 designation if, in any such case, there is in fact no bona fide partnership or
24 corporation registered under §§17-12-401 or 17-12-402. A sole proprietor or
25 partnership lawfully using the title or designation in conjunction with such
26 names or designation on July 9, 1975, may continue to do so if he or it
27 otherwise complies with the provisions of this chapter.

28 (j) No person engaged in the practice of public accountancy shall pay a
29 commission to obtain a client, nor shall that person accept a commission for a
30 referral to a client of products or services of others. This subsection shall
31 not prohibit payments for the purchase of an accounting practice or retirement
32 payments to individuals presently or formerly engaged in the practice of
33 public accounting or payments to their heirs or estates.

34 (k) Professional services shall not be offered or rendered under an
35 arrangement whereby no fee will be charged unless a specified finding or

1 result is attained, or when the fee is otherwise contingent upon the findings
2 or results of such services. However, a licensee's fees may vary depending,
3 for example, on the complexity of the service rendered. Fees are not regarded
4 as being contingent if fixed by courts or other public authorities or, in tax
5 matters, if the fees are based on the results of judicial proceedings or the
6 findings of government agencies."

7

8 SECTION 2. Arkansas Code Annotated §17-12-309 is amended to read as
9 follows:

10 "17-12-309. Temporary certificate.

11 (a) Any person or firm licensed to practice public accounting in
12 another jurisdiction who temporarily performs public accounting services for
13 clients located in this state shall be required to obtain a temporary permit
14 to practice.

15 (b) A fee not to exceed fifty dollars (\$50.00) shall be charged for
16 this permit."

17

18 SECTION 3. All provisions of this act of a general and permanent nature
19 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
20 Revision Commission shall incorporate the same in the Code.

21

22 SECTION 4. If any provision of this act or the application thereof to
23 any person or circumstance is held invalid, such invalidity shall not affect
24 other provisions or applications of the act which can be given effect without
25 the invalid provision or application, and to this end the provisions of this
26 act are declared to be severable.

27

28 SECTION 5. All laws and parts of laws in conflict with this act are
29 hereby repealed.