

## No. 362

## AN ACT

## SB 1750

Amending the act of May 26, 1947 (P.L.318, No.140), entitled "An act relating to the public practice of certified public accountants; providing for the certification of persons desiring to practice and the listing of persons engaged in practicing as certified public accountants, and for the suspension and revocation of such certificates, subject to appeal and for their reinstatement; prescribing the powers and duties of the State Board of Examiners of Public Accountants and the Department of Public Instruction; providing for ownership of working papers; defining unlawful acts and acts not unlawful; providing penalties, and repealing existing laws," further providing for the practice of public accountancy by certified public accountants and providing for the regulation of professional corporations or professional associations.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 2, act of May 26, 1947 (P.L.318, No.140), known as "The C.P.A. Law," is amended to read:

Section 2. Definitions.—The following words and phrases when used in this act shall have the meanings ascribed to them in this section:

(1) "Board" The State Board of Examiners of Public Accountants as constituted by The Administrative Code of 1929 and its amendments.

(2) "Department" The **[Department of Public Instruction]** *Commissioner of Professional and Occupational Affairs in the Department of State* of this Commonwealth as constituted by The Administrative Code of 1929 and its amendments.

Section 2. Section 3 of the act, amended September 2, 1961 (P.L.1165, No.524), is amended to read:

Section 3. General Powers of the Board.—The Board shall have the power:

(1) To provide for and to regulate the issuance of certificates and issue a certificate of certified public accountant to any person (a) who meets the general qualifications and education and experience requirements provided herein and who passes the examination required by the board, or (b) who meets the requirements for the issuance of a certificate by reciprocity.

(2) To provide for and to regulate registration and permits to practice as provided herein.

(3) To prescribe the subject, manner, time and place of examination for the certificate of certified public accountant: Provided, That an examination shall be held at least **[once] twice** in each calendar year, and simultaneously in at least two counties of the Commonwealth, and shall be a written examination in general accounting, theory of accounts, accounting practice, auditing and such other subjects as the board shall determine to be appropriate. The board may make such use of all or any part of the Uniform Certified Public Accountants' examination and/or

Advisory Grading service of the American Institute of Certified Public Accountants as it deems appropriate to assist in performing its duties hereunder.

(4) To keep a roster showing the names and the places of business of persons to whom the certificate of certified public accountant has been issued under this act and under prior laws and of persons, *professional corporations or professional associations* registered under this act and of all persons, *professional corporations or professional associations* holding permits under this act. The department shall publish such roster biennially in booklet form and shall mail copies thereof to all permit holders listed and shall furnish the same to **[other persons]** *others* upon request.

(5) To suspend for a fixed term or revoke the certificate and permit of any certified public accountant or the registration and permit of a person *or professional corporation or professional association* or to censure the holder of such certificate, registration or permit as provided for in this act.

(6) To collect fees as provided for in this act and to submit annually, to the department an estimate of the financial requirements of the board for its administrative, investigative, legal and miscellaneous expenses.

(7) To arrange for assistance in the performance of its duties, and to administer and enforce the laws of the Commonwealth relating to *registration of and* practice by certified public accountants, and to instruct and require its agents to seek an injunction, or bring a prosecution for a violation of this act.

(8) To keep minutes and records of all its transactions and proceedings. Copies thereof duly certified by the Secretary of the board shall be received as evidence in all courts and elsewhere.

(9) To become a member of the **[Association of Certified Public Accountant Examiners,]** *National Association of State Boards of Accountancy*, or a similar organization, and pay such dues as said association shall establish and send delegates to the **[annual meeting]** *meetings* of the association and defray their expenses.

(10) To adopt, promulgate and enforce such administrative rules and regulations not inconsistent with this act, or other acts, as are necessary and proper to carry into effect the provisions of this act.

