



NOTICES OF SUPPLEMENTAL PROPOSED RULEMAKINGS

This section of the *Arizona Administrative Register* contains Notices of Supplemental Proposed Rulemakings.

After an agency has filed a Notice of Proposed Rulemaking and it is published in the *Register*, an agency may decide to make substantial changes to the rule after it is proposed. The agency prepares a Notice of Supplemental Proposed Rulemaking with these proposed changes. When filed, the notice is published under the deadline schedule in the back of the *Register*.

The Notice of Supplemental Proposed Rulemaking shall be published in the *Register* before holding any oral proceedings (A.R.S. § 41-1022).

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the proposed rules should be addressed to the agency that promulgated the rules. Refer to item #4 below to contact the person charged with the rulemaking and item #11 for the close of record and information related to public hearings and oral comments.

NOTICE OF SUPPLEMENTAL PROPOSED RULEMAKING TITLE 4. PROFESSIONS AND OCCUPATIONS CHAPTER 1. BOARD OF ACCOUNTANCY

[R17-49]

PREAMBLE

1. Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain the record of the proposed rules:

Notice of Rulemaking Docket Opening: 23 A.A.R. 137, January 13, 2017

Notice of Proposed Rulemaking: 23 A.A.R. 97, January 13, 2017

2. Articles, Part, or Section Affected (as applicable)

Rulemaking Action

R4-1-101	Amend
R4-1-341	Amend
R4-1-345	Amend
R4-1-453	Amend
R4-1-454	Amend
R4-1-455	Amend
R4-1-455.01	Amend
R4-1-455.02	Amend
R4-1-455.03	Amend
R4-1-455.04	Amend

3. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. § 32-703(B)(7)

Implementing statute: A.R.S. § 32-703(B)(8) and (13)

4. The agency's contact person who can answer questions about the rulemaking:

Name: Monica L. Petersen, Executive Director

Address: Board of Accountancy
100 N. 15th Ave., Suite 165
Phoenix, AZ 85007

Telephone: (602) 364-0870

Fax: (602) 364-0903

E-mail: mpetersen@azaccountancy.gov

Web site: www.azaccountancy.gov

5. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

R4-1-101 and R4-1-454. The peer review rule, R4-1-454, and related definitions in R4-1-101, are amended to make them consistent with the American Society of Certified Public Accountants' (AICPA) peer review program. Such consistency will help to reduce confusion among practitioners about what are now differing peer review requirements. The AICPA peer review program subjects non-disclosure compilations to peer review, whereas, the Board's rule does not. Rather, the Board's current rule subjects non-disclosure compilations to an Educational Enhancement Review (EER). By amending the rules to delete the EER provisions, the Board's rules will be consistent with the AICPA peer review program. A peer review is necessary to protect the public because it ensures that practitioners take any corrective action needed while the peer review program is still educational in nature. Lastly, the amendment requires firms to provide peer review results to the AICPA Facilitated State Board Access (FSBA), which will reduce the need for firms to provide results via hard copy to the Board, since Board staff will be able to obtain results electronically from FSBA, making this aspect of Board operations more efficient.



R4-1-341. This rule is amended to conform to statutory changes as a result of Laws 2015, Chapter 207 (HB 2218) which allows the International Qualification Examination (IQEX) in addition to the Uniform CPA Examination as an acceptable examination to qualify for certification by reciprocity.

R4-1-345. This rule is amended to reduce regulatory burden by no longer requiring registrants who are suspended for nonregistration for more than six months to return their actual paper certificates to the Board.

R4-1-453. This rule is amended to clarify continuing professional education records requirements.

R4-1-455, R4-1-455.01, R4-1-455.02, R4-1-455.03 and R4-1-455.04. These rules are amended to incorporate AICPA's Code of Conduct and Professional Standards. AICPA is the world's largest member association representing the accounting profession, with more than 412,000 members in 144 countries, and a history of serving the public interest since 1887. AICPA sets ethical standards for the profession and U.S. auditing standards for private companies, nonprofit organizations, federal, state and local governments. It is not efficient nor effective for the Board to promulgate its own standards, as these may be redundant or contradictory to the AICPA. The incorporation by reference of the AICPA standards reduces the regulatory burden while achieving the same objective by ensuring that the accounting community only has one set of standards by which it is regulated. The standard setting process involves many practitioners with a variety of expertise as well as the incorporation of a thoughtful and very public process that provide the opportunity for public input from all state Boards of Accountancy, CPA Societies, the National Association of State Boards of Accountancy (NASBA), practitioners, and the public at large. Well-thought-out standards help provide clear guidance to practitioners and regulators. Practitioners who make the effort to stay abreast of standards that affect the accounting services that they provide are better positioned to provide quality service to their clients; and, when practitioners fall short, the Board, its advisory committees, and its investigators will have clear guidance for enforcement, which serves to protect the public and closes existing loopholes that create legal ambiguity.

R4-1-455.03. The amendment of R4-1-455.03, which requires the deletion of (D)(1) is already the subject of a separate, previously-filed pending rulemaking that was published in the December 23, 2016 Arizona Administrative Register. R4-1-455.03 is amended by striking (D)(1) because it is overbroad and inconsistent with A.R.S. § 32-747.01, and to ensure that the rules reflect the Board's current operational practices, as the Board no longer enforces this rule. The current rule is overbroad and inconsistent with the Board's statutory framework because it requires certified public accountants ("CPAs") who provide any type of public accounting to do so only through a firm registered with the Board, whereas A.R.S. § 32-747.01 only requires those CPAs who perform one specific type of public accounting – attest services – to do so only through a registered firm. R4-1-455.03 is also amended to clarify the due date for registrants to file a response to Board communications.

Technical and conforming changes are also made to the rules.

An exemption from Executive Orders 2015-01 and 2016-03 was provided for this rulemaking by Rene Guillen, Policy Advisor for Government and Transportation in the Governor's Office, in an email dated April 21, 2016.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Not applicable

7. An explanation of the substantial change that resulted in this supplemental notice:

As a result of oral comments received from the public and Board members at the February 13, 2017 oral proceeding, and following additional discussion by the Board and by members of the Board's Peer Review Advisory Committee at the Board's March 27, 2017 meeting, the Board decided to further amend the peer review rules by choosing not to add to its current rules a new regulation which would have made engagements for prepare financial statements subject to Educational Enhancement Review requirements.

