



## Mobility becomes effective in West Virginia on June 5, 2008

On March 7, 2008, West Virginia passed “mobility” legislation eliminating certain notice requirements for substantial equivalency practitioners, allowing out-of-state firms to practice in this state without permits under certain circumstances and allowing certain services to be performed by persons or business entities without authorizations under certain circumstances. Read the information in this leaflet very carefully **BEFORE RENEWING YOUR FIRM PERMIT OR INDIVIDUAL AUTHORIZATION.**

### UNDER WHAT CIRCUMSTANCES WILL A FIRM NEED:

#### 1. A FIRM PERMIT TO PRACTICE IN WV?

#### 2. AN AUTHORIZATION TO PERFORM ATTEST/COMPILATION SERVICES IN WV?

### UNDER WHAT CIRCUMSTANCES WILL AN INDIVIDUAL PRACTITIONER NEED AN AUTHORIZATION TO PERFORM ATTEST/COMPILATION SERVICES IN WV?

## DOES MY FIRM NEED A FIRM PERMIT?

### §30-9-17. Issuance and renewal of permits.

- (b) Firms meeting the following criteria must hold a permit issued under this section:
- (1) Any firm with an office in this state performing attest or compilation services;
  - (2) Any firm with an office in this state that uses the title “CPA” or “CPA firm”; or
  - (3) Any firm that does not have an office in this state but performs attest services described in subdivision (A), (C) or (D), subsection (3), section two of this article for a client having its home office in this state

*[(A), (C), and (D) quoted below under definitions §30-9-2 below]*

- (c) A firm that does not have an office in this state may perform services described in subdivision (B), subsection (3) section two of this article, for a client having its home office in this state and may use the title “CPA” or “CPA firm” without a permit issued under this section only if it meets firm ownership requirements and is undergoing a peer review program that conforms with applicable rules, and performs the services through an individual with practice privileges under section sixteen of this article.

*[(B) quoted under definitions §30-9-2 (3) (B) below]*

- (d) A firm that does not have an office in this state and does not perform attest services or compilation services for a client having its home office in this state may perform other professional services while using the title “CPA” or “CPA firm” in this state without a permit issued under this section only if it performs the services through an individual with practice privileges under section sixteen of this article; *Provided*, That the firm may lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.

### §30-9-2. Definitions

- (3) “Attest services” means providing any:
- (A) Audit or other engagement to be performed in accordance with Statements on Auditing Standards;
  - (B) Review of a financial statement to be performed in accordance with the Statement on Standards for Accounting and Review Services;
  - (C) Examination of prospective financial information to be performed in accordance with applicable Statements on Standards for Attestation Engagements; or
  - (D) Engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board.
- (12) “Compilation services” means providing a service performed in accordance with the Statements on Standards for Accounting and Review Services that presents, in the form of a financial

statement, information that is the representation of management without an expression of assurance on the statement...

- (17) “Firm ownership requirements” means, with respect to:
- (A) Any professional limited liability company organized pursuant to article thirteen, chapter thirty-one-b of this code, consisting of one or more licensed certified public accountants or licensed public accountants;
  - (B) Any other firm where:
    - (i) A simple majority of ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members or managers, belongs either to:
      - (I) Certified public accountants holding a certificate under section twelve of this article or the equivalent provision of another state; or
      - (II) Public accountants who have met the continuing professional education requirements of subsection (b), section twelve of this article and who are not subject to the exemption or limitation set forth in subdivisions (1) or (2), subsection (b), section twelve of this article or similar provisions of another state.
    - (ii) All owners of the firm who are not certified public accountants or public accountants are active participants in the firm or in affiliated entities.
- (20) “Home office” means the client's office address.
- (31) “Principal place of business” means the licensee's office location in the state where the licensee holds a certificate or registration.

## DOES MY FIRM NEED AN AUTHORIZATION TO PERFORM ATTEST OR COMPILATION SERVICES?

### §30-9-16. Substantial equivalency practice privileges.

- (e) Subject to the provisions of subsection (f) of this section, an individual who qualifies for the practice privileges under this section may only perform any of the following services, for any entity with its home office in this state, through a firm which has obtained a permit issued under section seventeen of this article and an authorization issued under section nineteen of this article:
- (1) A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards;

- (2) An examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; or
- (3) An engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board.