(11) To promulgate and amend rules of professional conduct appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accountancy. **[At least sixty days prior to the promulgation of any such rule or amendment, the board shall mail copies of the proposed rule or amendment to each holder of a permit issued under this act with a notice advising him of the proposed effective date of the rule or amendment and requesting that he submit his comments thereon at least fifteen days prior to such effective date, such comments shall be advisory only. Failure to mail such rule,**

**amendment or notice to all permit holders shall not affect the validity of any such rule or amendment.]** The board may, in its discretion, adopt as its rules of professional conduct the **[Canons] Code** of Professional Ethics of the Pennsylvania Institute of Certified Public Accountants **or any part thereof.**

Section 3. Section 3.1 of the act, added September 2, 1961 (P.L.1165, No.524), is amended to read:

Section 3.1. General Qualifications.—**[The certificate of certified public accountant shall be granted by the board to any person]**~~*A person shall be permitted to take the examination for the certificate of certified public accountant and the certificate of certified public accountant shall be granted by the board to any person*~~ (a) **[who is a citizen of the United States or has duly declared his intention of becoming such citizen, and** (b) **] who is a resident of this Commonwealth, is enrolled in a college or university in this Commonwealth, or is engaged in public accounting therein at the time he first sits for the examination, and [(c)] (b) who has attained the age of [twenty-one years] eighteen years and [(d)] (c) who is of good moral character, and [(e)] (d) who meets the requirements of education and experience as hereinafter provided [as a prerequisite for taking a written examination,] and [(f) who after complying with the education and experience requirements] (e) *who, with respect to granting a certificate* shall have passed a written examination in general accounting, theory of accounts, accounting practice, auditing and such other subjects as the board shall determine to be appropriate. **[Subject to such regulations as the board may adopt governing re-examinations, a candidate shall be entitled to retake the examination referred to under (f) above. A person who has previously taken the examination under the provisions of a prior CPA Law of this Commonwealth shall continue to be permitted to take the examination and receive a certificate subject to such prior provisions.]****

Section 4. Section 4 of the act, amended August 13, 1963 (P.L.696, No.371), is amended to read:

Section 4. Education and Experience Requirements.—(a) **[During the six year period immediately following the effective date of this act, before] Before** any person is permitted to take the examination or is issued a certificate of certified public accountant, the board shall be satisfied that he has complied with the following requirements:

(1) **Completed a four-year high school course or its equivalent and has had at least three (3) years of public accounting experience of a caliber satisfactory to the board; or**

(2) **Is a graduate of a college or university, approved by Department of Public Instruction, pursuant to policies and standards promulgated by the State Board of Education, giving a four-year course, and has had at least two (2) years of public accounting experience of a caliber satisfactory to the board.**

The board may, in its discretion, issue its certificate to any honorably discharged veteran who served in the armed forces of the United States, without regard to his compliance with either of the experience requirements prescribed herein.

(b) After the expiration of six years from the effective date of this act, the education and experience requirements shall be as follows:]

(1) Graduation with a baccalaureate degree from a college or university approved at the time of graduation by Department of [Public Instruction] *Education*, pursuant to policies and standards promulgated by the State Board of Education, or an education which is the equivalent thereof, and [satisfactory] completion of at least twelve semester credits in accounting *subjects of a content satisfactory to the board*, not necessarily as part of his undergraduate work, and at least two years of public accounting experience of a caliber satisfactory to the board, or

(2) Graduation with a Master's Degree in Accounting or Business Administration *or an equivalent Master's Degree* from a college or university approved at the time of graduation by Department of [Public Instruction] *Education*, pursuant to policies and standards promulgated by the State Board of Education, and [satisfactory] completion of at least twelve semester credits in accounting *subjects of a content satisfactory to the board*, not necessarily as part of his undergraduate or graduate work, and at least one year of public accounting experience of a caliber satisfactory to the board.

(3) *Subject to the general qualifications of section 3.1, the board may issue a certificate of certified public accountant to a person who has qualified for permission to take the examination under section 4(a)(1) or (2) provided he has passed the written examination of the board in general accounting, theory of accounts, accounting practice, auditing and such other subjects as the board shall determine to be appropriate.*

(b) *As an alternative to sections 4(a)(1) and (2), a person may be permitted to take the examination without meeting the experience requirements as provided in sections 4(b)(3) and (4) hereof, if the board shall be satisfied that he has complied with one of the following requirements:*

(1) *Graduation with a baccalaureate degree from a college or university approved at the time of graduation by the Department<sup>1</sup> of Education, or an education which is the equivalent thereof, and completion of at least twenty-four semester credits in accounting subjects of a content satisfactory to the board, not necessarily as a part of his undergraduate work, or*

<sup>1</sup>"State Council" in original.