At the Board's March 27, 2017 meeting, the Board also decided to further amend R4-1-455.03 by clarifying the due date for filing a written response to Board communications.

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. The preliminary summary of the economic, small business, and consumer impact:

Firms that are already members of the AICPA must follow its peer review program requirements, which include peer reviews for non-disclosure compilations. However, firms that are not members of the AICPA and which perform non-disclosure compilations are currently not subject to peer review, but rather the Board's Educational Enhancement Review requirement. By conforming the Board's rules to be consistent with the AICPA's peer review program, non-AICPA member firms who do non-disclosure compilations will now be subject to peer review. The pros of doing peer reviews of firms issuing non-disclosure compilations are expected to significantly outweigh the con of increased costs for non-AICPA member firms, since greater scrutiny in the process will likely benefit consumers by identifying issues that the reviewed firms need to address in order to provide quality services, thereby protecting the public.

Adopting the AICPA's codes of conduct is not expected to have any economic, small business or consumer impact.

Amending R4-1-455.03 by striking (D)(1) will not have a fiscal impact, as under the Board's long-time statutory and regulatory framework, CPAs who have registered firms as sole proprietors are not required to pay a firm registration fee, pursuant to A.R.S. § 32-729(4). Amending the rule will result in a positive impact to small business. CPAs who are sole proprietors of accounting firms who do not do attest services as defined in A.R.S. § 32-701(3) will no longer be required to register their firms with the Board and will no longer be required to file biennial firm renewal paperwork. They will also no longer be subject to peer review requirements, pursuant to A.A.C. R4-1-454. Operationally, since the Board has already ceased enforcement of the rule pending amendment and has notified sole proprietors that they may cancel their firm registrations if they do not provide attest services, this



positive impact has already commenced. The Board does not foresee a consumer economic impact, as amending this rule is unlikely to change the rates CPAs charge for their services. In terms of public protection, the Board will continue to regulate the sole proprietor CPAs through their individual certificates, although it will lose some important regulatory oversight with respect to peer review requirements for non-attest services like compilation services. The Board intends to address this regulatory gap and potential negative impact on consumers through a future legislative initiative to update its statutes.

The other amendments are not anticipated to have a fiscal impact.

10. The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:

Name: Monica L. Petersen, Executive Director
 Address: Board of Accountancy
 100 N. 15th Ave., Suite 165
 Phoenix, AZ 85007
 Telephone: (602) 364-0870
 Fax: (602) 364-0903
 E-mail: mpetersen@azaccountancy.gov
 Web site: www.azaccountancy.gov

11. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

An oral proceeding regarding the supplemental proposed rules will be held as follows:

Date: Monday, June 12, 2017
 Time: 9:00 a.m.
 Location: Board of Accountancy
 100 N. 15th Ave., Suite 165
 Phoenix, AZ 85007

The rulemaking record will close on Monday, June 12, 2017 at 5:00 p.m.

12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The rules do not require a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

There is no federal law regarding CPAs, peer review or the other subjects of the rules.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

13. A list of incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

None

14. The full text of the rules follows:

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 1. BOARD OF ACCOUNTANCY

ARTICLE 1. GENERAL

Section
 R4-1-101. Definitions

ARTICLE 3. CERTIFICATION AND REGISTRATION

Section
 R4-1-341. CPA Certificates; Reinstatement
 R4-1-345. Registration; Fees

ARTICLE 4. REGULATION

Section
 R4-1-453. Continuing Professional Education
 R4-1-454. Peer Review
 R4-1-455. Professional Conduct: ~~Independence, Integrity, and Objectivity and Standards~~
 R4-1-455.01. Professional Conduct: ~~Competence and Technical Standards~~ Definitions; Interpretations



- R4-1-455.02. Professional Conduct: ~~Confidentiality, Records Disposition~~ Competence and Technical Standards
- R4-1-455.03. Professional Conduct: ~~Other-Specific~~ Responsibilities and Practices
- R4-1-455.04. Professional Conduct: ~~Interpretations~~ Records Disposition

ARTICLE 1. GENERAL

R4-1-101. Definitions

- A. The definitions in A.R.S. § 32-701 apply to this chapter.
- B. In this chapter, unless the context otherwise requires:
 1. "Compilation services" ~~has the same meaning as means services, the objective of which is defined in Section 60-05 80.04 of the Statements Statement on Standards for Accounting and Review Services No. 49 21, issued December 2009 October 2014 and published June 1, 2013 May 1, 2016 in the AICPA Professional Standards by the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775, which is incorporated by reference. This incorporation by reference does not include any later amendments or editions. The incorporated material is available for inspection and copying at the Board's office.~~
 2. "Contested case" means any proceeding in which the legal rights, duties or privileges of a party are required by law to be determined by any agency after an opportunity for hearing.
 3. "CPE" or "continuing professional education" means attending classes, writing articles, conducting or teaching courses, and taking self-study courses if the activities contribute to maintaining and improving of professional competence in accounting.
 4. "Educational Enhancement Review" means an assessment by the PROAC of one or more aspects of the professional work of a firm that performs only nondisclosure compilation services.
 5. "Full disclosure compilation services" means a compilation of financial statements that does not omit substantially all disclosures.
 6. "Nondisclosure compilation services" means a compilation of financial statements that omits substantially all disclosures.
 64. "Facilitated State Board Access (FSBA)" means the sponsoring organization's process for providing the Board access to peer review results via a secured website.
 75. "Party" means each person or agency named or admitted as a party, or properly seeking and entitled, as of right, to be admitted as a party.
 86. "Peer review" means an assessment, conducted according to R4-1-454(K), of one or more aspects of the professional work of a firm that is registered with the Board to practice public accounting and performs attest services or full disclosure compilation or nondisclosure compilation services conducted according to R4-1-454(K).
 97. "Person" may include any individual, and any form of corporation, partnership, or professional limited liability company. "Peer review program" means the sponsoring organization's entire peer review process, including but not limited to the standards for administering, performing and reporting on peer reviews, oversight procedures, training, and related guidance materials.
 108. "Person" may include any individual, and any form of corporation, partnership, or professional limited liability company.
 149. "Sponsoring organization" means a Board-approved professional society, or other organization approved by the Board responsible for the facilitation and administration of peer reviews through use of its peer review program and peer review standards.
 10. "Upper division-level course" means a course taken beyond the basic level, after any required prerequisite or introductory accounting course and does not include principals of accounting or similar introductory accounting courses.

