



North Carolina State Board of Certified Public Accountant Examiners

The public comment period related to the periodic review of 21 NCAC 08, *Certified Public Accountants*, ended at 5 p.m. on Friday, February 13, 2026. Although the Board is no longer accepting comments on the rules, this package of proposed amendments will remain available online until the approved rules take effect on May 1, 2026.



North Carolina State Board of Certified Public Accountant Examiners

NOTICE OF PUBLIC RULEMAKING HEARING

NCGS §150B-21.3A, "Periodic Review and Expiration of Existing Rules," requires all State of North Carolina agencies, including occupational licensing boards, to review their active rules codified in the NC Administrative Code ("rules") every 10 years.

The Board has completed a review of its current 120 rules found at NCAC Title 21 - *Occupational Licensing Boards and Commissions*, Chapter 08 - *Certified Public Accountant Examiners*. While 55 of the Board's current rules are being proposed for re adoption verbatim, the Board is proposing changes to many of its rules.

Changes include updates to statutory references and rule history notes, language clean-up required by the Office of Administrative Hearings (OAH), and modernization of the Board's rules. New language is indicated by an underline, and a ~~strike through~~ indicates deleted language.

As required, the Board has submitted a Notice of Text to OAH to proceed with a public rulemaking hearing (Hearing) on Wednesday, January 21, 2026, to review the proposed rules for re adoption. For your convenience, the Notice of Text is included with this Notice.

Interested parties, including any member of the profession, an association or other organization representing the regulated community, or members of the public, may submit written comments and/or attend the Hearing to provide oral comments on the proposed rules.

Comments on the rules must include an objection to a rule in whole or in part. For the Rules Review Commission (RRC) to consider a comment, it must address the specific substance of the rule.

The Board will accept written comments on the rules until 5:00 p.m. on February 13, 2026. Any of the following methods may be used to submit written testimony on the rules.

US Mail: North Carolina State Board of CPA Examiners
ATTN.: Rules Review
PO Box 12827
Raleigh, NC 27605

Delivery Service North Carolina State Board of CPA Examiners
ATTN.: Rules Review
1101 Oberlin Road, Suite 104
Raleigh, NC 27605

Fax: (919) 733-4209, ATTN.: Rules Review

Email: dnance@nccpaboard.gov, Subject: Rules Review

Anyone wishing to speak at the Hearing must notify David R. Nance, CPA, the Board's Executive Director, in writing by noon on Tuesday, January 13, 2026.

Published to nccpaboard.gov on 12/01/2025 in accordance with NCGS 150B-19.



NOTICE OF TEXT **[Authority G.S. 150B-21.2(c)]**

OAH USE ONLY

VOLUME: 40

ISSUE: 12

CHECK APPROPRIATE BOX:

☒
☐
☐

Notice with a scheduled hearing

Notice without a scheduled hearing

Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.

Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: Board of Certified Public Accountant Examiners

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://nccpaboard.gov/>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☒ **ADOPTION:** 21 NCAC 08F .0411, .0505; 08J .0113; 08N .0216, .0310

☐ **AMENDMENT:**

☐ **REPEAL:**

☒ **READOPTION with substantive changes:** 21 NCAC 08A .0102-.0103, .0301, .0307; 08B .0101-.0102, .0104-.0105, .0202, .0304, .0307, .0501-.0503, .0507; 08C .0104, .0116, .0118, .0121, .0126; 08F .0101, .0103, .0107, .0113, .0302, .0401, .0409-.0410, .0502, .0504; 08G .0401, .0403, .0406, .0409; 08H .0101-.0102, .0104; 08I .0101-.0102, .0105; 08J .0101, .0105-.0112; 08K .0104, .0201, .0301; 08M .0105-.0106; 08N .0203, .0302, .0305-.0307, .0401-.0402, .0411

☒ **READOPTION without substantive changes:** 21 NCAC 08A .0101, .0203, .0308-.0310; 08B .0508; 08C .0103, .0105, .0107-.0111, .0114-.0115, .0122-.0125; 08F .0102, .0105-.0106, .0111, .0303; 08G .0404; 08I .0104; 08K .0105; 08M .0107; 08N .0101-.0103, .0201-.0202, .0204-.0209, .0211-.0215, .0303-.0304, .0308-.0309, .0403-.0406, .0408-.0410

☒ **REPEAL through READOPTION:** 21 NCAC 08A .0201; 08N .0301, .0412

4. Proposed effective date: 05/01/2026

5. Is a public hearing planned? Yes

If yes:

Date	Time	Location
01/21/2026	10:00 am	1101 Oberlin Road, Raleigh, NC 27605

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

Readoption per periodic rule process:

Rules being adopted are to address the need for a rule to address forms used by the Board or where the Board is moving a previous rule into its proper categorization

Rules being repealed are due to lack of need for the rule or that the repeal of the rule is due to it moving to its proper categorization

Rules with substantive changes are addressing issues due to the wrong statutory reference, clean-up in accordance to the OAH style guide, or update to the rules based on changes that have occurred in the profession

Rules without substantive changes are current and reflect the state of the profession

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: David R Nance

Address: 1101 Oberlin Rd
Raleigh, NC 27605

Phone (optional): 919-733-4215

Fax (optional):

EMail (optional) dnance@nccpaboard.gov

Please note in the subject line of any email sent that it pertains to written comments on the Board's proposed rules

10. Comment Period Ends: 02/13/2026**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

No fiscal note required

12. Rule-making Coordinator:

Name: Felecia F. Ashe
919-733-4223
feleciaa@nccpaboard.gov

Agency contact, if any:

Name: David R Nance
Phone: 919-733-4215
Email: dnance@nccpaboard.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 11/18/2025

21 NCAC 08A .0102 is proposed for readoption with substantive changes as follows:

**21 NCAC 08A .0102 ~~ADDRESS AND PHONE NUMBER~~ ADDRESS, PHONE NUMBER, AND
WEBSITE**

The Board's physical address is Suite 104, 1101 Oberlin Road, Raleigh, North Carolina 27605. The mailing address is Post Office Box 12827, Raleigh, North Carolina 27605-2827. The telephone number is (919) 733-4222. The Board's website is <https://nccpaboard.gov>.

*History Note: Authority G.S. 93-12(3);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989; April 1, 1987; October 1, 1984; April 1, 1982;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,
~~2014.~~ 2014;
Readopted Eff. May 1, 2026.*

21 NCAC 08A .0103 is proposed for readoption with substantive changes as follows:

21 NCAC 08A .0103 OFFICE HOURS

The office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. The office is closed on recognized state holidays.

*History Note: Authority G.S. 93-12(3); ~~150B-11(1)~~;
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989; October 1, 1984;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,
~~2014.~~ 2014;
Readopted Eff. May 1, 2026.*

1 21 NCAC 08A .0201 is proposed for repeal through readoption as follows:

2
3 **21 NCAC 08A .0201 ELECTION OF OFFICERS**
4

5 *History Note: Authority G.S. 93-12;*

6 *Eff. February 1, 1976;*

7 *Readopted Eff. September 26, 1977;*

8 *Amended Eff. April 1, 2003; May 1, 1989; June 1, 1985; October 1, 1984;*

9 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*

10 *~~2014.~~ 2014;*

11 *Repealed Eff. May 1, 2026.*

21 NCAC 08A .0301 is proposed for readoption with substantive changes as follows:

21 NCAC 08A .0301 DEFINITIONS

(a) The definitions set out in G.S. 93-1(a) apply when those defined terms are used in this Chapter.