**(2) Graduation with a Master's Degree or a Doctor's Degree from a college or university approved at the time of graduation by the Department<sup>1</sup> of Education and completion of at least twenty-four semester credits in accounting subjects of a content satisfactory to the board, not necessarily as part of his undergraduate or graduate work.**

**(3) Subject to the general qualifications of section 3.1, the board may issue a certificate of certified public accountant to a person who has qualified for permission to take the examination under section 4(b)(1) provided he has passed the written examination of the board in general accounting, theory of accounts, accounting practice, auditing and such other subjects as the board shall determine to be appropriate and, further provided he has at least two years of public accounting experience of a caliber satisfactory to the board.**

**(4) Subject to the general qualifications of section 3.1, the board may issue a certificate of certified public accountant to a person who has qualified for permission to take the examination under section 4(b)(2) provided he has passed the written examination of the board in general accounting, theory of accounts, accounting practice, auditing and such other subjects as the board shall determine to be appropriate, further provided he has at least one year of public accounting experience of a caliber satisfactory to the board.**

**(c) Notwithstanding the provisions of section 4(a) and (b) above, the board may, in its discretion, permit an applicant to take the examination during the final term, semester or quarter of the school year in which he will graduate, if it is reasonably expected that he will fulfill the educational requirements and receive the required degree: Provided, however, That he must receive the required degree within ninety days after the date of the examination in order to fulfill the educational requirements set forth in sections 4(a) and (b).**

**(d) Subject to such regulations as the board may adopt governing reexaminations, a candidate shall be entitled to retake the examination referred to in sections 4(a)(3), 4(b)(3) and (4).**

**[(c)] (e) Service in the Armed Forces of the United States subsequent to July 1, 1940, shall be substituted for the experience requirements in [sections 4 (a) (1) and (2) and section 4 (b) (1)] sections 4(a)(1) and 4(b)(3) above, on the basis of one month's experience credit for each six months' service: Provided, That the maximum credit for such service shall be six months.**

**(f) A person who has previously taken the examination under the provisions of a prior CPA Law of this Commonwealth shall continue to be permitted to take the examination and receive a certificate subject to such prior provisions.**

<sup>1</sup>"State Council" in original.

Section 5. Section 5 of the act, amended September 2, 1961 (P.L.1165, No.524), is amended to read:

Section 5. Certificates Issued by Reciprocity.—Without requiring a written examination the board **[shall] may, in its discretion,** issue a certificate of certified public accountant to a holder of a certificate of certified public accountant then in full force and effect issued as the result of a written examination by any other state or political subdivision of the United States: Provided, That the applicant shall submit evidence satisfactory to the board that he possesses the general qualifications specified in **[(a), (b), (c) and (d) of section 3.1 of]** this act, and that he possesses the equivalent of the education and experience requirements for issuance of a certificate of certified public accountant in this Commonwealth in effect at the time he received his original certificate under the laws of such other state or political subdivision of the United States.

Section 6. Section 6 of the act is amended to read:

Section 6. Fees.—**[The fee for an applicant for a certificate as a certified public accountant] All fees required under the provisions of this act** shall be fixed by the department in accordance with existing law. All fees collected under the provisions of this act shall be received by the department and shall be paid into the State Treasury through the Department of Revenue for the use of the General Fund of the Commonwealth.

Section 7. Sections 8.1, 8.2, 9.1 and 9.2 of the act, added September 2, 1961 (P.L.1165, No.524), are amended to read:

Section 8.1. Registration of Foreign Accountants, **Professional Corporations, or Professional Associations.**—**(a)** The board may, in its discretion, permit the registration of any person of good moral character, who is the holder of a certificate, license or degree in a foreign country, constituting a recognized qualification for the practice of public accounting in such country, provided **[(a)] (i)** such country grants a similar right to practice to certified public accountants of this Commonwealth, and **[(b)] (ii)** the board determines that the standards under which the applicant received such certificate, license or degree are equivalent to the standards of this act for the issuance of a certificate as a certified public accountant in this Commonwealth. A person so registered shall use only the title under which he is permitted to practice in his own country, followed by the name of the country from which he received his certificate, license or degree.

