

**17-12-106. Unlawful acts.**

**(a) (1)** No person shall assume or use the title or designation “certified public accountant” or the abbreviation “CPA” or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that he or she is a certified public accountant, unless he or she holds a current license as a certified public accountant under § 17-12-301 et seq. and all of his or her offices in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403.

**(2)** However, a foreign accountant who has received a certificate under the provisions of § 17-12-308(c) may use the title under which he or she is generally known in his or her country, followed by the name of the country from which he or she received his or her certificate, license, or degree.

**(b)** No firm shall assume or use the title or designation “certified public accountant” or the abbreviation “CPA” or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of certified public accountants unless the firm is currently registered under § 17-12-401(a)(1) and all offices of the firm in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403.

**(c)** No person shall assume or use the title or designation “public accountant” or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that he or she is a public accountant, unless:

**(1)** He or she is currently licensed as a public accountant and all of the person's offices in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403; or

**(2)** He or she is currently licensed as a certified public accountant under § 17-12-301 et seq. and all of the person's offices in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403.

**(d)** No firm shall assume or use the title or designation “public accountant” or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of public accountants unless the firm is currently registered under § 17-12-401 or § 17-12-402 and all offices of the firm in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403.

**(e) (1)** No person or firm shall assume or use the title or designation “certified accountant”, “chartered accountant”, “enrolled accountant”, “licensed accountant”, “registered accountant”, “accredited accountant”, “accounting practitioner”, or any other title or designation likely to be confused with “certified public accountant” or “public accountant”, or any of the abbreviations, “CA”,

“LA”, “RA”, “AA”, “AP”, or similar abbreviations likely to be confused with “CPA” or “PA”.

- (2) Anyone currently licensed under this chapter and whose offices in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403 may hold himself or herself out to the public as an “accountant” or “auditor”.
- (3) A foreign accountant who receives a certificate under § 17-12-308(c) and all of whose offices in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403 may use the title under which he or she is generally known in his or her country, followed by the name of the country from which he or she received his or her certificate, license, or degree.
- (4) (a) A person or firm shall not use a professional or firm name or designation that is misleading in reference to the legal form of the firm, the ownership of the firm, or the firms owners, partners, officers, members, managers, or shareholders.
- (b) However, a firm may use the name of one (1) or more past partners, officers, members, managers, or shareholders in its firm name.
- (5) (A) (i) A common brand name or initials used by a firm in its name is not misleading if the firm is a network firm.
- (ii) For purposes of this subsection, “network firm” means an association of entities that includes one (1) or more firms that:
- (a) Cooperate to enhance the firms’ ability to provide professional services;
  - (b) Share one (1) or more of the following:
    - (1) Common control as defined by generally accepted accounting principles in the United States through ownership, management, or other means;
    - (2) Profits or costs, excluding costs of operating the association, developing audit methodologies, manuals, and training courses, or other costs that are immaterial to the firm;
    - (3) A common business strategy, established by the association, that involves ongoing collaboration among the firms and whereby the firms are responsible for implementing the strategy and are held accountable for their performance under it;
    - (4) Significant part of professional resources; and

**(5)** Common quality control policies and procedures that the firms are required to implement and are monitored by the association.

**(B)** A network firm may consist of a subset of entities within an association only if that subset of entities cooperates and shares one (1) or more of the characteristics in subdivision 5 (A) (ii) of this section.

**(C)** A network firm shall comply with the applicable standards on independence if it offers or renders services that require independence.

**(f) (1)** A person who is not a current licensee may not offer to render or render any attest service as defined in § 17-12-103.

**(2)** The restriction in subdivision (f)(1) of this section does not prohibit any act of a public official or public employee in the performance of that person's duties as such or prohibit the performance by any person of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports in violation of this chapter.

