



Addressing CPA Mobility

The AICPA is always developing new products and services to benefit our small firm members, but we also are engaged in advocacy efforts that don't necessarily result in tangible deliverables but that can have a significant beneficial impact on practitioners. One excellent example is the AICPA Special Committee on Mobility, which was created in light of emerging state rules and requirements that do not serve to protect the public interest but that do make it more difficult for CPAs to practice across state lines.

Electronic communications and commerce have made it much easier for CPAs to serve clients across geographic boundaries, but these service opportunities are often hindered by a multitude of conflicting state licensing requirements on out-of-state practice. The current model for gaining practice privileges, "substantial equivalency," no longer seems to work. Under that model, which was developed by the AICPA and the National Association of State Boards of Accountancy as part of the Uniform Accountancy Act, CPAs could practice in a different state without obtaining a license there if they had a valid state license from a state whose CPA licensing criteria were substantially equivalent to those outlined in the UAA. However, many states have modified the act's provisions, causing inconsistencies among them. As a result, firms that want to practice in different states must monitor and comply with a wide array of regulations, causing unnecessary complications that make compliance nearly impossible without offering any ensuing benefits for the public.

Among its efforts in this area, the Institute provides comments to state regulators whenever there is an apparent problem with a new or proposed regulation. For example, the Institute offered comments to Illinois Governor Rod Blagojevich when new registration requirements there threatened to have severe and unintended consequences for consumers and the CPAs who serve them (http://www.aicpa.org/download/news/2006/Illinois_Comment_Letter_from_AICPA.pdf)

The AICPA is committed to a state-based regulatory system, but we do feel a responsibility to try to address unwarranted barriers to practice that don't protect the public. This is a key focus of the Special Committee on Mobility, which identifies problem areas and offers resources to states that want to modify their own accountancy laws or regulations. The committee is chaired by Scott Voynich, former chair of the AICPA Board of Directors, and a partner of a Georgia firm. It will also examine the substantial equivalency concept and consider any necessary modifications to it. The aim is to move toward a system that will protect the public interest and allow CPAs the mobility they need to serve clients.

As a resource for practitioners, the Institute Web site contains detailed information on state mobility licensing requirements and news about recent developments affecting mobility. More information can be found at <http://www.aicpa.org/Legislative+Activities+and+state+licensing+Issues/State+Licensing+Issues/>.

Let Me Know Your Thoughts

I would like to hear your comments and suggestions on how the Institute can help enhance your professional life. Don't hesitate to contact me to share your ideas and opinions at jmetzler@aicpa.org.

A handwritten signature in orange ink that reads "James C. Metzler".

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Did You Know?

The Institute is also involved in successful advocacy efforts at the federal level. A new law now exempts practitioners from Gramm-Leach-Bliley Act provisions that required CPAs to send annual privacy notices to clients. The Institute has worked with Congress since the Gramm-Leach-Bliley Act was originally enacted to achieve this change. The AICPA pointed out that CPAs are already subject to state requirements that prohibit disclosure of private information without client consent.

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