(b) In addition to the definitions set out in G.S. 93-1(a), the following definitions apply when these terms are used in this Chapter:

- (1) "Active," when used to refer to the status of a person, describes a person who possesses a North Carolina certificate of qualification and who has not otherwise been granted inactive or CPA-retired status;
- (2) "Agreed-upon procedures" means a professional service whereby a CPA is engaged to issue a report of findings based on specific procedures performed on identified subject matter;
- (3) "AICPA" means the American Institute of Certified Public Accountants;
- (4) "Applicant" means a person who has applied to take the CPA examination or applied for a certificate of qualification;
- (5) "Attest service" means a professional service whereby a CPA in the practice of public accounting is engaged to issue or does issue:
 - (A) any audit or engagement to be performed in accordance with the Statements on Auditing Standards, Statements on Generally Accepted Governmental Auditing Standards, Public Company Accounting Oversight Board Auditing Standards, and International Standards on Auditing;
 - (B) any review engagement to be performed in accordance with the Statements on Standards for Accounting and Review Services;
 - (C) any compilation engagement to be performed in accordance with the Statements on Standards for Accounting and Review Services; or
 - (D) any engagement to be performed in accordance with the Statements on Standards for Attestation Engagements;
- (6) "Audit" means a professional service whereby a CPA is engaged to examine financial statements, items, accounts, or elements of a financial statement prepared by management, in order to express an opinion on whether the financial statements, items, accounts, or elements of a financial statement are presented in conformity with an applicable reporting framework, that enhances the degree of confidence that intended users can place on the financial statements, items, accounts, or elements of a financial statement;
- (7) "Calendar year" means the 12 months beginning January 1 and ending December 31;
- (8) "Candidate" means a person whose application to take the CPA examination has been accepted by the Board and who may sit for the CPA examination;
- (9) "Client" means a person or an entity who orally or in writing agrees with a licensee to receive any professional services performed or delivered;

- 1 (10) "Commission" means compensation, except a referral fee, for recommending or referring any
2 product or service to be supplied by another person;
- 3 (11) "Compilation" means a professional service whereby a CPA is engaged to present, in the form of
4 financial statements, information that is the representation of management without ~~undertaking to~~
5 ~~express~~ expressing any assurance on the statements;
- 6 (12) "Contingent fee" means a fee established for the performance of any service pursuant to an
7 arrangement in which no fee will be charged unless a specified finding or result is attained, or in
8 which the amount of the fee is otherwise dependent upon the finding or result of such service;
- 9 (13) "CPA" means certified public accountant;
- 10 (14) "CPA firm" means ~~a sole proprietorship, a partnership, a professional corporation, a professional~~
11 ~~limited liability company, or a registered limited liability partnership that uses certified public~~
12 ~~accountant(s) or CPA(s) in or with its name or offers to or renders any attest services in the public~~
13 ~~practice of accountancy; an entity that is registered with the Board pursuant to Rule 08J .0108 of~~
14 ~~this Chapter or practices in the State by exercising the practice privilege as set forth by G.S. 93-10;~~
- 15 (15) "CPE" means continuing professional education;
- 16 (16) "Disciplinary action" means revocation, suspension of, or refusal to grant a certificate, or the
17 imposition of a reprimand, probation, constructive comment, or any other penalty or condition;
- 18 (17) "FASB" means the Financial Accounting Standards Board;
- 19 (18) "Firm network" means an association of entities that includes one or more firms that cooperate for
20 the purpose of enhancing the firms' capabilities to provide professional services and share one or
21 more of the following characteristics:
- 22 (A) the use of a common brand name, including initials, as part of the firm name;
- 23 (B) common control among the firms through ownership, management, or other means;
- 24 (C) profits or costs, excluding costs of operating the association; costs of developing audit
25 methodologies, manuals, and training courses; and other costs that are immaterial to the
26 firm;
- 27 (D) common business strategy that involves ongoing collaboration amongst the firms whereby
28 the firms are responsible for implementing the association's strategy and are accountable
29 for performance pursuant to that strategy;
- 30 (E) significant part of professional resources; or
- 31 (F) common quality control policies and procedures that firms are required to implement and
32 that are monitored by the association;
- 33 (19) "GASB" means the Governmental Accounting Standards Board;
- 34 (20) "Inactive," when used to refer to the status of a person, describes a person who has requested inactive
35 status and has been approved by the Board and who does not use the title certified public accountant,
36 nor does he or she allow anyone to refer to him or her as a certified public accountant, and neither

- he nor she nor anyone else refers to him or her in any representation as described in Rule .0308(b) of this Section;
- (21) "IRS" means the Internal Revenue Service;
- (22) "Jurisdiction" means any state or territory of the United States or the District of Columbia;
- (23) "License year" means the 12 months beginning July 1 and ending June 30;
- (24) "Member of a CPA firm" means any CPA who has an equity ownership interest in a CPA firm;
- (25) "NASBA" means the National Association of State Boards of Accountancy;
- (26) "NCACPA" means the North Carolina Association of Certified Public Accountants;
- (27) "North Carolina office" means any office physically located in North Carolina;
- (28) "Person" means any natural person, corporation, partnership, professional limited liability company, registered limited liability partnership, unincorporated association, or other entity;
- (29) "Professional" means arising out of or related to the particular knowledge or skills associated with CPAs;
- (30) "Referral fee" means compensation for recommending or referring any service of a CPA to any person;
- (31) "Revenue Department" means the North Carolina Department of Revenue;
- (32) "Review" means a professional service whereby a CPA is engaged to perform procedures, limited to analytical procedures and inquiries, to obtain a reasonable basis for expressing limited assurance on whether any material modifications should be made to the financial statements for them to be in conformity with generally accepted accounting principles or other comprehensive basis of accounting;
- (33) "Reviewer" means a member of a review team including the review team captain;
- (34) "Suspension" means a revocation of a certificate for a specified period of time. A CPA may be reinstated after a specific period of time if the CPA has met all conditions imposed by the Board at the time of suspension;
- ~~(35) "Trade name" means a name used to designate a business enterprise;~~
- (35) "Work papers" mean the CPA's records of the procedures applied, the tests performed, the information obtained, and the conclusions reached in attest services, tax services, consulting services, special report services, or other engagements. Work papers include programs used to perform professional services, analyses, memoranda, letters of confirmation and representation, checklists, copies or abstracts of company documents, and schedules of commentaries prepared or obtained by the CPA. The forms include handwritten, typed, printed, word processed, photocopied, photographed, and computerized data, or in any other form of letters, words, pictures, sounds, or symbols; and
- ~~(37) "Work product" means the end result of the engagement for the client that may include a tax return, attest or assurance report, consulting report, or financial plan. The forms include handwritten, typed,~~

1 ~~printed, word processed, photocopied, photographed, and computerized data, or in any other form~~
2 ~~of letters, words, pictures, sounds, or symbols.~~

3 (c) Any requirement to comply by a specific date to the Board that falls on a weekend or federal holiday shall be
4 received as in compliance if postmarked by U.S. Postal Service cancellation by that date, if received by a private
5 delivery service by that date, or received in the Board office on the next business day.

