

**DEPARTMENT OF CONSUMER AFFAIRS  
TITLE 16. PROFESSIONAL AND VOCATIONAL REGULATIONS  
DIVISION 1.  
CALIFORNIA BOARD OF ACCOUNTANCY**

**NOTICE OF PROPOSED REGULATORY ACTION CONCERNING:  
ENHANCED LICENSURE REQUIREMENTS; MODERNIZED MOBILITY**

**NOTICE IS HEREBY GIVEN** that the California Board of Accountancy (CBA) is proposing to take the action described in the Informative Digest below, after considering all comments, objections, and recommendations regarding the proposed action.

**PUBLIC HEARING**

The CBA has not scheduled a public hearing on this proposed action. However, the CBA will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request in writing addressed to the individuals listed under “Contact Persons” in this Notice.

**WRITTEN COMMENT PERIOD**

Written comments relevant to the action proposed, including those sent by mail, facsimile, or email to the addresses listed under “Contact Persons” in this Notice, must be **received by the CBA at its office no later than June 22, 2026** or must be received by the CBA at the hearing, should one be scheduled.

**AUTHORITY AND REFERENCE**

Pursuant to the authority vested by Sections 5010, 5018, 5080.1, 5082, 5093, 5093.3, 5094, 5094.6, 5095, and 5096.9 of the Business and Professions Code (BPC), and to implement, interpret, or make specific BPC sections 313.2, 5023, 5035, 5081, 5082, 5082.1, 5082.2, 5082.3, 5087, 5090, 5093, 5093.2, 5093.3, 5093.5, 5094, 5094.3, 5094.6, 5095, 5096, 5096.2, 5096.6, 5096.21, 5096.22, 5103, 5108, and 5131; and Government Code section 11415.50, the CBA is considering amending sections 6, 6.1, 7.1, 8.1, 8.2, 9.1, 9.2, 9.3, 11, 11.1, 12, 12.1, 12.5, 19, 21, and 36.1; adding sections 6.2, 9, 9.4, 12.2, and 12.3; and repealing section 5.5 of title 16 of the California Code of Regulations (CCR).

**INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW**

Summary of Existing Laws and Effect of the Proposed Action

The CBA licenses and regulates approximately 115,000 licensees, including individuals (Certified Public Accountants (CPA) and Public Accountants (PA) and accounting firms (Accountancy Corporation (COR), Accountancy Partnership (PAR), Out-of-State Registered Accounting Firms (OFR) and Fictitious Name Registrations (FNR). It is the

CBA's duty to enforce and administer the Accountancy Act Chapter 1 (commencing with section 5000) of Division 3 of the Business and Professions Code (BPC). Pursuant to BPC section 5000.1, the protection of the public is the CBA's highest priority in exercising its licensing, regulatory, and disciplinary authority. The CBA is authorized, pursuant to BPC 5010, to adopt, repeal, or amend regulations as may be reasonably necessary and expedient for the orderly conduct of the CBA's affairs and for the administration of the Accountancy Act.

Existing law also authorizes the CBA to adopt regulations to implement, interpret, or make specific the provisions of Division 1, Article 3, Title 16 California Code of Regulations regarding Practice Privileges.

The CBA's mission is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

#### Foundation of the Proposed Regulations

Two largescale CBA projects laid the foundation for the proposed regulations, namely the Consideration of the CPA Experience Requirements Taskforce (CERT) and the Students Understanding the Requirements to be a CPA (SURE CPA) Project.

In 2022, the CBA formed the nine-member CERT to address if the attest experience requirement was necessary and sufficient to support the CBA mission to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with professional standards. The reason for asking such a question was that the vast majority of states had discontinued the attest experience requirement. To address the question, the CERT gathered stakeholder feedback via an online survey and through public meetings.

By January 2023, the CBA adopted the CERT recommendation that the current attest experience requirement was necessary and sufficient and a few recommendations, one of which is addressed in these proposed regulations. Specifically, the CERT recommended the CBA explore how current regulations (i.e., section 36.1) could be amended to more thoroughly define reciprocity requirements for attest applicants given the elimination of the attest experience requirement by other states.