ARTICLE 3. CERTIFICATION AND REGISTRATION

R4-1-341. CPA Certificates; Reinstatement

- A. An applicant may apply for a certificate of certified public accountant or for reinstatement by submitting:
 1. An application fee of \$100; and
 2. For an applicant applying for certification under A.R.S. § 32-721(A) and (B), a completed application including:
 - a. Verification that the applicant passed the Uniform CPA Examination,
 - b. Verification that the applicant meets the education and experience requirements specified in R4-1-343,
 - c. One signed and dated letter of recommendation by a CPA,
 - d. Proof of a score of at least 90% on the American Institute of Certified Public Accountants (AICPA) examination in professional ethics taken within the two years immediately before the application is submitted,
 - e. Evidence of lawful presence in the United States, and
 - f. Other information or documents requested by the Board to determine compliance with eligibility requirements.
 3. For an applicant applying for certification under A.R.S. § 32-721(A) and (C), a completed application including:
 - a. Verification that the applicant passed the Uniform CPA Examination; or the International Qualification Examination (IQEX).
 - b. License verification from each jurisdiction in which the applicant has ever been issued a certificate as a certified public accountant of which at least one must be an active certification from a jurisdiction with requirements determined by the Board to be substantially equivalent to the requirements in A.R.S. § 32-721(B) or verification that the applicant meets the education and experience requirements specified in R4-1-343,
 - c. Evidence of lawful presence in the United States, and
 - d. Other information or documents requested by the Board to determine compliance with eligibility requirements.
 4. For an applicant applying for certification under A.R.S. § 32-721(A) and (D) for mutual recognition agreements adopted by the Board a completed application including:
 - a. Verification that the applicant has passed the International Qualification Examination (IQEX),
 - b. License verification from the applicant's country which that has a mutual recognition agreement with the National Association of State Boards of Accountancy that has been adopted by the Board,
 - c. Evidence of lawful presence in the United States, and



- d. Other information or documents requested by the Board to determine compliance with eligibility requirements.
 5. For an applicant applying for reinstatement from cancelled or expired status under A.R.S. §§ 32-730.02 or 32-730.03 respectively a completed application including:
 - a. CPE that meets the requirements of R4-1-453(C)(6) and (E), and
 - b. Evidence of lawful presence in the United States.
 6. For an applicant applying for reinstatement from revoked or relinquished status under A.R.S. §§ 32-741.03 or 32-741.04 respectively a completed application including:
 - a. CPE that meets the requirements of R4-1-453(C)(6) and (E),
 - b. Evidence of lawful presence in the United States,
 - c. If not waived by the Board as part of a disciplinary order, evidence from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution that the individual has completed at least one hundred fifty semester hours of education as follows:
 - i. At least 36 semester hours are accounting courses of which at least 30 semester hours are upper level courses.
 - ii. At least 30 semester hours are related courses.
 - d. If prescribed by the Board as part of a disciplinary order, evidence that the individual has retaken and passed the Uniform Certified Public Accountant Examination.
- B.** Within 30 days of receiving an application, the Board shall notify the applicant that the application is either complete or incomplete. If the application is incomplete, the notice shall specify what information is missing.
1. The Board shall make service of written notice regarding an incomplete application in accordance with R4-1-117(E)(1) or (2). The applicant has 30 days from the date of the notice to respond in writing to the Board's notice or the Board may administratively close the file. An applicant whose file is administratively closed and who later wishes to become certified, shall reapply under subsection (A).
 2. Within 60 days of receipt of all the missing information, the Board shall notify the applicant that the application is complete.
 3. The Board shall issue a certification decision no later than 150 days after receipt of a completed application.
 4. If the Board finds deficiencies during the substantive review of the application, the Board may issue a written request to the applicant for additional information.
 5. The 150-day time-frame in subsection (B)(3) for a substantive review for the issuance of a certificate is suspended from the date of the written request for additional information made under subsection (B)(4) until the date that all information is received. The Board shall serve a written request under subsection (B)(4) in accordance with R4-1-117(E)(1) or (2). The applicant has 30 days to respond to the Board's request for additional information. If the applicant fails to timely respond to the Board's request, the Board shall finish its substantive review based upon the information the applicant has presented.
 6. When the applicant and the Board mutually agree in writing, the substantive review time frame specified in subsection (B)(3) may be extended in accordance with A.R.S. § 41-1075.
- C.** If the Board denies an applicant's request for certification, the Board shall send the applicant written notice explaining:
1. The reason for denial, with citations to supporting statutes or rules;
 2. The applicant's right to seek a fair hearing to challenge the denial; and
 3. The time periods for appealing the denial.
- D.** The Board establishes the following licensing time-frames for the purpose of A.R.S. § 41-1073:
1. Administrative completeness review time-frame: 30 days;
 2. Substantive review time-frame: 150 days; and
 3. Overall time-frame: 180 days.

R4-1-345. Registration; Fees

- A.** Initial registration: After the Board approves an applicant's request for certification or firm registration, the applicant shall file an application for initial registration in a format prescribed by the Board and pay a registration fee under subsection (C).
- B.** Renewal registration: A registrant shall file an application for renewal registration in a format prescribed by the Board no later than 5:00 p.m. on the last business day of the month. A renewal registration is deemed filed on the date and time received in the Board office. The Board shall record the date and time either by electronic date stamp in Arizona time or on physical receipt in the board's office. The Board shall not accept a postmark as evidence of timely filing. It is the sole responsibility of the registrant to complete the renewal registration requirements at the following times:
1. Individual registrant: An individual registrant shall renew registration at the following times:
 - a. A registrant born in an even-numbered year shall renew registration during the month of birth in each even-numbered year.
 - b. A registrant born in an odd-numbered year shall renew registration during the month of birth in each odd-numbered year.
 2. Firm registrant: A firm shall renew registration at the following times:
 - a. A firm that initially registered with the Board in an even-numbered year shall renew registration during the board-approved month of the initial registration in each even-numbered year.
 - b. A firm that initially registered with the Board in an odd-numbered year shall renew registration during the board-approved month of the initial registration in each odd-numbered year.
- C.** Registration fees: The biennial registration fee is:
1. \$300 and, if applicable, a late fee of \$50 for each certified public accountant and, each public accountant. For a certified public accountant or public accountant, the registration fee shall be prorated by month for an initial registration period of less than two years.
 2. \$300 and, if applicable, a late fee of \$50 for a firm. Under A.R.S. § 32-729, the Board shall not charge a fee for the registration of additional offices of the same firm or for the registration of a sole practitioner.
- D.** ~~If a registrant's certificate is suspended for nonregistration under A.R.S. § 32-741.01 and remains in a suspended status for more than six months, the registrant must return their certificate to the Board.~~

