

Chapter 04. Board of Public Accountancy.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

12 AAC 04.151(a) is amended to read.

(a) An individual may not practice, attempt to practice, or offer to practice public accountancy in the state without a current license as a certified public accountant (CPA) **issued by the board or under a practice privilege in accordance with 12 AAC 04.251(a)**. The board may issue a license to an applicant, **including an applicant with a license in a state outside this state** who **wishes to establish** [HAS] a principal place of business [OR RESIDENCE] in **this** [THE] state, as follows:

(1) by examination under 12 AAC 04.175 [IF IT IS THE APPLICANT'S FIRST APPLICATION FOR CPA LICENSURE IN THE STATE OR ANY OTHER STATE OR TERRITORY OF THE UNITED STATES, OR COUNTRY OR FOREIGN JURISDICTION OUTSIDE OF THE UNITED STATES];

(2) by reciprocity under 12 AAC 04.165 if the applicant holds a current CPA license [,] in another state [OR TERRITORY OF THE UNITED STATES];

(3) by temporary military courtesy license under 12 AAC 04.184 if the applicant **(A)** is an active duty military member or **the** spouse of an active duty military member of the armed forces of the United States; [,]

(B) meets the requirements of 12 AAC 04.184; [,] and

(C) has submitted an application for a license by reciprocity [;

(4) BY A TEMPORARY LICENSE GRANTED TO AN APPLICANT APPLYING FOR LICENSURE BY RECIPROCITY UNDER 12 AAC 04.165(e) PENDING ISSUANCE OF A FULL LICENSE].

12 AAC 04.151(b) is repealed:

(b) Repealed ____ / ____ / _____. [FOR ELIGIBILITY TO APPLY FOR A LICENSE IN THE STATE, SUBMISSION BY A FOREIGN-EDUCATED APPLICANT WHO RECEIVED AN EDUCATION OUTSIDE OF THE UNITED STATES MUST SUBMIT VERIFICATION SATISFACTORY TO THE BOARD THAT THE APPLICANT

(1) GRADUATED WITH A QUALIFYING DEGREE FROM A SCHOOL OUTSIDE OF THE UNITED STATES WITH AN EDUCATIONAL PROGRAM THAT MEETS THE REQUIREMENTS OF 12 AAC 04.185(e)(2);

(2) MEETS ALL REQUIREMENTS FOR LICENSURE UNDER AS 08.04 AND 12 AAC 04.165;

(3) IF THE STATE IS

(A) NOT THE FIRST JURISDICTION FOR LICENSURE, VERIFICATION OF A CURRENT CPA LICENSE IN GOOD STANDING FROM A JURISDICTION WITH LICENSING REQUIREMENTS EQUIVALENT TO THE REQUIREMENTS OF AS 08.04 AND THIS CHAPTER; OR

(B) THE FIRST JURISDICTION FOR LICENSURE, VERIFICATION THAT ALL REQUIREMENTS OF 12 AAC 04.175 HAVE BEEN MET; THE APPLICANT'S SCHOOL TRANSCRIPTS SHALL BE SENT TO THE BOARD DIRECTLY FROM THE SCHOOL; IF THE APPLICANT'S TRANSCRIPTS ARE

NOT WRITTEN IN THE ENGLISH LANGUAGE, TRANSCRIPTS MUST BE
TRANSLATED INTO ENGLISH.]

12 AAC 04.151 is amended by adding a new subsection to read:

(c) A foreign-educated applicant or applicant from a foreign jurisdiction shall provide verification of residency in this state under AS 01.10.055. (Eff. 4/12/2024, Register 250; am _____/_____/_____, Register _____)

Authority: AS 08.04 070 AS 08.04.450

12 AAC 04.160 is repealed:

12 AAC 04.160. References. Repealed. [(a) AN APPLICANT SHALL SUBMIT NAMES OF AT LEAST THREE INDIVIDUALS WHO CAN VOUCH FOR THE APPLICANT’S GOOD MORAL CHARACTER. THE BOARD WILL, IN ITS DISCRETION, MAKE OTHER INQUIRIES IT CONSIDERS APPROPRIATE TO SATISFY ITSELF THAT THE APPLICANT IS OF GOOD MORAL CHARACTER.