At its January 2023 meeting, CBA Leadership announced the 2023 priority projects. Included in that report was the multi-year SURE CPA Project. Specifically, the project related to educational requirements for licensure, focusing on exploring:

- Efficiencies in how staff review applicants' certified transcripts.
- Ways to increase students' understanding of the educational requirements and the ways to meet them.

The SURE CPA Project was launched because inquiries received by the CBA suggested a lack of understanding of the educational requirements. In March 2023, the CBA expanded the SURE CPA Project to include possible alternatives to the current licensure requirements.

The SURE CPA Project included extensive information-gathering activities including surveys, townhall meetings, focus groups, and presentations from the American Institute of Certified Public Accountants (AICPA), National Association of State Boards of Accountancy (NASBA), and the California Society of Certified Public Accountants (CalCPA). The data gathered was presented at the July 2024 CBA meeting where the CBA instructed staff to draft a legislative proposal to implement the initiatives formed based on the results of the SURE CPA Project. The legislative proposal was officially introduced as Assembly Bill 1175. The bill was signed into law on October 3, 2025.

The law takes effect on January 1, 2026. Several of the provisions, including those related to mobility, will begin at that point, but there will be a 12-month implementation window before the new examination and licensure requirements take effect on January 1, 2027. The legacy requirements will remain as an option until December 31, 2028. The new examination and licensure requirements are referenced as “enhanced” requirements in the Initial Statement of Reasons to easily distinguish them from the current requirements (i.e., legacy requirements).

To implement the statutory provisions of AB 1175, the CBA needs to adopt new regulations and amend and repeal existing regulations. The CBA proposes the repeal of CCR section 5.5 of Article 1 to remove outdated definitions and adopt and make amendments to Article 2 of the CCR to update and make clear the education and experience requirements that become operative on January 1, 2027, and those that become inoperative as of January 1, 2029.

### Summary of Existing Laws

Existing law in BPC section 313.2 authorizes the Director of the Department of Consumer Affairs to adopt regulations specific to the provisions of the Americans with Disabilities Act (P.L. 101-336).

Existing law in BPC section 5018 allows the CBA, by regulation, to prescribe, amend, or repeal rules of professional conduct appropriate to the establishment and maintenance of a high standard of integrity and dignity in the profession.

Existing law in BPC section 5023 authorizes the CBA to establish a qualifications committee of its own certified public accountant members or other certified public accountants of the state in good standing, to examine the qualifications of all applicants for the license of certified public accountant and recommend to the CBA applicants for the certified public accountant license who fulfill the requirements of the chapter.

Existing law in BPC section 5035 defines “Person” to include an individual, partnership, firm, association, limited liability company, or corporation, unless otherwise provided.

Existing law in BPC 5035.4 defines “comparable licensure requirements.”

Existing law in BPC section 5080.1 authorizes the CBA to require an applicant for a certified public accountant license to appear in person to determine if the applicant’s qualifications are as prescribed in the chapter and in the rules adopted by the board.

Existing law in BPC section 5081 authorizes an applicant’s admission to the Uniform CPA Examination (CPA Exam) provided they have not committed acts or crimes constituting grounds for denial under BPC section 480, meet CBA’s educational requirements, and file a CBA-approved application that is received at the CBA office, submitted via a CBA-provided electronic application or filed by mail.

Existing law in BPC section 5082 requires an applicant for a certified public accountant license to have successfully passed an examination in subjects the CBA deems appropriate, and in the form and manner that the CBA deems appropriate. Further, it allows the CBA, by regulation, to prescribe the methods for applying for and conducting the examination, including methods for grading and determining a passing grade.

Existing law in BPC section 5082.1 authorizes the CBA to delegate the administration of an examination necessary for certified public accountant licensure, to a public or private organization.