**ARTICLE 4. REGULATION****R4-1-453. Continuing Professional Education**

- A. Measurement Standards.** The Board shall use the following standards to measure the hours of credit given for CPE programs completed by an individual registrant.
1. A class hour shall consist of a minimum of 50 continuous minutes of instruction and a half class hour shall consist of a minimum of 25 continuous minutes of instruction. CPE credit shall be given in half-hour increments for periods of not less than one class hour. Credit shall not be allowed for repeat participation in any seminar or course during the registration period.
 2. Courses taken at colleges and universities apply toward the CPE requirement as follows:
 - a. Each semester - system credit hour is worth 15 CPE credit hours,
 - b. Each quarter - system credit hour is worth 10 CPE credit hours, and
 - c. Each noncredit class hour is worth one CPE credit hour.
 3. Each correspondence program hour is worth one CPE credit hour.
 4. Acting as a lecturer or discussion leader in a CPE program, including college courses, may be counted as CPE credit. The Board shall determine the amount of credit on the basis of actual presentation hours, and shall allow CPE credit for preparation time that is less than or equal to the presentation hours. A registrant may only claim as much preparation time as is actually spent for a presentation. Total credit earned under this subsection for service as a lecturer or discussion leader, including preparation time may not exceed 40 credit hours of the renewal period's requirement. Credit is limited to only one presentation of any seminar or course with no credit for repeat teaching of that course.
 5. Writing and publishing articles or books that contribute to the accounting profession may be counted for a maximum of 20 hours of CPE credit during each renewal period.
 - a. Credit may be earned for writing accounting material not used in conjunction with a seminar if the material addresses an audience of certified public accountants, is at least 3,000 words in length, and is published by a recognized third-party publisher of accounting material or a sponsor.
 - b. For each 3,000 words of original material written, the author may earn two credit hours. Multiple authors may share credit for material written.
 6. A registrant may earn a combined maximum of 40 hours of CPE credit under subsections (A)(4) and (5) above during each renewal period.
 7. A registrant may earn a maximum of 20 hours of CPE during each renewal period by completing introductory computer-related courses. Computer-related courses may qualify as consulting services pursuant to subsection (C).
- B. Programs that Qualify.** CPE credit may be given for a program that provides a formal course of learning at a professional level and contributes directly to the professional competence of participants.
1. The Board shall accept a CPE course as qualified if it:
 - a. Is developed by persons knowledgeable and experienced in the subject matter,
 - b. Provides written outlines or full text,
 - c. Is administered by an instructor or organization knowledgeable in the program, and
 - d. Uses teaching methods consistent with the study program.
 2. The Board shall accept a correspondence program which includes online or computer based programs if the sponsors maintain written records of each student's participation and records of the program outline for three years following the conclusion of the program.
 3. An ethics program taught or developed by an employer or co-worker of a registrant does not qualify for the ethics requirements of subsection (C)(4).
- C. Hour Requirement.** As a prerequisite to registration pursuant to A.R.S. § 32-730(C) or to reactivate from inactive status pursuant to A.R.S. § 32-730.01, a registrant shall complete the CPE requirements during the two-year period immediately before registration as specified under subsections (C)(1) through (C)(5). For registration periods of less than two years CPE may be prorated, with the exception of ethics.
1. A registrant whose last registration period was for two years shall complete 80 hours of CPE.
 2. A registrant shall complete a minimum of 50 percent of the required hours in the subject areas of accounting, auditing, taxation, business law, or consulting services with a minimum of 16 hours in the subject areas of accounting, auditing, or taxation.
 3. A registrant shall complete a minimum of 16 of the required hours:
 - a. In a classroom setting,
 - b. Through an interactive live webinar, or
 - c. By acting as a lecturer or discussion leader in a CPE program, including college courses
 4. A registrant shall complete four hours of CPE in the subject area of ethics. The four hours required by this subsection shall include a minimum of one hour of each of the following subjects:
 - a. Ethics related to the practice of accounting including the Code of Professional Conduct of the American Institute of Certified Public Accountants, and
 - b. Board statutes and administrative rules.
 5. A registrant shall report total CPE hours completed for the registration period. Hours that exceed the number required for the current registration period may not be carried forward to a subsequent registration period. Any CPE hours completed to vacate a suspension for nonregistration or for noncompliance with CPE requirements may not be used to meet CPE requirements for the registration period.
 6. As a prerequisite to reactivate from retired status or reinstate from cancelled, expired, relinquished or revoked status, an applicant shall complete up to 160 hours of CPE during the four-year period immediately before application to reactivate or reinstate. For periods of less than four years CPE may be prorated, with the exception of ethics.



- a. An applicant shall complete a minimum of 50 percent of the required hours in the subject areas of accounting, auditing, taxation, business law, or consulting services with a minimum of 32 hours in the subject areas of accounting, auditing or taxation.
 - b. An applicant shall complete a minimum of 32 hours of the required hours:
 - i. In a classroom setting,
 - ii. Through an interactive live webinar, or
 - iii. By acting as a lecturer or discussion leader in a CPE program, including college courses.
 - c. An applicant shall complete eight hours of CPE in the subject area of ethics. The eight hours required by this subsection shall include a minimum of one hour of each of the following subjects. The following subjects shall be completed during the two-year period immediately preceding application for reactivation or reinstatement:
 - i. Ethics related to the practice of accounting including the Code of Professional Conduct of the American Institute of Certified Public Accountants; and
 - ii. Board statutes and administrative rules.
- D.** Reporting: An applicant for reinstatement, a registrant who is subject to an audit, or a registrant completing their registration must report the following details about their completed CPE:
1. Sponsoring organization;
 2. Number of CPE credit hours;
 3. Title of program or description of content; and
 4. Dates attended.
- E.** In addition to the information required under subsection (D), an applicant for reinstatement from cancelled, expired, relinquished or revoked status, or a registrant subject to a CPE audit pursuant to subsection (G) shall provide ~~evidence of completed CPE as required to be maintained by subsection (F).~~ the Board the following documents at its request: copies of course outlines and certificates of completion that include registrant's name, course provider or sponsor, course title, credit hours, and date of completion.
- F.** CPE Record Retention: A registrant shall maintain for three years from the date their registration application was dated as received by the Board ~~and provide the Board upon request~~ the following documents: course outlines and certificates of completion that include registrant's name, course provider or sponsor, course title, credit hours, and date of completion.
- G.** CPE audits: The Board, at its discretion, may conduct audits of a registrant's CPE and require that the registrant provide the CPE records that the registrant is required to maintain under subsection (F) to verify compliance with CPE requirements.
- H.** The Board may grant a full or partial exemption from CPE requirements on demonstration of good cause for a disability for only one registration period.