**(b) A professional corporation or a professional association organized in this Commonwealth or any other state or territory of the**

*United States or District of Columbia, and engaged in the practice of public accounting in this Commonwealth as certified public accountants, shall register with the board and file with the board a copy of its Articles of Incorporation, or Articles of Association, and a copy of its bylaws, and such professional corporation, or professional association shall at all times have the following characteristics:*

*(1) Name. The name under which the professional corporation or professional association renders professional services shall contain only the name of the certified public accountant in the case of a sole practitioner, the names of one or more of the present or former associates or shareholders or of partners who were associated with a predecessor accounting firm. No name of a professional corporation, or professional association shall include the words certified public accountant, public accountant, or any abbreviations thereof. Impersonal or fictitious names, as well as names which indicate a specialty, are prohibited.*

*(2) Purpose. The professional corporation, or professional association shall not provide services that are incompatible with the practice of public accounting.*

*(3) Ownership. All shareholders of the professional corporation or associates of the professional association shall be persons duly qualified to practice as certified public accountants in a state or territory of the United States or the District of Columbia, and engaged in the practice of public accounting. At least one shareholder of a professional corporation must be a certified public accountant of this Commonwealth, and each shareholder thereof personally engaged within this Commonwealth in the practice of public accounting as a shareholder thereof, must be a certified public accountant of this Commonwealth. Each manager in charge of an office of a professional corporation in this Commonwealth must be a certified public accountant of this Commonwealth in good standing and the holder of a live permit issued under section 8.2 of this act. At least one associate of a professional association must be a certified public accountant of this Commonwealth and each associate thereof personally engaged within this Commonwealth in the practice of public accounting as an associate thereof, must be a certified public accountant of this Commonwealth. Each manager in charge of an office of a professional association in this Commonwealth must be a certified public accountant of this Commonwealth in good standing and the holder of a live permit issued under section 8.2 of this act. Shareholders or associates shall at all times own their shares or interest in their own right and shall be the real and beneficial owners of such equity capital or interest ascribed to them.*

*(4) Retention and Transfer of Shares. In the case of professional corporations, transfer of shares shall be in accordance with the*

*provisions of the act of July 9, 1970 (P.L.461, No.160), known as the "Professional Corporation Law." In the case of professional associations, provisions shall be made requiring any associate who ceases to be eligible to be an associate to dispose of all of his interest within a reasonable period to a person qualified to be an associate or to the association. If mutual agreement cannot be reached, and if the method of determining the sale price of the interest of an associate is not expressed in the articles of association, the fair value of such interest shall be determined by the American Arbitration Association.*

*(5) Directors and Officers. The principal executive officer of a professional corporation shall be a shareholder and a director, and to the extent possible, all other directors and officers shall be certified public accountants. The principal executive officer of a professional association shall be an associate and a governor and, to the extent possible, all other governors and officers shall be certified public accountants. Lay directors, governors, and officers shall not exercise any authority whatsoever over professional matters.*

*(6) Conduct. The right to practice as a professional corporation or professional association shall not change the obligation of its shareholders, directors, officers, associates, or board of governors and other employes to comply with the rules of professional conduct promulgated by the board.*

*(7) Liability. In addition to the liability provisions of the "Professional Corporation Law," the professional corporation shall carry professional liability insurance or maintain unimpaired capital in accordance with regulations promulgated by the board. In addition to the liability provisions of the act of August 7, 1961 (P.L.941, No.416), known as the "Professional Association Act," the professional association shall carry professional liability insurance or maintain unimpaired capital in accordance with regulations promulgated by the board. Liability shall not be limited by the formation of subsidiary or affiliated corporations or associations each with its own limited and unrelated liability.*