Existing law in BPC section 5082.2 authorizes a candidate who fails an examination provided for in Article 5 to have the right to reexamination pursuant to the provisions of the article and regulations adopted by the CBA.

Existing law in BPC section 5082.3 authorizes an applicant for a license as a certified public accountant may be deemed by the board to have met the examination requirements of BPC section 5082 if the applicant satisfies specified requirements, including when they are licensed or have comparable authority under the laws of any country to engage in the practice of public accountancy, the International Qualifications Appraisal Board jointly established by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants has determined that the standards under which the applicant was licensed or under which the applicant secured comparable authority meet its standards for admission to the International Uniform Certified Public Accountant Qualification Examination (IQEX), or the applicant has successfully passed the IQEX.

Existing law in BPC section 5087 allows the CBA to issue a certified public accountant license to any applicant who is a holder of a current, active, and unrestricted certified public accountant license issued under the laws of any state with comparable licensure requirements and who has not committed acts or crimes constituting grounds for denial

under Section 480. To be authorized to sign reports on attest engagements, the applicant shall meet the requirements of Section 5095. Further, it allows the CBA, in particular cases, to waive any of the requirements regarding the circumstances in which the various parts of the examination were to be passed for an applicant from another state.

Existing law in BPC section 5090 specifies that an applicant for the certified public accountant license shall comply with the education, examination, and experience requirements in this article.

Existing law in BPC section 5093 specifies that an applicant for the CPA Exam must have a baccalaureate degree conferred by a degree-granting university, college, or other institution of learning accredited by an accrediting agency with at least 24 semester units in accounting subjects and 24 semester units in business-related subjects. BPC 5093 further specifies that an applicant for CPA licensure must have a baccalaureate degree conferred by a degree-granting university, college, or other institution of learning accredited by an accrediting agency with at least 24 semester units in accounting subjects, 24 semester units in business-related subjects, 20 units in accounting study, and 10 units of ethics study. An applicant for CPA licensure must have one year of experience providing any type of service involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills.

BPC section 5093 will be repealed on January 1, 2029, removing the completion of 150-semester units as the minimum education requirement and the one year of general accounting experience requirement.

Existing law in BPC section 5093.2, which becomes operative on January 1, 2027, requires applicants to present satisfactory evidence that they have met the new educational requirements consisting of a minimum of a conferred baccalaureate or advanced degree with an accounting concentration. This section requires the CBA to establish by regulation an accounting concentration of courses that are required to meet this requirement.

Existing law in BPC section 5093.3 becomes operative on January 1, 2027, requiring the applicant to complete two years of qualifying experience and passage of the CPA examination under BPC section 5082. BPC section 5093.3 authorizes the CBA to accept a master's degree in accounting-related subjects toward one of the two years required and authorizes the CBA to accept experience credit for the completion of specific certificate or training programs.

Existing law in BPC section 5093.5 allows an applicant for the CPA Exam to sit for the exam prior to completing a baccalaureate degree if they are enrolled in a degree-granting university, college, or other institution of learning and is within 180 days of

completing the educational requirements set forth in BPC 5093. Establishes that BPC section 5093.5 will be repealed on January 1, 2029.

Existing law in BPC section 5094 establishes the standards for education to be qualifying. It establishes provisions for education earned outside the U.S. to be qualifying and establishes criteria for the approval of credential evaluation services to review education earned outside the U.S. Further, it establishes that colleges, universities, or other institutions of learning that provide qualifying education as defined shall be referenced as “institutions of higher education” in the chapter.

Existing law in BPC section 5094.3 specifies what courses satisfy the 10-hour ethics study requirement. Establishes that BPC section 5094.3 will be repealed on January 1, 2029.

Existing law in BPC section 5094.6 states that “accounting study” means independent study or other academic work in accounting, business, ethics, business law, or other academic work relevant to accounting and business. Establishes that BPC section 5094.6 will be repealed on January 1, 2029.

Existing law in BPC section 5095 requires a licensee to complete a minimum of 500 hours of experience in attest services to gain authorization to sign reports on attest engagements.