R4-1-454. Peer Review

- A.** Each firm, ~~as defined in A.R.S. § 32-701(14),~~ that performs attest services or ~~full disclosure~~ compilation services shall have a peer review performed and reported on within the three years immediately preceding the firm's registration date.
1. ~~A firm shall submit to the Peer Review Oversight Advisory Committee (PROAC) a peer review report and any additional, related documentation requested by the PROAC. The PROAC shall not require the submission of working papers related to the peer review process. Firms shall submit a copy of the results of their most recently accepted peer review pursuant to R4-1-345 or by a Board approved extension date to the Board which includes the following documents:~~
 - a. Peer review report which has been accepted by the sponsoring organization.
 - b. Firm's letter of response accepted by the sponsoring organization, if applicable.
 - c. Acceptance letter from the sponsoring organization.
 - d. Letter(s) accepting the documents signed by the firm with the understanding that the firm agrees to take any actions required by the sponsoring organization, if applicable, and
 - e. Letter signed by the sponsoring organization notifying the firm that required actions have been appropriately completed, if applicable.
 2. ~~The Board may grant, upon a written request and demonstration of good cause, excluding financial hardship pursuant to A.R.S. § 32-701(15)(e), an extension of time for completing the peer review or submitting the peer review report to the Board. For firms whose peer reviews are scheduled before January 1, 2018, the firm shall submit the peer review documents pursuant to R4-1-454(A)(1) to the Board prior to its next firm license renewal via mail, electronic transmission or, if available, the AICPA Facilitated State Board Access (FSBA).~~
 3. For firms whose peer reviews are scheduled after January 1, 2018, the firm must allow the sponsoring organization to make the documents pursuant to R4-1-454(A)(1) accessible to the Board via the FSBA process.
 4. The Board may grant, upon written request and demonstration of good cause, excluding financial hardship pursuant to A.R.S. § 32-701(15)(E), an extension of time for completing the peer review or submitting the peer review documents to the Board.
- B.** ~~If the only services performed by a firm involving financial statements are nondisclosure compilation services, the Board shall request, on a random basis, as a condition for initial or renewal registration, that the firm provide a peer review report and any additional, related documentation, completed within the three years immediately preceding the firm's registration date.~~
1. ~~If a firm did not complete a peer review within the three years immediately preceding the firm's registration date, PROAC shall request that the firm provide reports and financial statements from two separate nondisclosure compilation engagements, performed within the two years immediately preceding the firm's registration date, for an Educational Enhancement Review by PROAC;~~
 2. ~~If the results of the Educational Enhancement Review indicate deficient work by a firm, the Board may do any of the following:~~
 - a. ~~Educate the firm by informing it of or referencing it to the current and appropriate reporting requirements;~~
 - b. ~~Educate the firm by informing it how to enhance its reporting and financial presentation; or~~
 - c. ~~Require the firm to undergo a peer review before its next renewal registration.~~
 3. ~~If the results of the Educational Enhancement Review do not indicate deficient work, the PROAC shall recommend to the Board that it accepts the firm's Educational Enhancement Review and that the firm be notified of its compliance with this Section.~~