6
7 *History Note: Authority G.S. 93-1; 93-12; 93-12(3);*

8 *Eff. February 1, 1976;*

9 *Readopted Eff. September 26, 1977;*

10 *Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; April 1, 1999;*

11 *August 1, 1998; February 1, 1996; April 1, 1994; September 1, 1992;*

12 *Readopted Eff. February 1, 2016;*

13 *Amended Eff. May 1, ~~2017~~; 2017;*

14 *Readopted Eff. May 1, 2026.*

21 NCAC 08A .0307 is proposed for readoption with substantive changes as follows:

21 NCAC 08A .0307 PUBLIC PRACTICE OF ACCOUNTANCY OR ACCOUNTING

(a) A person is engaged in the "public practice of accountancy" who:

- (1) holds ~~himself or herself~~ out to the public as a certified public accountant or an accountant; and
- (2) in consideration of compensation received or to be received, offers to perform or does perform for other persons services that involve:
 - (A) preparing, auditing, or verifying financial transactions, books, accounts, or records;
 - (B) preparing, verifying or certifying financial, accounting, and related statements intended for publication, including preparing tax returns;
 - (C) rendering professional services or assistance in or about any and all matters of principle or detail relating to accounting procedure and systems; or
 - (D) recording, presenting or certifying, and interpreting such service (including tax, consulting or management advisory services) through statements and reports.

(b) Services, as described in Subparagraph (a)(2) of this Rule, may be performed on a full-time, part-time or temporary basis in the various accounting fields, including public accounting, governmental or other not-for-profit accounting, industrial, commercial or financial accounting, taxation and tax-related ~~matters, or accounting education matters.~~ matters.

*History Note: Authority ~~G.S. 93-1~~; G.S. 93-1(a)(5); 93-12;
Eff. October 1, 1984;
Amended Eff. April 1, 1994; March 1, 1990;
Readopted Eff. February 1, ~~2016~~ 2016;
Readopted Eff. May 1, 2026.*

21 NCAC 08B .0101 is proposed for readoption with substantive changes as follows:

21 NCAC 08B .0101 PETITIONS

Any person wishing to submit a petition requesting the adoption, amendment or repeal of a rule by the Board shall address a petition to the Board's Executive Director, as at the address as set forth in ~~21 NCAC 8A .0102.~~ 21 NCAC 08A .0102.

History Note: Authority G.S. 93-12; ~~150B-11(1); 150B-16; 150B-20;~~
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989; July 1, 1987; October 1, 1984; April 1, 1982;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,
~~2014.~~ 2014;
Readopted Eff. May 1, 2026.

21 NCAC 08B .0102 is proposed for readoption with substantive changes as follows:

21 NCAC 08B .0102 CONTENTS OF PETITION FOR NEW RULE

A petition requesting the adoption of a rule should contain the following information:

- (1) either a draft of the proposed rule or a summary of the contents of the proposed rule;
- (2) reason for the proposal;
- (3) effect of the new rule on existing rules;
- (4) data supporting the rule proposal;
- (5) effects of the rule on existing practices in the area involved; and
- (6) name, address and phone number of each petitioner.

*History Note: Authority G.S. 93-12; ~~150B-11(1)~~; ~~150B-16~~; 150B-20;
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,
~~2014~~. 2014;
Readopted Eff. May 1, 2026.*

21 NCAC 08B .0104 is proposed for readoption with substantive changes as follows:

21 NCAC 08B .0104 CONTENTS OF PETITIONS FOR RULE AMENDMENT OR REPEAL

A petition requesting the amendment or repeal of a rule should contain the following information:

- (1) rule affected;
- (2) reasons for change;
- (3) either a draft of the proposed amendment or a summary of the proposed amendment, if the petition is to amend the rule;
- (4) data supporting the rule proposal;
- (5) effect of the proposed change on existing practices in the area involved; and
- (6) ~~name and address of each petitioner;~~ name, address and phone number of each petitioner.

*History Note: Authority G.S. 93-12; ~~150B-11(1); 150B-16; 150B-20;~~
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,
~~2014.~~ 2014;
Readopted Eff. May 1, 2026.*

21 NCAC 08B .0105 is proposed for readoption with substantive changes as follows:

21 NCAC 08B .0105 GRANTING OR DENYING PETITIONS

The Executive Director of the Board shall make a recommendation to a committee of the Board and the committee shall recommend to the full Board, based on a study of the facts stated in the petition, whether the public interest will be better served by granting or denying the petition. The Board will consider all the contents of the submitted petition plus any additional information deemed relevant.

History Note: Authority G.S. 93-12; ~~150B-11(1)~~; ~~150B-16~~; 150B-20;

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. May 1, 1989; July 1, 1987; June 1, 1985;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

1 21 NCAC 08B .0202 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08B .0202 MAILING LIST**

4 (a) Persons or agencies desiring to be placed on the mailing list for the Board's rule-making notices issued pursuant
5 to G.S. 150B-21.2 may file a request in writing, furnishing their name and mailing address to the Executive Director
6 of the Board, at the address set forth in ~~21 NCAC 8A .0102.~~ 21 NCAC 08A. 0102.

7 (b) The request shall state the subject areas within the authority of the agency for which notice is requested.
8

9 *History Note: Authority G.S. 93-12; 150B-21.2;*

10 *Eff. February 1, 1976;*

11 *Readopted Eff. September 26, 1977;*

12 *Amended Eff. April 1, 1994; May 1, 1989; April 1, 1987; October 1, 1984;*

13 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
14 *~~2014.~~ 2014;*

15 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08B .0304 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08B .0304 ORAL PRESENTATION**

4 Upon receipt of a request to make an oral presentation at a rule-making hearing, the Executive Director will
5 acknowledge receipt of the request and inform the person making the request of any limitations deemed necessary to
6 achieve a full and effective public hearing on the proposed rule.

7
8 *History Note: Authority G.S. 93-12; ~~150B-11(1)~~; ~~150B-12(e)~~; ~~150B-16~~; 150B-21.2;*

9 *Eff. February 1, 1976;*

10 *Readopted Eff. September 26, 1977;*

11 *Amended Eff. May 1, 1989; June 1, 1985;*

12 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
13 *~~2014~~. 2014;*

14 *Readopted Eff. May 1, 2026.*

21 NCAC 08B .0307 is proposed for readoption with substantive changes as follows:

21 NCAC 08B .0307 CONTROL OF RULE-MAKING HEARINGS

(a) The presiding officer of a rule-making hearing shall have complete control of the proceedings including the following:

- (1) extension of any deadlines,
- (2) rescheduling a hearing time, as announced at the published hearing, and continuation of any hearing,
- (3) limitations for individual presentations,
- (4) recognition of speakers, and
- (5) direction of the flow of discussion and the management of the hearing.

(b) The presiding officer at all times shall take care that each person participating in the hearing is given a fair opportunity to present views, data and comments.

History Note: Authority G.S. 93-12; ~~150B-11(1)~~; ~~150B-12(d)~~; 150B-21.2;

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. May 1, 1989;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

1 21 NCAC 08B .0501 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08B .0501 REQUEST FOR DECLARATORY RULING**

4 Any person aggrieved, as defined in G.S. 150B-2(6), by a statute administered or rule promulgated by the Board may
5 request a declaratory ruling as to how the statute or rule applies to a given factual situation or whether a particular
6 Board rule is valid. All requests for declaratory rulings shall be in writing and mailed to the Board ~~at its address, as~~
7 at the address as set forth in ~~21 NCAC 8A .0102~~ 21 NCAC 08A .0102.