Existing law in BPC section 5096 authorizes an individual whose principal place of business is not in California and who has a current and active license, certificate, or permit to practice public accountancy from another state to practice in California without obtaining a certificate and specifies the conditions in which an individual must notify the CBA prior to practicing, or notify the CBA regarding cessation of practice due to specified reasons. Additionally, it requires the CBA to consult with the Public Company Accounting Oversight Board and United States Securities and Exchange Commission to identify licensees who may have a disqualifying condition.

Existing law in BPC 5096.2 specifies the condition in which practice privileges may be revoked, the procedures the CBA must take to revoke the practice privilege, and how an individual may petition for practice privilege rights to be reinstated.

Existing law in BPC 5096.6 authorizes the CBA to delegate to the executive officer the authority to issue any notice or order provided for in the article and to act on behalf of the CBA, including, but not limited to, issuing an interim suspension order, subject to the right of the individual to timely appeal and request a hearing as provided for in the article.

Existing law in BPC section 5096.9 authorizes the CBA to adopt regulations to implement, interpret, or make specific practice privilege laws.

Existing law in BPC section 5096.21 establishes criteria the CBA shall consider when determining whether allowing individuals from a particular state to practice in California would jeopardize consumer protection and subsequently require licensees of that particular state to file a notification form and pay applicable fees prior to practicing in California.

Existing law in BPC section 5096.22 adds notification requirements an applicant must provide the CBA when the CBA has determined that the state in which the individual holds their principal place of business does not have comparable licensure requirements.

Existing law in BPC section 5103 authorizes the CBA to inquire into any alleged violation of the chapter or any other state or federal law, regulation, or rule relevant to the practice of accountancy.

Existing law in BPC section 5108 authorizes the CBA to issue subpoenas.

The existing regulations provide the CBA the authority to consider applications for California CPA licensure from out-of-state licensees, including provisions to obtain licensure with the authority to sign reports on attest engagements.

The existing regulations define and implement requirements for examination, education, and experience specific to a licensure model (bachelor's degree, 150 units, and one year of general accounting experience) that will be repealed on December 31, 2028. The existing regulations relating to practice privilege establish requirements for qualifying under no notice mobility, which will be modified on January 1, 2026. This regulatory proposal seeks to amend, add and repeal regulations necessary to implement AB 1175 (chapter 293, Statutes 2025). Specifically, the proposed regulations would do the following:

#### Effect of Proposed Action

##### *Repeal Section 5.5. Substantial Equivalency.*

The proposal is to repeal Section 5.5 as it is no longer applicable.

The basis for the repeal is to address changes made to BPC sections 5087 and 5096 by AB 1175, which eliminates the requirement for substantially equivalent licensure requirements.

##### *Amend Section 6. Examination Required, Passing Grades, Provisions for Disabled Applicants.*

The proposed amendments to Section 6 provide a definition regarding the equivalency between semester and quarter units, provide definitions of "institutions of higher education," "U.S. institutions of higher education," and "California institutions of higher education." The proposal also provides a specific definition of "person" for Article 2. The

proposed amendments make other changes for clarity, including updating or removing statutory references, including the full name of the required examination for a certified public accountant license, and make other non-substantive changes for clarity and consistency.

*Amend Section 6.1. Additional Requirements for Computer-Based Testing.*

The proposed amendments to Section 6.1 update the statutory references in the Authority and Reference section and make other non-substantive changes for clarity and consistency.

*Add Section 6.2. Transition to Enhanced Examination and Licensure Requirements.*

The proposal is to add section 6.2, Transition to Enhanced Examination and Licensure Requirements, to establish timeframes to transition from the licensing requirements in BPC section 5093, which will be repealed January 1, 2029, to the new education requirements for examination and licensure in BPC section 5093.2. The new section also establishes provisions regarding experience requirements under BPC section 5093.