- ~~CB.~~ Only a peer reviewer or a review team approved by the sponsoring organization~~Board or its authorized agent~~ may conduct a peer review. In approving a peer reviewer or a review team, the sponsoring organization~~Board or its authorized agent~~ shall ensure that each peer reviewer or member of a review team holds a certificate or license in good standing to practice public accounting, and is not affiliated with the firm under review.
- ~~D.~~ A firm may obtain a peer review and the corresponding report from a national organization approved by the Board or its authorized agent. In approving a national organization, the Board shall determine whether the organization performs peer reviews that comply with this Section.
- ~~EC.~~ The Peer Review Oversight Advisory Committee (PROAC) shall review the peer review report results ~~submitted by a firm~~ to determine whether the firm is complying with the standards in subsection (KJ). If the results of peer review indicate that a firm is complying with the standards in subsection (KJ), the PROAC shall recommend to the Board that it accept the firm's peer review and that the firm be notified of its compliance with this Section.
- ~~FD.~~ If the results of the peer review indicate that a firm is not complying with the standards in subsection (KJ):
 - ~~1.~~ The Board shall direct the PROAC to obtain relevant reports, and perform any follow-up action required as a consequence of the identified deficiencies. The PROAC shall retain all documents obtained until the firm completes and the Board accepts the firm's next peer review.
 - ~~2.~~ If additional information is needed to determine whether a firm is correcting identified deficiencies, the Board shall make a written request that the firm provide the needed information. If the PROAC determines that the firm has not corrected the identified deficiencies, it shall refer the matter to the Board.
 - ~~3.~~ Based upon review of the PROAC's recommendation, the Board may take disciplinary action, as defined in A.R.S. § 32-701(10).
- ~~E.~~ If the results of the peer review suggest one or more violations of A.R.S. Title 32 Chapter 6 or Board rules, the Board may conduct or direct an authorized committee to conduct an initial analysis and take other action as authorized by A.R.S. § 32-742.01.
- ~~GF.~~ Information discovered solely as a result of a peer review is not grounds for suspension or revocation of a certificate.
- ~~HG.~~ Failure of a firm to complete a peer review under this Section may ~~constitutes~~ grounds for disciplinary action ~~revocation or suspension of a firm's registration, after notice and opportunity for a hearing, unless the Board determines that there is good cause for the failure.~~
- ~~HI.~~ Exemptions: A firm is exempt from the requirements of this Section if the firm submits to the Board a written statement that it meets at least one of the following grounds for exemption:
 - ~~1.~~ The firm has not previously practiced public accounting in this state, any other state, or a foreign country and the firm shall have a peer review issued by a qualified peer reviewer and dated within enroll in a Board approved peer review program with a peer review due date, in compliance with the peer review standards referenced in R4-1-454(K) of 18 months of initial registration from the year end of the first engagement performed.
 - ~~2.~~ The firm submits to the Board an affidavit, on a form prescribed by the Board, that states that all of the following apply:
 - ~~a.~~ Within the previous three years, the firm did not undertake perform any engagement that resulted in the firm issuing an attest services or, full disclosure, or non-disclosure compilation services; and
 - ~~b.~~ The firm agrees to notify the Board within 90 days after accepting an attest services; or full disclosure compilation services engagement and shall have a peer review issued by a qualified peer reviewer and dated within enroll in a Board approved peer review program with a due date, in compliance with the peer review standards referenced in R4-1-454(J) of 18 months from the year-end of the initial engagement accepted; and
 - ~~e.~~ The firm agrees to notify the Board within 90 days after accepting a nondisclosure compilation an engagement to prepare financial statements.
- ~~JI.~~ Firms that reorganize a current firm, rename a firm, or create a new firm, within which at least one of the prior CPA owners remains an owner or employee, shall remain subject to the provisions of this Section. If a firm is merged, combined, dissolved, or separated, the sponsoring organization shall determine which resultant firm shall be considered the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.
- ~~KJ.~~ Each firm, review team, and member of a review team shall comply with the Standards for Performing and Reporting on Peer Reviews, issued January 2009 and published June 1, 2013~~May 1, 2016~~ in the AICPA Professional Standards by the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775 (www.aicpa.org), which is incorporated by reference. This incorporation by reference does not include any later amendments or editions. The incorporated material is available for inspection and copying at the Board's office.
- ~~LK.~~ Peer review record retention. A firm shall maintain for five years, and provide the Board upon request, the following documents referenced in R4-1-454(A)(1), if applicable and however denominated, for the peer reviews required by this Section: peer review report, final acceptance letter, letter of comment, corrective action, and letter of response.

R4-1-455. Professional Conduct: Independence, Integrity, and Objectivity and Standards

- ~~A.~~ Independence: A certified public accountant, public accountant, or firm of which the certified public accountant or public accountant is a partner or shareholder shall not express an opinion on a financial statement of an enterprise unless the certified public accountant or public accountant and the firm are independent with respect to the enterprise. Independence is considered to be impaired if, for example:
 - ~~1.~~ During the period of professional engagement or at the time of expressing an opinion, the certified public accountant or public accountant or the firm:
 - ~~a.~~ Had or was committed to acquire any direct or material indirect financial interest in the enterprise;
 - ~~b.~~ Had any joint closely held business investment with the enterprise or any officer, director, or principal stockholder of the enterprise that was material in relation to the certified public accountant, public accountant, or the firm's net worth; or
 - ~~e.~~ Had any loan to or from the enterprise or any officer, director, or principal stockholder of the enterprise. This latter prescription does not apply to the following loans from a financial institution if the loans are made under normal lending procedures, terms, and requirements:



- i. Loans obtained by a certified public accountant or public accountant or the firm that are not material in relation to the net worth of the borrower;
 - ii. Home mortgages; and
 - iii. Other secured loans, except loans that would be unsecured if not guaranteed by a certified public accountant's or public accountant's firm.
 2. During the period covered by the financial statement, during the period of the professional engagement, or when expressing an opinion, the certified public accountant, public accountant or firm:
 - a. Was connected with the enterprise as a promoter, underwriter, or voting trustee, director, or officer, or in any capacity equivalent to that of a member of management or of an employee; or
 - b. Was a trustee of any trust or executor or administrator of any estate if the trust or estate had or was committed to acquire any direct or material indirect financial interest in the enterprise; or was a trustee for any pension or profit sharing trust of the enterprise.
 3. The above examples are not intended to be all inclusive.
- B. Integrity and objectivity:** A certified public accountant, public accountant, or firm shall not knowingly or recklessly misrepresent facts when engaged in the practice of public accounting, including rendering tax and management advisory services. In tax practices, a certified public accountant or public accountant may resolve doubt in favor of a client as long as there is reasonable support for the position.
 1. Contingent fees: A contingent fee is a fee established for the performance of any service under 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 dependent upon the finding or result of the service. For purposes of this Section, fees are not regarded as 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.
 - a. A certified public accountant, public accountant, or firm engaged in the practice of public accounting shall not for a contingent fee for any client:
 - i. Perform an audit or review of a financial statement;
 - ii. Prepare a compilation of a financial statement when the certified public accountant, public accountant, or firm expects, or reasonably should expect that a third party will use the financial statement and the certified public accountant's, public accountant's, or firm's compilation report does not disclose a lack of independence;
 - iii. Perform an examination of prospective financial information;
 - iv. Prepare an original or amended tax return or a claim for a tax refund.
 - b. The prohibitions in subsection (B)(1)(a) apply during the period in which the certified public accountant, public accountant, or firm is engaged to perform any of the services listed in subsection (B)(1)(a) and the period covered by any historical financial statements involved in the listed services.
 2. Commissions and referral fees:
 - a. A commission is a fee calculated as a percentage of the total sale or service.
 - b. A referral fee is a fee paid in exchange for producing a purchase of goods or services.
 - c. Prohibited commissions: A certified public accountant, public accountant, or firm engaged in the practice of public accounting shall not for a commission recommend or refer to a client any product or service, recommend or refer any product or service to be supplied by a client, or receive a commission when the certified public accountant, public accountant, or firm also performs any of the following for that client:
 - i. An audit or review of a financial statement;
 - ii. A compilation of a financial statement when the certified public accountant, public accountant, or firm expects, or reasonably should expect that a third party will use the financial statement and the certified public accountant, public accountant, or firm's compilation report does not disclose a lack of independence; or
 - iii. An examination of prospective financial information.
 - d. The prohibitions in subsection (B)(2)(c) apply during the period in which the certified public accountant, public accountant, or firm is engaged to perform any of the services listed in subsection (B)(2)(c) and the period covered by any historical financial statements involved in the listed services.
 - e. Disclosure of permitted commissions: A certified public accountant, public accountant, or firm engaged in the practice of public accounting that is not prohibited by this Section from performing services or receiving a commission and is paid or expects to be paid a commission shall make a written disclosure in advance of accepting the engagement. The certified public accountant, public accountant, or firm shall ensure that the written disclosure is made to any person or entity to which the certified public accountant, public accountant, or firm recommends or refers a product or service to which the commission relates and shall include the dollar amount or percentage to be received.
 - f. Disclosure of referral fees: A certified public accountant, public accountant, or firm that accepts a referral fee for recommending or referring a product or service to any person or entity or that pays a referral fee to obtain a client shall disclose to the client, in writing, the acceptance or payment of the referral fee and its amount.
 3. Incompatible occupations: A certified public accountant or public accountant who is engaged in the practice of public accounting shall not concurrently engage in any business or occupation that impairs the objectivity of the certified public accountant or public accountant in rendering professional services.
- A.** It is the Board's policy that the rules governing registrants be consistent with the rules governing the accounting profession generally. Except as otherwise set forth in these regulations, registrants shall conform their conduct to the Code of Professional Conduct, published May 1, 2016 in the AICPA Professional Standards by the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775 (www.aicpa.org), available from the AICPA.