8
9 *History Note: Authority G.S. 93-12; ~~150B-17~~; 150B-4;*

10 *Eff. February 1, 1976;*

11 *Readopted Eff. September 26, 1977;*

12 *Amended Eff. May 1, 1989; October 1, 1984; April 1, 1982;*

13 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
14 *~~2014~~ 2014;*

15 *Readopted Eff. May 1, 2026.*

21 NCAC 08B .0502 is proposed for readoption with substantive changes as follows:

21 NCAC 08B .0502 CONTENTS OF REQUEST

All requests for a declaratory ruling must include the following information:

- (1) ~~name and address of petitioner;~~ name, address, and phone number of each petitioner;
- (2) statute or rule to which the petition relates;
- (3) concise statement of the manner in which the petitioner is aggrieved, as defined in G.S. 150B-2(6), or thinks that he or she may be injured by the rule or statute and its application to him or her; and
- (4) statement of whether an oral hearing is desired and if so the reasons for such an oral hearing.

History Note: Authority G.S. 93-12; 150B-4;

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. April 1, 1994; June 1, 1985;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

1 21 NCAC 08B .0503 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08B .0503 REFUSAL TO ISSUE DECLARATORY RULING**

4 Whenever the Board believes for good reason that issuing a declaratory ruling is undesirable, it may refuse to do so.
5 The Board will notify the petitioner in writing of its reasons for refusing to issue a declaratory ruling.

6
7 *History Note: Authority G.S. 93-12; ~~150B-11(1)~~; ~~150B-17~~; 150B-4;*

8 *Eff. February 1, 1976;*

9 *Readopted Eff. September 26, 1977;*

10 *Amended Eff. May 1, 1989;*

11 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
12 *~~2014~~. 2014;*

13 *Readopted Eff. May 1, 2026.*

21 NCAC 08B .0507 is proposed for readoption with substantive changes as follows:

21 NCAC 08B .0507 CIRCUMSTANCES

As a general rule the Board will issue a declaratory ruling except:

- (1) when the subject of a requested declaratory ruling is also the subject of a lawsuit pending in a court of this state or a federal court;
- (2) when the facts presented in the request were considered at a rule-making hearing; or
- (3) in other special ~~circumstances~~ circumstances, as determined by the Board.

History Note: Authority G.S. 93-12; ~~150B-17~~; 150B-4;

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. May 1, 1989;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, ~~2014~~. 2014;

Readopted Eff. May 1, 2026.

1 21 NCAC 08C .0104 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08C .0104 WRITTEN PETITION FOR INTERVENTION**

4 A person desiring to intervene in a contested case must file a written petition with the Board ~~at its address set at the~~
5 address as set forth in 21 NCAC 8A .0102. 21 NCAC 08A .0102. A petition to intervene shall be filed in accordance
6 with G.S. 1A-1, Rule 24.

7
8 *History Note: Authority G.S. 93-12; 150B-38;*

9 *Eff. May 1, 1989;*

10 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
11 *~~2014. 2014;~~*

12 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08C .0116 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08C .0116 NOTICE OF PRE-HEARING CONFERENCE**

4 Notice of a pre-hearing conference in a contested case will be given in the notice of hearing for the case or, if the
5 decision to hold a pre-hearing conference is made after the notice of hearing has been sent, in a subsequent notice.

6
7 *History Note: Authority G.S. 93-12; ~~150B-11(1)~~; 150B-38;*

8 *Eff. May 1, 1989;*

9 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*

10 *~~2014.~~ 2014;*

11 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08C .0118 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08C .0118 CONTINUANCES**

4 A continuance of a pre-hearing conference will be granted to a party only under compelling circumstances, especially
5 when a continuance has been previously requested by and granted to the party. Under no circumstances is the Board
6 required to grant continuances.

7
8 *History Note: Authority G.S. 93-12; ~~150B-11(1)~~; 150B-38;*

9 *Eff. May 1, 1989;*

10 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
11 *~~2014.~~ 2014;*

12 *Readopted Eff. May 1, 2026.*

21 NCAC 08C .0121 is proposed for readoption with substantive changes as follows:

21 NCAC 08C .0121 SERVICE OF SUBPOENAS

(a) Subpoenas shall be served as the officer issuing the subpoenas shall direct and as may be appropriate to the circumstances of the case. The Executive Director, Board counsel, or staff member designated by the Executive Director may serve subpoenas on behalf of the Board pursuant to G.S. 1A-1, Rule 45(e).

(b) Subpoenas shall be issued in duplicate ~~with a "Return of Service" form attached to each copy-~~ and contain a Return of Service. The Return of Service shall be the same as that found in the Subpoena and Return of Service forms provided by the North Carolina Administrative Office of the Courts. The person serving the subpoena shall fill out the ~~attached "Return of Service"~~ Return of Service form for each copy and promptly return one copy of the subpoena ~~and containing~~ the completed ~~"Return of Service"~~ Return of Service form to the Board office.

History Note: Authority G.S. 93-12; 150B-39;

Eff. May 1, 1989;

Amended Eff. March 1, 1990;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08C .0126 is proposed for readoption with substantive changes as follows:

21 NCAC 08C .0126 HEARING EXHIBITS

(a) The Board staff shall serve upon the Respondent copies of documents it plans to offer as evidence at a contested case hearing at least ~~14~~ 10 business days prior to the scheduled hearing.

(b) Respondent shall likewise serve upon the Board staff copies of documents Respondent plans to offer as evidence at the hearing at least ~~14~~ 10 business days prior to the scheduled hearing.

(c) ~~Additional exhibits may be introduced by the Board staff or Respondent and admitted into evidence at the hearing if the presiding officer determines that the document(s) were not otherwise available to the party 14 business days prior to the hearing or the document(s) are offered in response to documents served by the other party. A party may object to the admission of evidence that was not timely served in accordance with this Rule. The objecting party must show that it was prejudiced by a violation of this Rule. Upon a valid objection, the presiding officer may refuse to admit the evidence, continue the hearing to a future date, or take other action within the presiding officer's discretion.~~

(d) Respondents shall supply at the hearing 16 copies of any document(s) that ~~is of this Rule~~ was not served upon the Board staff in advance as prescribed in Paragraph (b) of this Rule.

History Note: Authority G.S. 93-12; 150B-41;

Eff. February 1, 2011;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014; 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08F .0101 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0101 TIME AND PLACE OF CPA EXAMINATIONS

(a) The Board shall offer the CPA examination through the examination vendors(s), who have contracted with NASBA, ~~at least eight months in a~~ through out the calendar year.

(b) The months the CPA Examination is administered are determined by the examination vendor(s).

(c) The examination vendor(s) shall provide examination applicants with computer access ~~to~~ at the testing centers for the CPA examination.

History Note: Authority G.S. 93-12(3); 93-12(4);

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. February 1, 2011; January 1, 2004; May 1, 1989;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08F .0103 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0103 FILING OF EXAMINATION APPLICATIONS AND FEES

(a) All applications for CPA examinations shall be filed with the Board and accompanied by the examination ~~fee~~ fees. The Board sets the ~~fee~~ fees for each examination at the amount that enables the Board to recover its actual costs of examination services. If a check or credit card authorization fails to clear the bank, the application shall be deemed incomplete and returned. CPA examination applications and fee information are on the Board's website at nccpaboard.gov and may be requested from the Board.

(b) The initial application filed to take the examination shall include supporting documentation demonstrating that all legal requirements have been met, including:

- (1) minimum legal age;
- (2) education; and
- (3) good moral character.