*Amend Section 7.1. Credit Status for the Computerized Uniform CPA Examination.*

The proposed amendments update the section title name, remove irrelevant dates, make terminology changes, update or add statutory and regulation section references, update the statutory references in the Authority and Reference section and make other non-substantive changes for clarity and consistency.

*Amend Section 8.1. The Authorization to Test and Notice to Schedule for the Computer-Based Uniform CPA Examination.*

The proposed amendments update the title of the section, update statutory references in the Authority and Reference section, and make other non-substantive changes for clarity and consistency.

*Amend Section 8.2. Requirements for Issuance of the Authorization to Test.*

*The proposed amendments spell out an acronym, update the Certificate of Enrollment Form (COE-1 New 7/2022) which is incorporated by reference, add regulatory references, update statutory references in the Authority and Reference section, and make non-substantive changes for clarity and consistency.*

*Add Section 9. Education Required for Examination and Licensure.*

The proposal is to add section 9, Education Required for Examination and Licensure. This section describes the accounting concentration of courses required to be completed pursuant to BPC section 5093.2, including what courses qualify and the minimum number of semester units.

*Amend Section 9.1. Approved Credential Evaluation Service Status.*

The proposed amendments would repeal Form 11A-54 (11/17) and replace it with Form CES-54 (11/25) (application to become a CBA approved credentials evaluation service),

which is incorporated by reference. The amendments also create the ability to submit foreign credential evaluations electronically to the CBA and require the service to advise the CBA on how it will be done securely. The proposed amendments also provide an approved evaluation service discretion on how to indicate on the evaluations that they do not indicate an opinion on whether courses will be accepted by the CBA. The proposed amendments also make other non-substantive changes for clarity and consistency.

***Amend Section 9.2. Education Required Under Business and Professions Code Sections 5092 and 5093.***

The proposed amendments update the section title, make clarifying changes in terminology, remove references to quarter unit equivalents, delete a repealed statutory reference, add an inoperative date to coincide with the repeal date of BPC section 5093, and other non-substantive changes for clarity and consistency.

***Amend Section 9.3. Early Admission to the Uniform CPA Examination Under Business and Professions Code Section 5093.5.***

The proposed amendments update the title of the section, repeal the Certificate of Enrollment form COE-1 (New 7/2022) and replace it with an updated COE (11/2025), which is incorporated by reference, update and add statutory and regulatory references, update statutory sections in the Authority and Reference section, and make other non-substantive changes for clarity and consistency.

***Add Section 9.4. Board Recognized Accounting Degrees.***

The proposal is to add section 9.4, Board Recognition of Accounting Degrees. The proposed section identifies the requirements for an institution of higher learning to obtain CBA recognition for an accounting degree, including, but not limited to, criteria such as degree documentation on transcripts, specified courses that comprise the accounting degree, who can submit a request for recognition, how long the recognition is valid, what the request must include, agreement to board-specified notification requirements, and provisions for the CBA to remove its degree recognition.

***Amend Section 11. Education Required to Apply for Certified Public Accountant License.***

The proposed amendments update the name of the title, add a date in which applications must be received to qualify under the licensure provisions of BPC section 5093 and specify that applicants who fail to provide evidence of meeting the requirements by December 31, 2028 will be subject to the examination and licensure requirements of BPC section 5093.2. The proposed amendments make other non-substantive changes for clarity and consistency.

***Amend Section 11.1. Accounting Study.***

The proposed amendments update the title of the section, remove gender pronouns, add an inoperative date, remove unnecessary terms, and make other non-substantive changes for clarity and consistency.

*Amend Section 12. General Experience Required Under Business and Professions Code Section 5093.*

The proposed amendments to section 12 update the section title, add references to BPC section 5093.3, which establish new experience requirements for CPA licensure effective January 1, 2027, add necessary regulatory references, repeal Form 11A-30 (1/22) and replace it with Form CGE-30 (11/25), includes authority for the CBA (subject to CCR section 69) to require applicants for CPA licensure to appear before the Qualifications Committee to substantiate their experience (consistent with CCR section 12.5), update terminology, identify how qualifying experience can be obtained, establish provisions for ways to substitute education or certificate programs for a portion of the required experience, and clarify experience in academia can be used to meet the general accounting experience requirement. The proposed amendments update and add statutory and regulatory references and make other non-substantive changes for clarity and consistency.