Section 8.2. Permits to Practice.—Biennial permits to engage in practice in this Commonwealth as certified public accountants, or to practice as designated in section 8.1 of this act, shall be issued by the department to holders of the certificate of certified public accountant issued by this Commonwealth and to persons, *professional corporations or professional associations* registered under section 8.1 of this act. There shall be a biennial permit fee in an amount to be determined, from time to time, by the department not to exceed ten dollars (\$10). Permits to practice shall expire on the last day of [December of 1962] *August of 1974* and on the last day of *August of* alternate years thereafter, or on such other biennial expiration dates as the department may fix. Permits may be renewed, biennially, for a



period of two years by such certificate holders and registrants in good standing upon payment of the biennial fee. Failure of a certificate holder or registrant to apply for such permit to practice within (a) three years from the expiration date of the permit to practice last obtained or renewed, or (b) three years from the date upon which the certificate holder or registrant was granted his certificate or registration, if no permit was ever issued [to him], shall deprive [him] *the certificate holder or registrant* of the right to such permit: Provided, That a certified public accountant who is not engaged in the practice of public accounting may request the board, in writing, to place his name on the inactive roll and thus protect his right to obtain a permit at such time as he may become engaged in the practice of public accounting. The board, in its discretion, may also review each case of failure to apply for such biennial permit and determine whether such failure was due to excusable neglect. In such case the renewal fee or the fee for the issuance of the original permit, as the case may be, shall be such amount as the department shall, from time to time, determine.

Section 9.1. Revocation or Suspension of Certificate Registration or Permit.—In accordance with the procedure referred to in section 9 of this act, the board by unanimous vote may revoke or suspend any certificate of certified public accountant or registration under section 8.1 of this act, or may revoke, suspend or refuse to renew any permit issued under section 8.2 of this act, or may censure the holder of any such certificate, registration or permit, for any one or any combination of the following causes:

(1) Fraud or deceit in obtaining a certificate as certified public accountant or in obtaining registration under this act or in obtaining a permit to practice under this act.

(2) Dishonesty, fraud or gross negligence in the practice of public accounting.

(3) Violation of any of the provisions of section 12 of this act.

(4) Violation of a rule of professional conduct promulgated by the board under the authority granted by this act.

(5) Pleading guilty, entering a plea of nolo contendere, or being found guilty of a felony under the laws of any state or political subdivision of the United States or of the United States.

(6) Pleading guilty, entering a plea of nolo contendere, or being found guilty of any crime, an element of which is dishonesty or fraud under the laws of any state or political subdivision of the United States or of the United States.

(7) Cancellation, revocation, suspension or refusal to renew authority to practice as a certified public accountant, *professional corporation or professional association* by any other state or political subdivision of the United States for any cause other than failure to pay a registration or other fee.

(8) Suspension or revocation of the right to practice before any state or Federal agency.

**[(9) Failure to become a citizen of the United States within six years by any person not a citizen of the United States when he or she received a certificate as a certified public accountant under this act.]**

(10) Failure of a certificate holder or registrant to obtain a biennial permit under section 8.2 within either (a) three years from the expiration date of the permit to practice last obtained or renewed by said certificate holder or registrant, or (b) three years from the date upon which the certificate holder or registrant was granted **[his] a** certificate or registration if no permit was ever issued **[to him]**, unless under section 8.2, such failure shall have been excused by the board.

(11) Conduct discreditable to the public accounting profession.

Section 9.2. Reinstatement.—Upon application in writing and after hearing pursuant to notice, the board may issue a new certificate to a certified public accountant whose certificate has been revoked, or may permit the re-registration of **[anyone] any person, professional corporation, or professional association** whose registration has been revoked, or may reissue or modify the suspension of any permit to practice which has been revoked or suspended.

Section 8. Section 11 of the act is amended to read:

Section 11. Ownership of Working Papers.—All statements, records, schedules, working papers and memoranda **[made by] prepared by or for** a certified public accountant, **professional corporation, or professional association** incident to or in the course of professional service to clients by such certified public accountant, **professional corporation, or professional association**, except reports submitted **[by a certified public accountant]** to a client, shall be and remain the property of such certified public accountant, **professional corporation, or professional association** in the absence of an express agreement between the **[certified public accountant and the client] parties** to the contrary. **No such statement, record, schedule, working paper or memorandum shall be sold or transferred, without the consent of the client or his personal representative, successor or assignee, to anyone other than one or more surviving partners, shareholders or associates of such certified public accountant.**

Section 9. Sections 11.1, 12 and 13 of the act, added or amended September 2, 1961 (P.L.1165, No.524), are amended to read:

Section 11.1. Privileged Communication.—Except by permission of the client or person or firm or corporation engaging him or the heirs, successors or personal representatives of such client or person or firm or corporation, a certified public accountant, **professional corporation, or professional association holding a permit to practice under this act**, or a person employed by a certified public accountant, **or a director of or a person employed by a professional corporation holding a permit to**

*practice under this act, or an associate of or a person employed by a professional association holding a permit to practice under this act* shall not be required to, and shall not voluntarily, disclose or divulge information of which he may have become possessed relative to and in connection with any professional services as a certified public accountant, **[other than the examination of audit of or report on any financial statements, books, records or accounts, which he may be engaged to make or requested by a prospective client to discuss.]** *professional corporation, or professional association.* The information derived from or as the result of such professional services shall be deemed confidential and privileged: Provided, however, That nothing herein shall be taken or construed as **[modifying, changing or affecting the criminal or bankruptcy laws of this Commonwealth or of the United States.]** *prohibiting the disclosure of information required to be disclosed by the standards of the profession in reporting on the examination of financial statements, or in making disclosures in a court of law or in disciplinary investigations or proceedings when the professional services of the certified public accountant, professional corporation, or professional association are at issue in an action, investigation or proceeding in which the certified public accountant, professional corporation or professional association are parties.*

Section 12. Unlawful Acts.—(a) It is unlawful for any person (1) to 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 such person is a certified public accountant unless such person has received, or has been notified in writing by the board that he has qualified to receive a certificate of certified public accountant issued by this Commonwealth, which is not revoked or suspended, or (2) to assume or use such title, designation or abbreviation in the practice of public accounting unless he also holds a permit issued under section 8.2 of this act, which is not revoked or suspended, hereinafter referred to as a “live permit”: Provided, That a foreign accountant who has registered under the provisions of section 8.1 of this act, and who holds a live permit issued under section 8.2 of this act, may use the title under which he is permitted to practice in his country, followed by the name of the country from which he received his certificate, license or degree.

(b) It is unlawful for any person to use the title “certified public accountant” or any abbreviation thereof, or the letters “CPA” by virtue of any certificate or permit illegally or fraudulently obtained by such person, or issued unlawfully or through any fraudulent representation or deceit, or misstatement of material fact or fraudulent concealment of a material fact made or induced or aided or abetted by such person.

(c) It is unlawful for any partnership to 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 such partnership is composed of certified public accountants, unless such partnership meets all of the following requirements:

(1) At least one partner thereof must be a certified public accountant of this Commonwealth in good standing and the holder of a live permit issued under section 8.2 of this act, and

(2) Each partner thereof personally engaged within this Commonwealth in the practice of public accounting as a member thereof (i) must be a certified public accountant of this Commonwealth in good standing and the holder of a live permit issued under section 8.2 of this act, or (ii) must be a certified public accountant of some state or political subdivision of the United States in good standing and must have filed with the board, but not have been refused by the board, application for a certificate of certified public accountant of this Commonwealth by reciprocity, and after having received such certificate, must have filed but not have been refused a permit under section 8.2 of this act;

(3) Each partner thereof must be a certified public accountant of some state or political subdivision of the United States in good standing, and

(4) Each manager in charge of an office of the firm in this Commonwealth must be a certified public accountant of this Commonwealth in good standing and the holder of a live permit issued under section 8.2 of this act.

(d) It is unlawful for any person, *professional corporation, or professional association* to sell or offer to sell or fraudulently obtain, furnish or procure any certificate, registration or permit under the provisions of this act or cause or aid or abet another person so to do.

(e) It is unlawful for any person [~~or any corporation to sign or affix a corporate name with any wording indicating that it is a corporation performing services as certified public accountants or composed of certified public accountants to any accounting or financial statement or to any report on, or certificate to, any accounting or financial statement.~~ "Corporation" and "corporate," as used in this paragraph, includes reference to any] *or persons to engage in the practice of public accounting in this Commonwealth as a limited partnership [, partnership, association or other organization]* providing for limited liability of the members or partners.

(f) Except as prescribed in subsections (a), [~~and~~] (c) *and (h)*, in respect of certified public accountants, it is unlawful for any person, [~~or~~] partnership, *professional corporation, or professional association* to use a title, including the word "certified" as a part thereof, or any other title or designation likely to be confused with "certified public accountant," or any title or designation implying or connoting

accreditation by a state or political subdivision of the United States, for the practice of any type of bookkeeping, accounting, auditing, tax or other professional practice related thereto, or to use any abbreviation of such title or designation.