(b) REPEALED 1/1/2008.] (Eff. 9/9/72, Register 43; am 11/9/85, Register 96; am 2/23/95, Register 133; am 1/1/2008, Register 184; repealed _____/_____/_____, Register _____)

The introductory language of 12 AAC 04.165(a) is amended to read:

(a) An applicant who holds a **current CPA** license in good standing [TO PRACTICE PUBLIC ACCOUNTING] issued by another state **that meets the substantial equivalency requirements under 12 AAC 04.285** may apply for a license to engage in the practice of public accounting in the state. The applicant

...

12 AAC 04.165(a) is amended by adding a new paragraph to read:

(5) must hold a current CPA license for a period of at least two years from the date of issuance of the license.

(((Publisher: please remove the "and" connector from the end of 12 AAC 04.165(a)(3), change the period at the end of 12 AAC 04.165(a)(4) to a semicolon, and insert "and" after that semicolon.)))

12 AAC 04.165(b) is amended to read:

(b) An applicant for a license under this section must submit

(1) verification that the applicant holds a current CPA license in good standing issued by another state within the meaning given in AS 08.04.680; the verification must include

(A) the date of issuance of the license, to demonstrate compliance with

(a)(5) of this section;

(B) the applicant's current license status; and

(C) information regarding [ANY] disciplinary action or investigation taken or pending relating to the applicant;

(2) a complete [NOTARIZED] application on a form provided by the department [THAT INCLUDES A SUMMARY OF THE APPLICANT'S PROFESSIONAL WORK EXPERIENCE];

(3) the applicable fees specified in 12 AAC 02.340;

(4) [THE NAMES OF THREE INDIVIDUALS WHO ARE EACH ABLE TO

PROVIDE A REFERENCE FOR THE APPLICANT AS VERIFICATION THAT THE APPLICANT MEETS THE GOOD MORAL CHARACTER REQUIREMENTS OF 12 AAC 04.160 AND AS 08.04.195(a)(4);

(5)] verification showing that the applicant has passed the applicable examinations required under 12 AAC 04.200(a) and (b);

(5) a [(6) VERIFICATION THAT THE QUALIFICATIONS REQUIRED BY THE OTHER STATE ARE SUBSTANTIALLY EQUIVALENT TO THE NATIONAL STANDARD UNDER 12 AAC 04.285; AND

(7)] criminal history information report as set out under 12 AAC 04.161; **and**

(6) verification **of all valid and current CPA licenses that the applicant currently holds or has previously held issued by another jurisdiction; for each license, the verification must include the information required under (1)(B) and (C) of this subsection.**

12 AAC 04.165(c) is amended to read:

(c) An applicant **who currently holds a valid CPA license issued by another state for a period of at least two years meets the experience requirements applicable under AS 08.04.195(a)(2)** [MUST COMPLY WITH THE APPLICABLE EXPERIENCE REQUIREMENTS UNDER 12 AAC 04.180].

12 AAC 04.165(d) is repealed:

(d) Repealed ____ / ____ / ____ [AN APPLICANT FOR LICENSURE BY RECIPROCITY UNDER THIS SECTION IS ENTITLED TO SUBMIT A REQUEST FOR A TEMPORARY LICENSE TO PRACTICE PUBLIC ACCOUNTANCY. A TEMPORARY

LICENSE UNDER THIS SECTION IS VALID FOR A THAN A PERIOD NO LONGER THAN 180 DAYS PENDING ISSUANCE OF A LICENSE. AN INDIVIDUAL MAY NOT RECEIVE MORE THAN ONE TEMPORARY LICENSE. THE TEMPORARY LICENSE EXPIRES ONCE THE BOARD ISSUES A FULL LICENSE]. (Eff. 1/1/2008, Register 184; am 9/28/2008, Register 187; am 12/25/2015, Register 216; am 2/24/2022, Register 241; am 4/12/2024, Register 250; am ____ / ____ / _____, Register _____)

Authority: AS 08.04 070 AS 08.04.195

12 AAC 04.175 is amended to read:

12 AAC 04.175. Application for licensure by examination. An applicant for licensure by examination to practice public accounting must