*Amend Section 12.1. Experience in Academia.*

The proposed amendments update the section title, correct section references, add new statutory references, updates terminology, add a reference to regulatory sections in lieu of restating the language from the regulation section, update the name of form 11A-29B (11/17) to CEA-29 (11/25), which is incorporated by reference, and make other non-substantive changes for clarity and consistency.

*Add Section 12.2. Accounting-Related Advanced Degree Toward General Accounting Experience.*

The proposed regulations allow for specified advanced degrees to substitute for one year of general accounting experience based on the legacy requirement that would allow those same degrees to fulfill the 20-semester unit accounting subject requirement.

*Add Section 12.3. Board Recognized Accounting Certificate Toward General Accounting Experience.*

The proposal is to add section 12.3, Board Recognized Accounting Certificate Toward General Experience. The basis for this added section is to address and implement the acceptance of accounting certificates pursuant to BPC section 5093.3 of AB 1175, including the operative date. The proposed new section establishes that the CBA will accept an accounting certificate from a California institution of higher education to substitute for six months of general accounting experience. The proposal establishes criteria such as certificate documentation on transcripts, specified courses that comprise the accounting certificate, who from the California institution of higher education can submit a request for recognition, what the request must include, agreement to board-specified notification requirements about the certificate, and provisions for the CBA to remove its accounting certificate recognition.

*Amend Section 12.5. Attest Experience Under Business and Professions Code Section 5095.*

The proposed amendments update the section title, update and add statutory and regulatory references, renumber sections, remove obsolete sections, add the different types of work environments that attest experience can be gained in, update and add terminology, specify what does not count as attest experience, repeal 11A-7 (1/22)<sup>1</sup> (Certificate of Attest Experience) and replaces it with CAE-7 (11/25), which is incorporated by reference. The proposed amendments remove an outdated section relating to full time and part time employment. The proposal makes other non-substantive changes for clarity and consistency.

*Amend Section 19. Practice Privilege Forms for Individuals.*

The proposed amendments update the following forms which are incorporated by reference, and make other non-substantive grammar changes:

The CBA is proposing to repeal and replace incorporated forms for individuals to use as part of its practice privilege program as follows:

- Subsection (a): Repeal and replacement of incorporated form PP-10 (12/19) with PP-10 (11/25).
- Subsection (b): Repeal and replacement of incorporated form PP-11 (12/19) with PP-11 (11/25).
- Subsection (c): Repeal and replacement of incorporated form PP-12 (11/17) with PP-12 (11/25).
- Subsection (d): Repeal and replacement of incorporated form PP-15 (12/19) with PP-15 (11/25).
- Subsection (e): Repeal and replacement of incorporated form PP-16 (12/21) with PP-16 (11/25).

*Amend Section 21. Appeals.*

The proposed amendments to CCR section 21 update statutory references to align with renumbering in BPC section 5096, which were amended in AB 1175, and make other non-substantive changes for clarity and consistency.

*Amend Section 36.1. Out-of-State Licensee.*

The proposed amendments update the section title, remove gender specific pronouns, add statutory clarifications, add a requirement that the out-of-state applicant has completed specified job tasks, pursuant to Section 12.5(b), in order to provide attest services, and make other non-substantive changes for clarity and consistency.

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<sup>1</sup> Note there was an inconsistency in the prior rulemaking that incorporated form 11A-7. The regulatory text referenced the form as 11A-7 (1/22) but the footer of the incorporated form listed it as 11A-7 (Rev. 01/22).

## **ANTICIPATED BENEFITS OF PROPOSAL**

The CBA has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents:

This regulatory proposal may benefit the health and welfare of California residents. The proposal will implement statutory changes (following the passage of AB 1175 (Chapter 293, Statutes of 2025) that focus on reducing the cost and time needed for education, offer better access for California's diverse population, and may increase the number of aspiring CPAs entering the accounting profession and obtaining CPA licensure.