(c) In addition, any person born outside the United States shall furnish to the Board office:

- (1) evidence of citizenship; or
- (2) evidence of resident alien status; or
- (3) other bona fide evidence that the applicant is legally allowed to remain in the United States; or
- (4) a notarized affidavit of intention to become a U.S. citizen; or
- (5) evidence that the applicant is a citizen of a foreign jurisdiction that extends to citizens of this State like or similar privileges to be examined.

(d) Education and satisfaction of degree requirements shall be proven by submission of either original official transcripts, not photocopies, signed by the college registrar and bearing the college seal or by electronic delivery of official transcripts directly from the college registrar or through the institution's chosen provider. Official transcripts shall show the grades the applicant received on courses completed and shall also show degree(s) awarded. A letter from the college registrar of the school may be filed as documentation that the applicant has met the graduation requirements if the degree has not been awarded and posted to the transcript. No examination grades shall be released until an official transcript is filed with the Board confirming the education requirement as stated in the college registrar's letter.

(e) Applicants for re-examination shall not ~~re-submit~~ be required to resubmit official transcripts, additional statements, or affidavits regarding education.

(f) To document good moral character as required by G.S. 93-12(5), three persons not related by blood or marriage to the applicant shall sign the application certifying the good moral character of the applicant and the Board shall conduct a background check of the applicant including a check of criminal records.

(g) An applicant shall include as part of any application for the CPA examination a statement of explanation and a certified copy of the final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense. An applicant shall not be required to disclose any arrest, charge, or conviction that has been expunged by a court.

1 (h) If an applicant has been denied any license by any state or federal agency, the applicant shall include as part of
2 the application for the CPA examination a statement explaining such denial. An applicant shall include a statement of
3 explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by
4 a state or federal agency and has been disciplined by that agency.

5 (i) An applicant shall submit one photograph or digital image as part of the application for the CPA examination. The
6 photograph or digital image shall be of the applicant alone, front view, full face, taken in normal street attire without
7 a hat or dark glasses, with a plain light background, and taken within the last six months. The photograph or digital
8 image may be in black and white or in color. Retouched photographs or digital images shall not be accepted. If
9 submitting a photograph, applicants shall write their names on the back of their photograph, with the photograph two
10 by two inches in size.

11 (j) If an applicant's name has legally changed and is different from the name on any transcript or other document
12 supplied to the Board, the applicant shall furnish copies of the documents legally authorizing the name change.

13 (k) Candidates shall file initial and re-exam applications to sit for the CPA examination on forms provided by the
14 Board.

15 (l) Examination fees are valid for a six-month period from the date of the applicant's notice to schedule for the
16 examination from the examination vendor.

17 (m) No application for examination shall be considered while the applicant is serving a sentence for any criminal
18 offense. Serving a sentence includes incarceration, ~~probation (supervised or unsupervised)~~, supervised probation,
19 parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having
20 pled to a criminal charge.

21
22 *History Note: Authority G.S. 93-2; ~~93-10~~; 93-12(3); 93-12(4); 93-12(5); 93-12(7);*

23 *Eff. February 1, 1976;*

24 *Readopted Eff. September 26, 1977;*

25 *Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; August 1,*
26 *1998; February 1, 1996; April 1, 1994; March 1, 1990; May 1, 1989;*

27 *Readopted Eff. February 1, 2016;*

28 *Amended Eff. September 1, 2023; February 1, ~~2018~~; 2018;*

29 *Readopted Eff. May 1, 2026.*

21 NCAC 08F .0107 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0107 COMMUNICATION OF RESULTS OF CPA EXAMINATIONS

~~(a) The Board shall communicate to candidates in writing the result achieved in each of their examinations. NASBA notifies candidates once their score(s) are finalized and the results are available for review. Grades awarded to candidates shall not be released to third parties except by written consent of the candidate.~~

~~(b) In no event shall any information concerning answers of candidates be given to anyone other than the candidate.~~

~~(c) Examination grades shall be mailed to the candidates upon receipt by the Board.~~

History Note: Authority G.S. 93-12(2); 93-12(3);

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. January 1, 2006; April 1, 1999; April 1, 1994; May 1, 1989; December 1, 1987; June 1, 1985;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08F .0113 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0113 CANDIDATE'S REQUEST TO REVIEW CPA EXAMINATION

The Board ~~may~~ shall allow a North Carolina ~~candidate~~ candidates pursuant to ~~G.S. 93B-8~~ G.S. 93B-8 to have the privilege to review his or her their CPA Examination within 60 days after the release of the grades in question. examination. The candidate must make the request for the review within 60 days after the release of the grades in question.

History Note: Authority G.S. 93-12(3);

Eff. August 1, 1995;

Amended Eff. January 1, 2004;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08F .0302 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0302 EDUCATION ~~AND WORK EXPERIENCE~~ REQUIRED PRIOR TO CPA EXAM

(a) Applicants who intend to demonstrate their possession of sufficient education to become a CPA by showing that they possess a bachelor's degree shall submit official transcripts with their application to take the CPA examination. Official transcripts shall show the grades the applicant received on courses completed and shall also show degrees awarded. ~~An official transcript bears the seal of the school and the signature of the registrar or assistant registrar.~~

(b) The Board may approve an application to take the CPA examination prior to the applicant's obtaining the concentration of accounting or the receipt of a bachelor's degree, if:

- (1) the concentration in accounting that shall be included in or supplement the bachelor's degree is already complete or is reasonably expected to be completed by the end of the school term within which the examination falls; and
- (2) an applicant reasonably expects to receive the bachelor's degree within 120 days after the application is ~~received~~ approved by the Board. However, if the applicant fails to receive the degree within the specified time, the CPA examination grades shall not be released and if the applicant wishes to retake the examination, the applicant shall reapply.

History Note: Authority G.S. 93-12(3); 93-12(5);

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. February 1, 2011; August 1, 1998; April 1, 1994; May 1, 1989; September 1, 1988; April 1, 1987;

Readopted Eff. February 1, ~~2016~~ 2016;

Readopted Eff. May 1, 2026.

21 NCAC 08F .0401 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0401 WORK EXPERIENCE REQUIRED OF CANDIDATES FOR CPA CERTIFICATION

(a) ~~G.S. 93-12(5)(e)~~ G.S. 93-12(5)c. sets forth work experience alternatives, one of which is required of candidates applying for CPA certification. In connection with those requirements, the following provisions apply:

- (1) the work experience shall be acquired prior to the date a candidate applies for certification; and
- (2) all experience that is required to be under the direct supervision of a CPA shall be under the direct supervision of a licensed CPA on active status in one of the U.S. states or jurisdictions.