- (1) meet the requirements of AS 08.04 and this section; **and**
- (2) [HAVE A CURRENT OR INTENDED PRINCIPAL PLACE OF BUSINESS IN THE STATE;
- (3)] submit to the department
 - (A) a complete [NOTARIZED] application on a form provided by the department;
 - (B) the applicable fees specified in 12 AAC 02.340;
 - (C) a criminal history information report as set out under 12 AAC 04.161;
 - (D) verification showing that the applicant
 - (i) meets the education requirements under AS 08.04.120, 08.04.150, 12 AAC 04.185, and 12 AAC 04.187;
 - (ii) meets the applicable experience requirements under

AS 08.04.120 and 12 AAC 04.180; and

(iii) has passed the applicable examinations required under

12 AAC 04.200; and

(E) verification of all valid and current CPA licenses, if any, that the applicant currently holds or has previously held issued by another jurisdiction; the verification must include the applicant's current license status and information regarding disciplinary action or investigation taken or pending relating to the applicant [THE NAMES OF THREE INDIVIDUALS FOR VERIFICATION OF THE

APPLICANT'S GOOD MORAL CHARACTER AS REQUIRED UNDER 12 AAC 04.160]. (Eff. 9/28/2008, Register 187; am 12/25/2015, Register 216; am 2/24/2022,

Register 241; am 4/12/2024, Register 250; am ____ / ____ / _____, Register _____)

Authority: AS 08.04.070 AS 08.04.110 AS 08.04.130
AS 08.04.105 AS 08.04.120 AS 08.04.150

The introductory language of 12 AAC 04.180(a) is amended to read:

(a) An applicant for **licensure by examination** [INITIAL ISSUANCE OF A LICENSE] under **12 AAC 04.175** [THIS CHAPTER] must show that the applicant has had two years of experience. Under this subsection, an applicant's acceptable experience

...

12 AAC 04.180(b) is amended to read

(b) **For the purposes of meeting the requirements under (a) of this section, each** [ONE] year of experience must consist of full or part-time employment that extends over a

period of not less than a year and not more than four years and includes not fewer than 2,000 hours of performance of services described in **(a)(1)** [(a)] of this section. (Eff. 9/9/72, Register 43; am 8/3/79, Register 70; am 5/28/81, Register 78; am 4/18/82, Register 82; am 8/14/87, Register 103; am 10/1/88, Register 107; am 8/18/90, Register 115; am 11/15/96, Register 140; am 1/1/2008, Register 184; am 12/25/2015, Register 216; am 4/19/2019, Register 230; am 4/12/2024, Register 250; am ____/____/_____, Register _____)

Authority: AS 08.04 070 AS 08.04.120

12 AAC 04.187(c)(1) is amended to read:

(1) original, official transcript has been posted and can be viewed on the **Internet** website of an approved credentials evaluation service [THAT MEETS THE REQUIREMENTS OF 12 AAC 04.185(e)(3)] and the original credential evaluation is **provided** [MAILED] directly to the department by the approved credentials evaluation service; or
(Eff. 1/18/78, Register 64; am 5/28/81, Register 78; am 2/2/94, Register 129; am 7/27/97, Register 143; am 1/1/2008, Register 184; am ____/____/_____, Register _____)

Authority: AS 08.04 070 AS 08.04.120

12 AAC 04.189 is amended by adding a new subsection to read:

(b) For a licensing period that begins on or after January 1, 2026, a foreign-educated applicant or applicant from a foreign jurisdiction shall provide

(1) the certification required under (a)(1) - (4) of this section; and

(2) verification of residence in this state or a state other than this state; in this

paragraph, "residence" has the meaning given in AS 01.10.055. (Eff. 1/1/2008, Register 184; am

Register _____, _____ 2025 PROFESSIONAL REGULATIONS

4/12/2024, Register 250; am ____ / ____ / _____, Register _____)

Authority: AS 08.04 070 AS 08.04.105 AS 08.04.195

((Publisher: please add the letter (a) at the beginning of the introductory paragraph of 12 AAC 04.189 starting with "To renew a license to engage..."))

12 AAC 04.251(a) is amended to read:

(a) An individual who establishes a principal place of business in the state and holds a current CPA license in another state in good standing may **only** practice public accounting in this state without a license **issued by the board** for a period of 180 days. The individual is required to **apply for** [OBTAIN] a license by **examination under 12 AAC 04.175**, reciprocity under 12 AAC 04.165, **or temporary military courtesy license under 12 AAC 04.151(a)(3) and 12 AAC 04.184** not later than 180 days after establishing a principal place of business in the state.