B. The AICPA Code of Professional Conduct, and any interpretations and ethical rulings by the issuing body, shall apply to all registrants, including those who are not members of the AICPA. The version specified above, including any interpretations and ethical rulings in effect shall apply. Any later amendments, additions, interpretations, or ethical rulings shall not apply.

R4-1-455.01. Professional Conduct: ~~Competence and Technical Standards~~ Definitions: Interpretations

- A.** ~~Competence: A registrant shall not undertake an engagement to perform professional services that the registrant cannot reasonably expect to complete with due professional competence, including compliance, where applicable, with subsections (B) and (C).~~
- B.** ~~Auditing standards: A registrant shall not permit the registrant's name to be associated with a financial statement in a manner that implies that the registrant is acting with independence with respect to the financial statement unless the registrant has complied with applicable generally accepted auditing standards.~~
- C.** ~~Accounting principles: A registrant shall not express an opinion that a financial statement is presented in conformity with generally accepted accounting principles if the financial statement contains any departure from an accounting principle that has a material effect on the financial statement taken as a whole, unless the registrant can demonstrate that by reason of unusual circumstances that the financial statement would otherwise be misleading. In this case, the registrant's report shall describe the departure from an accounting principle, the approximate effects of the departure, if practicable, and the reasons why compliance with the principle would result in a misleading statement.~~
- D.** ~~Accounting and review standards: A certified public accountant, public accountant, or firm shall not permit the certified public accountant, public accountant, or firm's name to be associated with an unaudited financial statement or other unaudited financial information of a non-public entity in a manner that implies the certified public accountant, public accountant, or firm is acting as an independent accountant unless the certified public accountant, public accountant, or firm has complied with all applicable standards for accounting and review services.~~
- E.** ~~Forecasts and projections: A certified public accountant, public accountant, or firm shall not permit the certified public accountant's, public accountant's, or firm's name to be used in conjunction with any forecast of future transactions in a manner that may lead to the belief that the certified public accountant, public accountant, or firm vouches for the achievability of the forecast or projection.~~
- F.** ~~In expressing an opinion on representations in a financial statement that the certified public accountant, public accountant, or firm has examined, a certified public accountant, public accountant, or firm violates A.R.S. § 32-741(A)(4) if the certified public accountant, public accountant, or firm:

 1. Fails to disclose a known material fact that makes the financial statement misleading;
 2. Fails to report a known material misstatement that appears in the financial statement;
 3. Is materially negligent in the conduct of the examination or in making a report on the examination;
 4. Fails to acquire sufficient information to warrant expression of an opinion, or the exceptions are sufficiently material to negate the expression of an opinion; or
 5. Fails to direct attention to any material departure from a generally accepted accounting principle or disclose any material omission of a generally accepted auditing procedure applicable under the circumstances.
 6. The provisions of subsection (F) are not intended to be all inclusive or to limit the application of A.R.S. § 32-741(A)(4).~~
- G.** ~~Tax practice standards: A certified public accountant, public accountant, or firm shall exercise due diligence in the conduct of tax practices. The Board shall view the current standards in the American Institute of Certified Public Accountants Statements on Responsibilities in Tax Practice to presumptively represent due diligence.~~
- H.** ~~Standards: The application of standards such as "generally accepted accounting principles," "generally accepted auditing standards," and "applicable standards for accounting and review services" by a certified public accountant, public accountant, or firm is to be made to the specific engagement or problem at hand by the exercise of professional judgment in the context of the literature of the accounting profession. The Board considers official statements of the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, and other specialized bodies dealing with accounting and auditing matters to be persuasive sources for interpretation of the standards. Persons who take positions that depart from the official statements shall be prepared to justify them.~~

Interpretation of definitions: All terms defined in A.R.S. § 32-701 et seq. shall be construed, to the extent possible, to be consistent with corresponding definitions in the professional standards adopted in R4-1-455. The foregoing notwithstanding, for purposes of R4-1-455 and the professional standards adopted therein:

1. The term "practice of public accounting" shall be defined as set forth in A.R.S. § 32-701; and
2. References to "member" shall be to "registrant" as defined in A.R.S. § 32-701.

R4-1-455.02. Professional Conduct: ~~Confidentiality; Records Disposition~~ Competence and Technical Standards

- A.** ~~Confidential client information: A certified public accountant, public accountant, or firm shall not disclose confidential information obtained in the course of a professional engagement except with the consent of the client. This requirement shall not be construed to:

 1. Relieve a certified public accountant, public accountant, or firm of the obligations under R4-1-455.01(B) and (C);
 2. Affect the certified public accountant's, public accountant's, or firm's compliance with a validly issued subpoena or summons enforceable by order of a court;
 3. Prohibit review of a certified public accountant's, public accountant's, or firm's professional practices as a part of a peer or quality review conducted under Board decision or authority; or
 4. Preclude a certified public accountant, public accountant, or firm from responding to an inquiry made by the Board under state statutes.~~
- B.** ~~Records disposition responsibility: A certified public accountant, public accountant, or firm shall furnish to a client, or former client, upon request, within a reasonable time after original issuance:

 1. A copy of any tax returns prepared for the client;
 2. A copy of any reports, or other documents, that were previously issued to the client; and
 3. Any accounting or other records belonging to the client that the certified public accountant, public accountant, or firm may have removed from the client's premises, or received for the client's account. The certified public accountant, public accountant, or~~



firm may make a copy of the documents if the documents form the basis for work done by the certified public accountant, public accountant, or firm.

