

NASBA and AICPA update Uniform Accountancy Act

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The National Association of State Boards of Accountancy and the American Institute of CPAs have released the **eighth edition** of the Uniform Accountancy Act, with some important changes, particularly related to “retired accountants.”

The UAA serves as a model for state laws regulating the accounting profession. In 1984, the AICPA and NASBA published their first joint model bill, which was later renamed the Uniform Accountancy Act. Later, a substantial majority of state accounting laws followed, in their main provisions, the example provided by earlier model accountancy bills and the UAA. The AICPA and NASBA regularly meet to update the model legislation. The UAA is provided as a single piece of legislation that can be adopted in place of existing state laws, but because there’s already an accountancy law now in effect in every jurisdiction, the UAA is also designed to the extent possible with severable provisions, so particular parts of the UAA can, with appropriate amendments, be added to existing laws instead of replacing those laws entirely. In the interest of uniformity and to promote mobility through the substantial equivalency standard, the AICPA and NASBA are urging states to adopt the entire UAA.

Among the major changes in the **eighth edition of the UAA** that the AICPA and NASBA issued Monday is a provision for a “retired CPA” category. Under the provision, CPAs 55 years of age and older can elect to place their license in an inactive status and discontinue meeting continuing professional education requirements. For CPAs at the end of their careers, the provision offers them an exception to ensure they can continue to offer a limited number of volunteer, uncompensated services to the public.

The second major change permits the awarding of a certificate to a holder of a substantially equivalent foreign designation without the need for mutual recognition of U.S. CPAs. The goal is to provide international reciprocity to qualified individuals.

The eighth edition of the UAA also includes a definition of “preparation of financial statements,” which serve to clarify other provisions of the Act.

The AICPA and NASBA also made changes to the **UAA Model Rules**, which serve as the baseline standard for use by Boards of Accountancy in state rules and laws. It made important changes to the model rules relating to CPE. The rules, directed to the licensee, are in accordance with the revised “Statement on Standards for Continuing Professional Education (Standards),” found in Appendix A of the UAA. On top of that, the “Legislative Policy (Annotated) of the American Institute of Certified Public Accountants” (Appendix A in earlier editions of the UAA) has been deleted, as has the NASBA Model Code of Conduct (Rule 10-4 in earlier editions of the Model Rules), since neither represented joint statements of the AICPA and NASBA. Changes were also made to Article 5, clarifying the Uniform CPA Examination’s testing window and other Exam policies.

The release of the eighth edition comes after a number of meetings of the committees and task forces of the AICPA and NASBA, along with discussions and comments from various state boards of accountancy, state CPA societies and other constituents.