Additionally, the regulations update existing mobility provisions, which enable out-of-state CPAs to exercise a practice privilege in California providing increased access to accounting services for California consumers and businesses to better align with current law. The proposed changes support the CBA's mission to ensure only qualified CPAs practice public accountancy.

This regulatory proposal does not affect worker safety because the regulatory proposal does not relate to worker safety.

This regulatory proposal does not affect the state's environment because the regulatory proposal does not relate to the state's environment.

### Evaluation of Consistency and Compatibility with Existing State Regulations

During the process of developing this regulatory proposal, the CBA has conducted a search of any similar regulations on these topics and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

## **FORMS INCORPORATED BY REFERENCE BEING REPEALED AND REPLACED**

Credentials Evaluation Service Application (11A-54) (11/17)

Certificate of Enrollment Form (COE-1 New 7/2022)

Certificate of General Experience (11A-30) (1/22)

Certificate of Experience in Academia (11A -29B) (11/17)

Certificate of Attest Experience 11A-7 (1/22)

Practice Privilege Pre-Notification of Listed Events Form (PP-10) (12/19)

Notification of Cessation of Practice Privilege Form (PP-11) (12/19)

Application for Reinstatement of Practice Privilege (PP-12) (11/17)

Practice Privilege Notification of Pending Criminal Charges (PP-15) (12/19)

Practice Privilege Notification Form (PP-16) (12/21)

## **INCORPORATION BY REFERENCE**

Credentials Evaluation Service Application (CES-54) (11/25)

Certificate of Enrollment Form (COE-1) (11/25)

Certificate of General Experience (CGE-30) (11/25)

Certificate of Experience in Academia (CEA-29) (11/25)

Certificate of Attest Experience (CAE-7) (11/25)  
Practice Privilege Pre-Notification of Listed Events Form (PP-10) (11/25)  
Notification of Cessation of Practice Privilege Form (PP-11) (11/25)  
Application for Reinstatement of Practice Privilege (PP-12) (11/25)  
Practice Privilege Notification of Pending Criminal Charges (PP-15) (11/25)  
Practice Privilege Notification Form (PP-16) (11/25)

## **DISCLOSURES REGARDING THIS PROPOSED ACTION**

### **FISCAL IMPACT ESTIMATES**

#### **Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:**

AB 1175 establishes new provisions for CPA licensure in California, by changing the education requirement from a bachelor's degree with the completion of 150 units, to a bachelor's degree with an accounting concentration. The CBA notes, any licensing workload costs or revenues related to an increase in the licensee population are a result of AB 1175 and not the proposed regulations.

The CBA does anticipate workload and costs to implement the regulations of approximately \$24,000 in year-one and \$2,500 annually thereafter and up to \$46,500 over a ten-year period as follows:

- **Information Technology (IT) Updates and Maintenance: (\$13,500 in year-one and \$1,500 annually thereafter):** Launch and maintenance of an online function on the CBA website to submit requests for recognition of accounting degrees and accounting certificates.
- **Degree Recognition (\$6,000 in year-one and \$1,000 annually thereafter):** Review of accounting degrees and accounting certificates submitted for recognition (100 in year-one and 14 annually thereafter).
- **Foreign Credentialing (\$1,000 one-time):** Review requests from foreign credential evaluation services (13) seeking authorization to include standardized disclaimer language on their evaluation documents.
- **Update forms (\$3,500 one-time):** Update and post forms (10) on the CBA website.

The regulations do not result in costs or savings in federal funding to the state.

**Nondiscretionary Costs/Savings to Local Agencies:** None.

**Cost to any Local Agency or School District for which Government Code Sections 17500 - 17630 Require Reimbursement:** None.