(b) The following provisions apply to all candidates seeking to meet the work experience requirement of ~~G.S. 93-12(5)(e)(3)~~ G.S. 93-12(5)c.3. by working in the field of accounting:

- (1) One year of work experience is 52 weeks of full-time employment. The candidate is employed full-time when the candidate is expected by the employer to work for the employer at least 30 hours each week. Any other work is working part-time.
- (2) All weeks of actual full-time employment are added to all full-time equivalent weeks in order to calculate how much work experience a candidate has acquired. Dividing that number by 52 results in the years of work experience the candidate has acquired.
- (3) Full-time-equivalent weeks are determined by the number of actual part-time hours the candidate has worked. Actual part-time hours do not include hours paid for sick leave, vacation leave, attending continuing education courses, or other time not spent directly performing accounting services. For each calendar week during which the candidate worked actual part-time hours of 30 hours or more, the candidate receives one full-time-equivalent week. The actual part-time hours worked in the remaining calendar weeks are added together and divided by 30. The resulting number is the additional number of full-time-equivalent weeks to which the candidate is entitled.
- (4) The candidate shall submit experience affidavits on ~~a form~~ forms provided by the Board from all of the relevant ~~employers; employers as identified by Rule .0411 of this section.~~ If the experience was obtained while working under the supervision of a CPA, then the supervising CPA must sign the affidavit. The affidavit will confirm the dates of employment for the CPA and the type of duties assigned to the applicant. The affidavit does not require the supervising CPA to state an opinion regarding the applicant's competency or the quality of the applicant's work. ~~provided that when such~~ If the experience was not acquired while employed with a CPA firm, the candidate shall also submit details of the work experience and supervision on a form provided by the Board. Experience affidavits for part-time work shall contain a record of the actual part-time hours the candidate has worked for each week of part-time employment. Both the experience affidavit and the form for additional detail shall be certified by the employer's office supervisor or an owner of the firm who is a certificate holder.

1 (c) Rule .0409 of this Section applies to teaching experience acquired pursuant to ~~G.S. 93-12(5)(c)(2) and (4)~~. G.S. 93-
2 12(5)c.2.and 4.

3
4 *History Note: Authority G.S. 93-12(3); 93-12(5);*
5 *Eff. February 1, 1976;*
6 *Readopted Eff. September 26, 1977;*
7 *Temporary Amendment Eff. June 17, 1982 for a period of 120 days to expire on October 12, 1982;*
8 *Legislative Objection Lodged Eff. July 20, 1982;*
9 *Amended Eff. February 1, 2011; January 1, 2006; August 1, 1998; March 1, 1990; July 1, 1989;*
10 *December 1, 1988; September 1, 1988;*
11 *Readopted Eff. February 1, 2016;*
12 *Amended Eff. April 1, 2024; September 1, ~~2023~~. 2023;*
13 *Readopted Eff. May 1, 2026.*

21 NCAC 08F .0409 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0409 SATISFACTION OF EXPERIENCE REQUIREMENT BY TEACHING

(a) Teaching Experience. The requirement of "four years experience teaching accounting," G.S. 93-12(5), means teaching accounting full-time for four years.

(1) Full-time teaching as described by the rules of the educational institution where the applicant taught will be accepted by the Board to be full-time teaching. However, in no case will less than 12 semester hours, or the equivalent, be accepted by the Board as full-time teaching.

(2) If the applicant has not taught accounting full-time for four years, credit will be allowed by the Board for teaching accounting less than full-time on a pro rata basis based upon the number of semester hours required for full-time teaching at the educational institution where the applicant taught. However, in no case can an applicant receive credit for a full-time teaching year for teaching done in less than one academic year or more credit than one full-time teaching year for teaching done within one calendar year.

(3) Courses outside the field of accounting will not be counted toward full-time teaching. Such courses include, but are not limited to: business law, finance, computer applications, personnel management, economics and statistics.

(4) Of the four years of full-time teaching experience, teaching accounting principles (below intermediate accounting) cannot be counted toward the educational requirement for more than the equivalent of two full-time years. The remaining two full-time teaching years must be taught in at least two different areas of advanced accounting such as auditing, income tax, intermediate financial accounting or advanced managerial accounting, and the applicant must have taught at least nine semester hours, or the equivalent, in at least two of the different areas.

~~The purpose of this Subparagraph is to render unacceptable as meaningful experience both the continuous teaching of the elementary accounting course and the continuous teaching of the advanced courses in only one area of accounting.~~

(b) Required Information. Applicants must submit with their application a letter from each institution where they taught, certified by the applicant's dean or department head at that institution. The letter must state:

(1) the number of credit hours which the applicant taught each year;

(2) the names and academic level of the courses taught; and

(3) the number of hours set by the rules of the institution as full-time teaching for each relevant year.

(c) Burden of Proof. An applicant having taught in an accredited ~~community college or technical institute~~ institution other than a four-year accredited college or university has the burden of proving that the credits earned by students taking those courses which the applicant taught would transfer to a four-year accredited college or university.

History Note: Authority G.S. 93-12(5);

Eff. December 1, 1983;

Amended Eff. January 1, 2006; April 1, 1994; May 1, 1989; January 1, 1988; July 1, 1985;

1 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
2 *~~2014.~~ 2014;*
3 *Readopted Eff. May 1, 2026.*

21 NCAC 08F .0410 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0410 EDUCATION REQUIRED OF CANDIDATES FOR CPA CERTIFICATION

(a) ~~G.S. 93-12(5)~~(a) G.S. 93-12(5)a. sets forth the education required of candidates applying for CPA certification.

The ~~150-semester~~educational hours required include:

- (1) a concentration in accounting, as defined by 21 NCAC 08A .0309; and
- (2) 24 semester hours of coursework that includes one ~~three-semester~~ three-semester hour course from at least 8 of the following 10 fields of study:
 - (A) communications;
 - (B) computer technology;
 - (C) economics;
 - (D) ethics;
 - (E) finance;
 - (F) humanities or social science;
 - (G) international environment;
 - (H) law;
 - (I) management; or
 - (J) statistics.

(b) Anyone applying for CPA certification who holds a Master's or more advanced degree in accounting, tax law, economics, finance, business administration, or a law degree from an accredited college or university is in compliance with Subparagraph (a)(2) of this Rule.

*History Note: Authority G.S. 93-12(5);
Eff. January 1, 2001;
Amended Eff. February 1, 2011; January 1, 2006;
Readopted Eff. February 1, 2016;
Amended Eff. September 1, 2023.
Amended Eff. February 1, 2018; 2018;
Readopted Eff. May 1, 2026*

21 NCAC 08F .0411 is proposed for adoption as follows:

21 NCAC 08F .0411 WORK EXPERIENCE FORMS

(a) A CPA license applicant shall complete and submit work experience affidavits to the Board to document the work experience required of applicants applying for CPA certification.

(b) The work experience forms shall contain the following:

(1) The applicant's full name;

(2) The applicant's mailing address;

(3) Identification of the type of work experience obtained by the applicant in accordance with G.S. 93-12(5)c. A separate form must be completed for each different type of experience provided;

(4) Identification of the beginning and ending dates during which the work experience was obtained;

(5) A description of the job titles and/or classifications of work performed during the time period noted;

(6) A description of the job duties assigned to the applicant during the time period noted;

(7) The affidavit of the supervising CPA affirming the work experience being reported by the applicant.

The affidavit should include the following information from the supervising CPA:

(a) Signature, printed name, title, telephone number, and the CPAs certificate number and date of certificate issuance;

(b) Company where the work experience was obtained, mailing address, and email address;

(c) Date that the affidavit was signed;

(d) Identification as to whether the CPA certificate was issued by North Carolina or from another jurisdiction and the current status of the CPA certificate;

(e) Whether the CPA certificate(s) of the CPA supervisor(s) has ever been revoked or suspended and if so, documentation that states the dates, periods, and reasons for the revocation(s) or suspension(s);

(f) If the employment of the CPA supervisor has changed since the work experience was earned, the CPA supervisor should provide current address, email address, and daytime telephone number.