## DO THE CPAs IN OUR FIRM NEED TO BE LICENSED TO PROVIDE PROFESSIONAL SERVICES IN WEST VIRGINIA?

### §30-9-16. Substantial equivalency practice privileges.

- (a) An individual whose principal place of business is not in this state and who holds an out-of-state certificate has all the rights and privileges of a certificate holder of this state without the need to obtain a certificate if:
  - (1) The state that issued the out-of-state certificate has certification requirements that are substantially equivalent to the certification requirements of the Uniform Accountancy Act; or
  - (2) The individual holds a valid license as a certified public accountant from any state which the National Association of State Boards of Accountancy National Qualification Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the Uniform Accountancy Act and the individual has obtained from the National Association of State Boards of Accountancy National Qualification Appraisal Service verification that his or her CPA qualifications are substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act. Any individual who qualifies for practice privileges pursuant to this subdivision before the first day of January, two thousand twelve, and who passed the uniform CPA examination and holds a valid license issued by any other state is exempt from the education requirement in the Uniform Accountancy Act for purposes of this section.
- (b) An individual who offers or renders professional services under this section shall be granted practice privileges in this state, and no notice, fee, or other submission is required of any such individual. Such an individual is subject to the requirements in subsection (c) of this section.
- (c) (1) Any individual performing or offering to perform any services in the state as a substantial equivalency practitioner and the firm which employs that out-of-state certificate holder are simultaneously subject to the jurisdiction of the board concerning all matters within the scope of this article and are required to comply with the provisions of this article and applicable rules.

- (2) The state board of accountancy of the state of issuance of any substantial equivalency practitioner's certificate is appointed as his or her agent upon which process may be served in an action or proceeding by the board.
- (d) In the event the certificate from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in this state individually and on behalf of a firm.
- (e) Subject to the provisions of subsection (f) of this section, an individual who qualifies for the practice privileges under this section may only perform any of the following services, for any entity with its home office in this state, through a firm which has obtained a permit issued under section seventeen of this article and an authorization issued under section nineteen of this article:
  - (1) A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards;
  - (2) An examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; or
  - (3) An engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board.

- (1) A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards;
- (2) An examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; or
- (3) An engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board.
- (f) An individual practitioner who is also a substantial equivalency practitioner may provide the services set out in subsection (e) of this section without obtaining a permit issued under section seventeen of this article, but must obtain the authorization issued under section nineteen of this article.
- (g) A certificate holder of this state offering or rendering services or using their CPA title in another state is subject to disciplinary action in this state for an act committed in another state for which the certificate holder would be subject to discipline in that other state.
- (h) The board shall investigate any complaint made by the board of accountancy of another state.

## AS AN INDIVIDUAL PRACTITIONER, DO I NEED AN AUTHORIZATION TO PERFORM ATTEST/COMPILATION SERVICES?

### § 30-9-16

- (e) Subject to the provisions of subsection (f) of this section, an individual who qualifies for the practice privileges under this section may only perform any of the following services, for any entity with its home office in this state, through a firm which has

obtained a permit issued under section seventeen of this article and an authorization issued under section nineteen of this article:

- (1) A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards;
- (2) An examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; or
- (3) An engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board.
- (f) **An individual practitioner** who is also a substantial equivalency practitioner may provide the services set out in subsection (e) of this section without obtaining a permit issued under section seventeen of this article, but **must obtain the authorization issued under section nineteen of this article.**

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This leaflet is provided to inform those affected of changes made to the West Virginia Accountancy Law. It is not meant to be an authority regarding cross-border practice requirements in West Virginia. To review the complete bill approved by the legislature, visit our web site at [www.wvboacc.org](http://www.wvboacc.org). Click on the *Accountancy Law/Rules* link on the left hand side of the screen, then on *H.B. 4494*.

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**If you have questions or concerns, contact the West Virginia Board of Accountancy at the address or phone number below:**

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