(g) It is unlawful for any person to assume or use the title or designation "certified public accountant" in conjunction with names indicating or implying that there is a partnership, or in conjunction with the designation "and Company" or "and Co" or a similar designation, if [ , in any such case,] there is, in fact, no bona fide partnership: Provided, That a sole proprietor or partnership lawfully using such title or designation in conjunction with such names or designation [on the effective date of this act] prior to November 1, 1961 may continue to do so if he, or it, otherwise complies with the provisions of this act.

*(h) It is unlawful for any professional corporation or professional association to 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 such professional corporation or professional association is composed of certified public accountants, unless such professional corporation or professional association is registered under section 8.1 of this act and holds a live permit issued under section 8.2 of this act; and, each manager in charge of an office of the firm in this Commonwealth is a certified public accountant of this Commonwealth in good standing and the holder of a live permit issued under section 8.2 of this act.*

*(i) It is unlawful for a certified public accountant, professional corporation, or professional association, engaged in the practice of public accounting, to use an impersonal fictitious name or a name which indicates a specialty. Firm names may contain the names of one or more of the present or former associates or shareholders or of partners who were associated with a predecessor accounting firm.*

Section 13. Acts Not Unlawful.—Nothing contained in this act shall prohibit any person not a certified public accountant from serving as an employe of or an assistant to a certified public accountant, **a professional corporation, or a professional association**, holding a permit to practice issued under section 8.2 of this act, a partnership of certified public accountants, or a foreign accountant registered under section 8.1 of this act: Provided, That such employe or assistant shall not issue any accounting or financial statement over his name.

Nothing contained in this act shall prohibit a certified public accountant, **professional corporation, or professional association**, of another state or political subdivision of the United States, or any accountant who holds a certificate, degree or license in a foreign country constituting a recognized qualification for the practice of public accounting in such country, from temporarily practicing in this Commonwealth on professional business incident to [his] **their** regular practice outside this Commonwealth: Provided, That such temporary

practice is conducted in conformity with the regulations and rules of professional conduct promulgated by the board.

Section 10. Section 14 of the act is amended to read:

Section 14. Injunction Against Unlawful Act.—Whenever in the unanimous judgment of all the members of the board any person, **professional corporation, or professional association** has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of this act the board or its agents may make application to the appropriate court for an order enjoining such acts or practices and, upon a showing by the board that such person, **professional corporation, or professional association** has engaged or is about to engage in any such acts or practices, an injunction, restraining order or such other order as may be appropriate shall be granted by such court without bond.

Section 11. Section 15 of the act, amended September 2, 1961 (P.L.1165, No.524), is amended to read:

Section 15. Single Act Evidence of Practice.—The wilful or knowing display or uttering by a person, **professional corporation, or professional association** of a card, sign, advertisement or other printed, engraved or written instrument or device bearing a person's name, **or the name of a professional corporation or professional association** in conjunction with the words "certified public accountant" or any abbreviation thereof or any designation prohibited by this act, shall be prima facie evidence in any prosecution, proceeding or hearing that the person, **professional corporation, or professional association**, whose name is so displayed, caused or procured the display or uttering of such card, sign, advertisement or other printed, engraved, or written instrument or device and that such person, **professional corporation, or professional association** is holding himself **or itself** out to be a certified public accountant. In any prosecution or proceeding under this act, evidence of the commission of a single act prohibited by this act, shall be sufficient to justify an injunction or a conviction without evidence of a general course of conduct.

Section 12. Section 16 of the act is amended to read:

Section 16. Penalties.—(a) Any person, **professional corporation, or professional association** violating any of the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be sentenced to pay a fine not exceeding five hundred dollars (\$500) or suffer imprisonment not exceeding one (1) year, or both.

(b) The right of the board to suspend and revoke certificates **and permits** issued under this act shall be in addition to the penalties set forth in this section.

Section 13. This act shall take effect immediately.

APPROVED—The 30th day of December, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly  
No. 362.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive style with a large initial "C" and a prominent "T" at the end.

*Secretary of the Commonwealth.*