(c) If the work experience is obtained through part-time work, the applicant must complete a supplemental form that documents the hours worked, by week, in meeting the work experience requirement. Part-time hours are measured as per Rule .0401(b)(3) of this Section.

(d) If the work experience is obtained through self-employment, the applicant must complete a supplemental form that affirms work performed for clients during the same period needed for certification. The affidavit should include the following information:

(1) The applicant's full name;

(2) The beginning and end dates of accounting service provided to the client;

(3) Identification of the types of services provided by the applicant to the client;

1 (4) Signature, date, printed name, address, company name, telephone number, fax number, and email
2 address of the client for whom the accounting services were performed;

3 (5) The affidavit must me notarized for authentication.

4 (6) Affidavits must be completed for a minimum of five different individuals of companies to affirm
5 that the applicant has performed accounting work on full-time basis for the entire reported period.
6 In addition, the applicant must submit supporting documentation to support the self-employment
7 experience. Examples include state or local privilege licenses and/or copies of Schedule C pages of
8 the applicant's tax returns.

9 (e) If the work experience is obtained through teaching, the applicant must complete a supplemental form that affirms
10 the qualifying teaching experience. The teaching experience affirmation shall contain the following:

11 (1) The applicant's full name;

12 (2) The beginning and end dates during which the applicant was teaching at the educational institution;

13 (3) Information as to whether the institution is on a quarter or semester hour system and the minimum
14 amount of time necessary to be categorized as full-time teaching;

15 (4) A listing by quarter/semester/year of the course that was taught by the applicant and the number of
16 hours related to the course taught;

17 (5) The printed name, signature, date, and name of the educational institution for the person affirming
18 the teaching experience;

19 (6) The seal for the educational institution.

21 History Note: Authority G.S. 93-12(5)c.;

22 Eff. May 1, 2026.

21 NCAC 08F .0502 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0502 APPLICATION FOR CPA CERTIFICATE

(a) A person applying for a certificate of qualification shall file with the Board an application and an experience affidavit on forms provided by the Board and supporting documentation to determine that the applicant has met the statutory and rule requirements. CPA certificate applications and fee information are on the Board's website at ~~www.nccpa-board.gov~~ as set forth in 21 NCAC 08A .0102 or may be requested from the Board.

(b) The application for a CPA certificate shall include three certificates of good moral character on forms as identified per Rule .0505 of this Section and provided by the Board and which shall be completed by CPAs and the CPAs. The certificate of good moral character will require CPAs to describe their familiarity with the applicant and to state whether they believe the applicant will conscientiously observe the professional responsibilities of a CPA. They will also disclose whether they are aware of any events that need to be disclosed pursuant to Paragraph (c) of this Rule. The Board shall conduct a background check of the applicant including a check of criminal records.

(c) An applicant shall include as part of any application for a CPA certificate a statement of explanation and a certified copy of final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense. An applicant shall not be required to disclose any arrest, charge, or conviction that has been expunged by the court.

(d) If an applicant has been denied any license by any state or federal agency, the applicant shall also include as part of the application for the CPA certificate a statement explaining such denial. An applicant shall include a statement of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by a state or federal agency and has been disciplined by that agency.

(e) No application for a certificate shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having pled to a criminal charge.

History Note: Authority G.S. 93-2; ~~93-10~~; 93-12(3); 93-12(5);

Eff. December 1, 1982;

Amended Eff. January 1, 2014; March 1, 1990; May 1, 1989; October 1, 1984;

Readopted Eff. February 1, 2016;

Amended Eff. February 1, ~~2018-2018~~;

Readopted Eff. May 1, 2026.

21 NCAC 08F .0504 is proposed for readoption with substantive changes as follows:

21 NCAC 08F .0504 CANDIDATES' ACCOUNTANCY LAW COURSE REQUIREMENT

(a) Within one year prior to applying for certification, all candidates for original or reciprocal certification must pass an open book examination complete an 400-minute course on the North Carolina Accountancy Statutes and Rules, including the Rules of Professional Ethics and Conduct contained therein.

~~(b) In lieu of taking the examination, a candidate may complete an eight-hour CPE course on the subject of the examination within one year prior to applying for the CPA certificate. Such course or examination must meet the requirements of 21 NCAC 08G .0404(a). This course may count toward the candidate's annual CPE requirement.~~

History Note: Authority G.S. 93-12(8a);

Eff. October 1, 1987;

Amended Eff. April 1, 2003; April 1, 1999; May 1, 1989;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08F .0505 is proposed for adoption as follows:

21 NCAC 08F .0505 MORAL CHARACTER FORM

(a) A CPA license applicant shall complete and submit three certificates of moral character completed by CPAs.

(b) The moral character form shall contain the following:

- (1) The applicant's full name and mailing address;
- (2) Identification as to whether the application type is for an original CPA certificate applicant, a reinstatement of a CPA certificate, or a reissuance of a CPA certificate;
- (3) Identification of the number of years and months that the signing CPA has known the applicant;
- (4) A description in detail of the opportunities that the signing CPA has had to evaluate the applicant's moral character;
- (5) Affirmation that the applicant is of good moral character within the expectations of the professional responsibilities of a CPA;
- (6) Affirmation, to the best of the signing CPA's knowledge, that the applicant has not been convicted of, found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any offense, excluding non-criminal traffic infractions. If so, a statement providing additional information is required that provides the jurisdiction, charge, and disposition of each conviction;
- ((7) An affirmation from the signing CPA that includes:
 - (a) Signature, printed name, and title of the signing CPA;
 - (b) The employer of the signing CPA, mailing address, daytime phone number, and email address;
 - (c) Date that the affidavit was signed;
 - (d) Identification of the signing CPA's certificate number and the issuing jurisdiction.

History Note: Authority G.S. 93-2;

Adopted Eff. May 1, 2026.

21 NCAC 08G .0401 is proposed for readoption with substantive changes as follows:

21 NCAC 08G .0401 CPE REQUIREMENTS FOR CPAS

(a) In order for a CPA to receive credit for CPE activities:

- (1) the CPA shall attend or complete the activity and receive a certificate of completion as set forth in the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Professional Education (CPE) Programs, including subsequent amendments and editions, that are hereby incorporated by reference. Copies of the Standards for CPE Program Sponsors can be found at no cost on the NASBA website at www.nasbaregistry.org/the-standards;
- (2) the activity shall meet the requirements set out in Rule .0404 of this Section; and
- (3) the activity shall increase the professional competency of the CPA.

(b) An activity that increases the professional competency of a CPA shall be an activity in an area of the profession in which the CPA practices or is planning to practice, or in the area of professional ethics.

(c) Because of differences in the education and experience of CPAs, an activity may contribute to the professional competence of one CPA but not another. Each CPA shall therefore exercise judgment in selecting activities for which CPE credit is claimed and choose only those that contribute to that CPA's professional competence. Courses that cover substantially the same content, learning objectives, and materials as a course the CPA has already completed and received credit for within the certification cycle, regardless of the format or provider, are considered duplicate courses and do not qualify for additional CPE credit.

(d) Active CPAs shall complete 2,000 CPE minutes computed in accordance with Rule .0409 of this Section by December 31 of each year, except as follows:

- (1) CPAs having certificate applications approved by the Board in April to June shall complete 1,500 CPE minutes during the same calendar year;
- (2) CPAs having certificate applications approved by the Board in July to September shall complete 1,000 CPE minutes during the same calendar year; or
- (3) CPAs having certificate applications approved by the Board in October to December shall complete 500 CPE minutes during the same calendar year; and

Any CPE minutes completed during the calendar year in which the certificate application is approved may be used for that year's requirement even if the minutes were completed before the certificate was granted.