A. In reporting on financial statements for which a registrant has performed attest services (as defined in A.R.S. § 32-701) any of the following will constitute a violation of A.R.S. § 32-741(A)(4):

1. In an audit engagement, failing to:
 - a. Prepare audit documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand:
 - i. The nature, timing, and extent of the audit procedures performed;
 - ii. The results of the audit procedures performed, and the audit evidence obtained; and
 - iii. Significant findings or issues arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions;
 - b. Obtain sufficient appropriate evidence to conclude that the financial statements taken as a whole are free from material misstatement; or
 - c. Modify the opinion in the auditor's report when:
 - i. The financial statements as a whole are materially misstated; or
 - ii. Sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement has not been obtained.
2. In a review engagement, failing to:
 - a. Accumulate sufficient review evidence to provide a reasonable basis for obtaining limited assurance that there are no material modifications that should be made to the financial statements in order to be in conformity with the applicable financial reporting framework; or
 - b. Modify the accountant's review report for a departure from the applicable financial reporting framework, including inadequate disclosure, that is material to the financial statements.
3. In an examination of prospective financial statements engagement, failing to:
 - a. Obtain sufficient evidence to provide a reasonable basis for the conclusion that is expressed in the report; or
 - b. Modify the report when:
 - i. One or more significant assumptions do not provide a reasonable basis for the prospective financial statements; or
 - ii. The examination is affected by conditions that preclude application of one or more procedures considered necessary in the circumstances.

B. The provisions of this subsection are not intended to be all inclusive or to limit the application of A.R.S. § 32-741(A)(4).

R4-1-455.03. Professional Conduct: ~~Other~~ Specific Responsibilities and Practices

A. Discreditable acts: ~~A certified public accountant, public accountant, or firm~~ In addition to any other acts prohibited by any standards incorporated in these rules, a registrant shall not commit an act that reflects adversely on the ~~certified public accountant's, public accountant's, or firm's~~ registrant's fitness to engage in the practice of public accounting, including and without limitation:

1. Violating a provision of R4-1-455, R4-1-455.01, R4-1-455.02, R4-1-455.03 or R4-1-455.04;
2. Violating a fiduciary duty or trust relationship with respect to any person; or
3. Violating a provision of A.R.S. Title 32, Chapter 6, Article 3, or this Chapter.

B. Advertising practices and solicitation practices: ~~A certified public accountant, public accountant, or firm~~ registrant has violated A.R.S. § 32-741(A)(4) and engaged in dishonest or fraudulent conduct in the practice of public accounting in connection with the communication or advertising or solicitation of public accounting services through any media, if the ~~certified public accountant, public accountant, or firm~~ registrant willfully engages in any of the following conduct:

1. Employs a device, scheme, or artifice to defraud;
2. Makes an untrue statement of material fact or fails to state a material fact necessary to make the statement not misleading;
3. Engages in any advertising that would operate as a fraud or deceit;
4. Violates A.R.S. § 44-1522 and a court finds the violation willful;
5. Engages in fraudulent or misleading practices in the advertising of public accounting services that leads to a conviction pursuant to A.R.S. § 44-1481; or
6. Engages in fraudulent practices in the advertising of public accounting services that leads to a conviction for a violation of any other state or federal law.

C. Solicitation practices: ~~A certified public accountant, public accountant, or firm~~ has violated A.R.S. § 32-741(A)(4) and engaged in dishonest or fraudulent conduct in the practice of public accounting in connection with the direct or indirect personal solicitation of public accounting services if the ~~certified public accountant, public accountant, or firm~~ willfully engages in any of the following:

1. Violates a provision of R4-1-455.03(B); or
2. Engages in direct or indirect personal solicitation through the use of coercion, duress, undue influence, compulsion, or intimidation practices.

~~D-C.~~ Form of practice and name:

1. A ~~certified public accountant or public accountant~~ may practice public accounting, whether as an owner or employee, only in a firm as defined in A.R.S. § 32-701(14).
2. A ~~certified public accountant or public accountant~~ registrant shall not use a professional or firm name or designation that is misleading about the legal form of the firm, or about the persons who are partners, officers, members, managers, or shareholders of the firm, or about any other matter. A firm name or designation shall not include words such as "& Company," "& Associates," or "& Consultants" unless the terms refer to additional full-time CPAs that are not otherwise mentioned in the firm name.

E. Acting through others: ~~A certified public accountant or public accountant~~ shall not knowingly permit others to carry out on behalf of the ~~certified public accountant or public accountant~~, either with or without compensation, acts which, if carried out by the ~~certified public accountant or public accountant~~, would violate a provision of R4-1-455, R4-1-455.01, R4-1-455.02, R4-1-455.03 or R4-1-455.04.



~~F.D.~~ Communications: When requested, a ~~certified public accountant or public accountant~~ registrant shall file a written response ~~respond to a communications communication~~ from the Board within 30 days of the date of the mailing of such ~~after the communication is mailed by registered or certified mail~~. A written response is deemed filed on the date and time received in the Board office. The Board shall record the date and time either by electronic date stamp in Arizona time or on physical receipt in the Board's office. The Board shall not accept a postmark as evidence of timely filing.

E. The provisions of R4-1-455.03(A) through (C) are not intended to be all inclusive or to limit the application of any standards incorporated by R4-1-455.

R4-1-455.04. Professional Conduct: ~~Interpretations~~Records Disposition

~~The Board shall find interpretations of the Code of Professional Conduct adopted by the American Institute of Certified Public Accountants persuasive but not conclusive in the Board's interpretations of R4-1-455, R4-1-455.01, R4-1-455.02, or R4-1-455.03.~~

Document retention policies. Except as set forth in A.R.S. § 32-744(D), a registrant may retain and dispose of documents prescribed in A.R.S. § 32-744(C) in compliance with a reasonable document retention policy.