(Eff. 4/12/2024, Register 250; am ____ / ____ / _____, Register _____)

Authority: AS 08.04 070 **AS 08.04.420** **AS 08.04.422**
AS 08.04.240

12 AAC 04.300(c) is amended to read:

(c) Except as provided in 12 AAC 04.430 and 12 AAC 04.440, an applicant for renewal of a license issued by the board under this chapter shall provide verification to the board that the applicant completed not less than 80 hours of approved continuing education during the concluding biennial licensing period. At least 20 hours of continuing education must have been completed for each year of the concluding biennial licensing renewal period. **For a licensing**

period that begins on or after January 1, 2026, the applicant may not earn more than 12 hours of continuing education in a day.

(Eff. 1/18/78, Register 64; am 4/7/95, Register 134; am 5/10/98, Register 146; am 7/25/2001, Register 159; am 4/16/2004, Register 170; am 1/1/2008, Register 184; am 12/25/2015, Register 216; am 2/24/2022, Register 241; 4/12/2024, Register 250; am ____/____/_____, Register _____)

Authority: AS 08.04.070 AS 08.04.410 AS 08.04.425

The heading of Article 8 is changed to read:

Article 8. Peer [QUALITY] Review.

12 AAC 04.600(b)(1)(A) is amended to read:

(A) a state certified public accountant society authorized by the American Institute of Certified Public Accountants [(AICPA)] Peer Review Board to administer **peer**[QUALITY] reviews; or

(Eff. 7/27/97, Register 143; am 11/2/2001, Register 160; 10/16/2003, Register 168; am 12/25/2015, Register 216; am 4/12/2024, Register 250; am ____/____/_____, Register _____)

Authority: AS 08.04 070 AS 08.04.426

The section heading of 12 AAC 04.620 is changed to read:

12 AAC 04.620. Exceptions to peer [QUALITY] review reporting requirements.

12 AAC 04.620(c) is amended to read:

(c) If a firm is merged, otherwise combined, dissolved, or separated, the organization administering the **peer** [QUALITY] review shall determine which firm is considered the succeeding firm. That determination is subject to review by the board. The succeeding firm shall retain its **peer** [QUALITY] review status and its **peer** [QUALITY] review due date. (Eff. 7/27/97, Register 143; am 11/2/2001, Register 160; am 10/16/2011, Register 200; am 1/4/2017, Register 221; am 4/19/2019, Register 230; am 4/12/2024, Register 250; am ____/____/____, Register _____)

Authority: AS 08.04.070 AS 08.04.426

12 AAC 04 is amended by adding a new section to read:

12 AAC 04.925. Principal place of business. Under AS 08.04.680 and this chapter, the principal place of business that an individual designates for the purposes of substantial equivalency and reciprocity is the primary office location where a licensee directs and controls the day-to-day operations and business activities for the purposes of providing public accounting services. (Eff. ____/____/____, Register _____)

Authority: AS 08.04.070 AS 08.04.120 AS 08.04.240
AS 08.04.105 AS 08.04.150 AS 08.04.680
AS 08.04.110 AS 08.04.195

12 AAC 04.990 is amended by adding a new paragraph to read:

(16) "state" includes the territories listed in the definition of "state" in AS 08.04.680. (Eff. 9/7/72, Register 43; am 2/10/78, Register 64; am 8/3/79, Register 70; am 1/27/81, Register 78; am 4/22/83, Register 86; am 11/9/85, Register 96; am 8/18/90, Register 115; am 2/2/94, Register 129; am 1/1/2008, Register 184; readopt 12/25/2015, Register 216; am

Register _____, _____ 2025 PROFESSIONAL REGULATIONS

4/12/2024, Register 250; am ___ / ___ / _____, Register _____)

Authority: AS 08.04.070 AS 08.04.130 AS 08.04.425
AS 08.04.110 AS 08.04.150 AS 08.04.680
AS 08.04.120

((Publisher: please change the period at the end of 12 AAC 04.990(15)(C) to a semicolon.))