**Mandate Imposed on Local Agencies or School Districts:** None.

**Significant Effect on Housing Costs:** None.

## **BUSINESS IMPACT ESTIMATES**

The CBA has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

This initial determination is based on the following facts/evidence/documents or testimony:

This regulatory proposal will benefit aspiring CPAs and California consumers by repealing, amending, and adopting regulations to implement AB 1175. The regulatory proposal will define statutory provisions, providing a simplified, clear, and streamlined pathway to licensure.

The CBA notes, any economic impacts to business are a result of AB 1175, and not the regulations.

### **Cost Impact on Representative Private Person or Business:**

The CBA is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

The CBA notes, any economic impacts to individuals or business are a result of AB 1175, and not the regulations.

## **RESULTS OF ECONOMIC IMPACT ASSESSMENT / ANALYSIS**

### **Impact on Jobs / Businesses:**

The CBA has determined that this regulatory proposal will not have a significant impact on the following:

- 1) the creation or elimination of jobs within the state,
- 2) the creation of new businesses or the elimination of existing businesses within the state, or,
- 3) the expansion of businesses currently doing business within the state.

This proposal would not have any of the above-referenced impacts as explained in the “Business Impact Estimates” section of this notice.

### **Benefits of Regulation:**

The CBA has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents:

This regulatory proposal may benefit the health and welfare of California residents by helping to implement statutory changes resulting from AB 1175 focusing on enhancing the requirements to obtain CPA licensure and by helping to ensure Californians have access to accounting services. The proposed changes support the CBA's mission to ensure only qualified CPAs practice public accountancy.

This regulatory proposal does not affect worker safety because the regulatory proposal does not relate to worker safety.

This regulatory proposal does not affect the state's environment because the regulatory proposal does not relate to the state's environment.

**Business Reporting Requirements:**

The regulatory action does not require businesses to file a report with the CBA.

**Effect on Small Business:**

The CBA has determined that the proposed regulations may affect small businesses.

Foreign credential evaluation services, who may be classified as a small business, will benefit by having the flexibility to include their own disclaimer on evaluations, after the CBA provides approval. Any workload costs (or savings) are anticipated to be incurred within normal business operations without additional costs.

The CBA notes, any economic impacts to small business are a result of current law, and not the regulations.

**CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code section 11346.5, subdivision (a)(13), the CBA must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the proposal described in this Notice; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may submit comments to the CBA in writing relevant to the above determinations at:

California Board of Accountancy  
Attention: Regulatory Coordinator  
2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833

or by sending an email to [Regulations@cba.ca.gov](mailto:Regulations@cba.ca.gov) during the written comment period, or at the hearing if one is scheduled or requested.

### **AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE**

The CBA has compiled a record for this regulatory action, which includes the Initial Statement of Reasons, proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this notice.

### **TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the Initial Statement of Reasons, and all of the information upon which the proposal is based, may be obtained upon request from:

California Board of Accountancy  
Attention: Regulatory Coordinator  
2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833

### **AVAILABILITY OF CHANGED OR MODIFIED TEXT**

After considering all timely and relevant comments, the CBA, upon its own motion or at the request of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal, with the modifications clearly indicated, will be available for review and written comment for 15 days prior to its adoption from the persons designated in this Notice as the Contact Persons and will be mailed to those persons who submit written comments or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

### **AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE**

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the Contact Persons named below or by accessing the website listed below.

### **CONTACT PERSONS**

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Deanne Pearce  
Address: 2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833  
Telephone No.: (279) 236-3012  
Fax No.: (916) 263-3675  
Email Address: Regulations@cba.ca.gov

The backup contact person is:

Name: David Hemphill  
Address: 2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833  
Telephone No.: (279) 236-3037  
Fax No.: (916) 263-3675  
Email Address: Regulations@cba.ca.gov

### **AVAILABILITY OF DOCUMENTS ON THE INTERNET**

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications noted, as well as the Final Statement of Reasons when completed, and modified text, if any, can be accessed through the CBA's website at <https://www.dca.ca.gov/cba/about/pending-regulations.shtml>.