**(g)** Unless he or she is a current licensee and all of his or her offices in this state for the practice of public accounting are currently maintained and registered under § 17-12-403, no person shall sign or affix his or her name or any trade or assumed name used by him or her in his or her profession or business with any wording indicating that he or she is an accountant or auditor or with any wording indicating that he or she has expert knowledge in accounting or auditing to any opinion or certificate attesting in any way to the reliability of any representation or estimate in regard to any person or organization embracing:

**(1)** Financial information; or

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

**(h)** Unless the firm is currently registered as required by § 17-12-401 et seq. and all of its offices in this state for the practice of public accounting are currently maintained and registered as required under § 17-12-403, no person shall sign or affix a firm name with any wording indicating that it is a partnership, corporation, or limited liability company composed of accountants or auditors or persons having expert knowledge in accounting or auditing to any opinion or certificate attesting in any way to the reliability of any representation or estimate in regard to any person or organization embracing:

**(1)** Financial information; or

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

**(i)** **(1)** No person not currently licensed pursuant to § 17-12-301 et seq., and no firm not currently registered pursuant to § 17-12-401 et seq., shall hold himself or herself or itself out to the public as an “accountant” or “auditor” by use of either or both of such words on any sign, card, electronic transmission, or letterhead or in any advertisement or directory without indicating thereon or therein that the person or firm does not hold such a license.

**(2)** This subsection shall not prohibit any officer, employee, partner, or principal of any organization from describing himself or herself by the position, title, or office he or she holds in such an organization, nor shall this subsection prohibit any act of a public official or public employee in the performance of his or her duties as such.

**(j)** No person shall assume or use the title or designation “certified public accountant” or “public accountant” in conjunction with names indicating or implying that there is a partnership, corporation, or limited liability company if there is, in fact, no bona fide partnership, corporation, or limited liability company currently registered under § 17-12-401 or § 17-12-402. A sole proprietor, corporation, or partnership lawfully using the title or designation in conjunction with such names or designations on July 9, 1975, may continue to do so if he or she or it otherwise complies with the provisions of this chapter.

**(k) (1) (A)** A licensee shall not for a commission recommend or refer to a client a product or service, or for a commission recommend or refer a product or service to be supplied by a client, or receive a commission when the licensee or the licensee's firm also performs for that client:

- (i)** An audit or review of a financial statement;
- (ii)** A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence;
- (iii)** An examination of prospective financial information; or
- (iv)** An engagement to be performed in accordance with PCAOB standards.

**(B)** This prohibition applies during the period in which the licensee is engaged to perform any of the services listed in subdivision (k)(1)(A) of this section and the period covered by any historical financial statements involved in such listed services.

**(2)** A licensee who is not prohibited by this section from performing services for or

receiving a commission and who is paid or expects to be paid a commission shall disclose that fact to a person or entity to whom the licensee recommends or refers a product for service to which the commission relates.

**(3)** A licensee who accepts a referral fee for recommending or referring any service of a licensee to a person or entity or who pays a referral fee to obtain a client shall disclose the acceptance or payment to the client.

**(l) (1)** A licensee shall not:

**(A)** Perform for a contingent fee any professional services for or receive such a fee from a client for whom the licensee or the licensee's firm performs:

**(i)** An audit or review of a financial statement;

**(ii)** A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence;

**(ii)** An examination of prospective financial information; or

**(iv)** An engagement to be performed in accordance with PCAOB standards; or

**(B)** Prepare an original or amended tax return or claim for a tax refund for a contingent fee for a client.

**(2)** The prohibition in subdivision (l)(1) of this section applies during the period in which the licensee is engaged to perform any of the services listed in subdivision (l)(1) of this section and the period covered by any historical financial statements involved in any such listed services.

**(3) (A)** Except as stated in subdivision (l)(3)(B) of this section, a contingent fee is a fee established for the performance of any service 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 the service.

**(B)** Solely for purposes of this section, fees are not regarded as being contingent if fixed by courts or other public authorities or, in tax matters, if determined based on the results of judicial proceedings or the findings of governmental agencies.

**(C)** A licensee's fees may vary depending, for example, on the complexity of services rendered.

**(m)** A firm that is not registered under § 17-12-401 and does not have an office in this state to provide professional services in this state does not violate this section if the firm complies with § 17-12-401(b)(2) or § 17-12-401(b)(3).

**(n)** For purposes of this section:

**(1)** “Licensee” includes an individual using practice privileges under § 17-12-311 on an equal basis; and

**(2)** A reference to a firm registered under § 17-12-401 et seq. includes a firm exempt from registration and practicing under §§ 17-12-401(b)(2) and 17-12-401(b)(3).

**History.** Acts 1975, No. 160, § 16; A.S.A. 1947, § 71-626; Acts 1991, No. 434, § 1; 1997, No. 242, § 1; 1999, No. 180, § 2; 2005, No. 54, § 3; 2009, No. 93, §§ 2 - 6; 2013, No. 90, § 3.