(e) A CPA shall complete a minimum of 50 CPE minutes annually in activities on regulatory or behavioral professional ethics and conduct. Ethics CPE shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.

(f) There shall be no CPE requirements for inactive or CPA-retired CPAs.

(g) When a CPA has completed more than the required number of minutes of CPE in any one calendar year, up to 1,000 minutes shall be carried forward and treated as minutes earned in the following year. Ethics CPE minutes may not be included in any carry forward minutes to meet the requirement of Paragraph (e) of this Rule. A CPA shall not claim CPE credit for activities taken in any year prior to the year of certification.

1 (h) Any CPE minutes used to satisfy the requirements for change of status as set forth in 21 NCAC 08J .0105, for
2 reissuance as set forth in 21 NCAC 08J .0106, or for application for a new certificate as set forth in Rule 08I .0104 of
3 this Chapter may be used to satisfy the annual CPE requirement set forth in Paragraph (d) of this Rule.

4 (i) It shall be the CPA's responsibility to maintain records substantiating the CPE credits claimed for the current year
5 and for each of the four calendar years prior to the current year.

6 (j) A non-resident licensee may satisfy the annual CPE requirements in the jurisdiction where the CPA is licensed
7 and currently works or resides. If there is no annual CPE requirement in the jurisdiction where the CPA is licensed
8 and currently works or resides, the CPA shall comply with Paragraph (d) of this Rule. A non-resident licensee whose
9 office is in North Carolina shall comply with Paragraph (e) of this Rule. All other non-resident licensees may satisfy
10 Paragraph (e) of this Rule by completing the ethics requirements in the jurisdiction in which the non-resident licensee
11 is licensed as a CPA and works or resides. If there is no ethics CPE requirement in the jurisdiction where the non-
12 resident licensee is licensed and currently works or resides, the non-resident licensee shall comply with Paragraph (e)
13 of this Rule.
14

15 *History Note: Authority G.S. 93-12(3); 93-12(8b);*

16 *Eff. May 1, 1981;*

17 *Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; August 1, 1995; April 1, 1994;*

18 *May 1, 1989; September 1, 1988;*

19 *Readopted Eff. February 1, 2016;*

20 *Amended Eff. January 1, ~~2020~~; 2020;*

21 *Readopted Eff. May 1, 2026.*

21 NCAC 08G .0403 is proposed for readoption with substantive changes as follows:

21 NCAC 08G .0403 QUALIFICATION OF CPE SPONSORS

(a) The Board shall not register CPE ~~activities nor sponsors~~ activities, sponsors, or providers of CPE activities.

(b) CPE providers not ~~in good standing~~ listed on the NASBA National Registry of CPE Sponsors shall comply with the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Professional Education (CPE) Programs found on the NASBA website at www.nasbaregistry.org.

(c) Sponsors of continuing education activities that are listed ~~in good standing~~ on the NASBA National Registry of CPE Sponsors shall be considered by the Board as compliant with the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Profession Education (CPE) Programs found on the NASBA website at www.nasbaregistry.org.

(d) ~~Failure of a~~ If a sponsor listed on the National Registry of CPE Sponsor fails to comply with Paragraph (c) of this Rule ~~Rule~~, it shall be grounds for the Board to disqualify the sponsor as a CPE sponsor with this Board and to notify NASBA and the public of this action.

History Note: Authority G.S. 93-12(3); 93-12(8b);

Eff. May 1, 1981;

Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; March 1, 1990; May 1, 1989;

August 1, 1988; February 1, 1983;

Readopted Eff. February 1, 2016;

Amended Eff. January 1, ~~2020~~, 2020;

Readopted Eff. May 1, 2026.

21 NCAC 08G .0406 is proposed for readoption with substantive changes as follows:

21 NCAC 08G .0406 COMPLIANCE WITH CPE REQUIREMENTS

(a) All active CPAs shall file a reporting of CPE minutes by the July 1 renewal date of each year. The Board may ~~audit~~ verify the information submitted by licensees who apply for a renewal license.

(b) If a CPA fails to complete the CPE requirements prior to the end of the previous calendar year but the CPA has completed them by June 30, the Board may:

- (1) issue a letter of warning for the first such failure within a five-calendar year period; and
- (2) deny the renewal of the CPA's certificate for a period of not less than 30 days and until the CPA meets the ~~reinstatement~~ reissuance requirements set forth in 21 NCAC 08J .0106 for the second such failure within a five-calendar year period.

History Note: Authority G.S. 93-12(8b); 93-12(9)(e);

Eff. May 1, 1981;

Amended Eff. January 1, 2007; January 1, 2004; April 1, 1994; March 1, 1990; May 1, 1989; October 1, 1988;

Readopted Eff. February 1, 2016;

Amended Eff. January 1, ~~2020~~, 2020;

Readopted Eff. May 1, 2026.

21 NCAC 08G .0409 is proposed for readoption with substantive changes as follows:

21 NCAC 08G .0409 COMPUTATION OF CPE CREDITS

(a) Group Activity. CPE credit for a group activity shall be given based on contact minutes.

(b) Completing a College Course. CPE credit for completing a college course in the college curriculum shall be granted based on converting the number of credit hours the college gives the CPA for completing the course into minutes. One semester hour of college credit shall be 750 CPE minutes. No CPE credit shall be given to a CPA who audits a college course. No more than 50 percent of the CPE credits required for a year shall be credits for completing a college course.

(c) Self Study Activity. CPE credit for a self-study activity shall be given based on the number of minutes needed to complete the activity as determined by the sponsor.

(d) Preparing or Presenting a CPE Activity. CPE credit for preparing or presenting a CPE activity for CPAs shall be given based on the number of minutes spent in preparing or presenting the activity. Preparing includes activities such as authoring or conducting a technical review. No more than 50 percent of the CPE credits required for a year shall be credits for preparing for or presenting CPE activities. CPE credit for preparing or presenting an activity shall be allowed only once a year for an activity prepared or presented more than once in the same year by the same CPA.

(e) Authoring a Publication. CPE credit for published articles and books shall be given based on the number of minutes the CPA spent writing the article or book. No more than 25 percent of a CPA's required CPE credits for a year shall be credits for published articles or books. An article written for a CPA's client or business newsletter shall not receive CPE credit.

(f) Instructing a College Course. CPE credit for instructing a college course above the level of accounting principles shall be given based on the number of credit hours the college gives a student for completing the course, using the calculation set forth in Paragraph (b) of this Rule. No more than 50 percent of the CPE credits required for a year shall be credits for instructing a college course.

(g) Nano Learning Activity. CPE credit for Nano Learning, a tutorial activity without interaction with a real-time instructor that is designed to permit a participant to learn a given subject through electronic media including technology applications/processes, computer-based or web-based technology, shall be based on the number of contact minutes. Nano Learning is not a group program. This CPE activity shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.

(h) Blended Learning Activity. A Blended Learning program offers participants learning in multiple formats or delivery methods. Activities can include lectures, discussion, guided practice, games, case studies, and simulation. The varied delivery methods include Group Live, Group Internet Based, Self Study, or Nano Learning. The primary component of the program may be concurrent (a group program) or nonconcurrent, allowing the participant to control a portion of the time and place of the learning. CPE credit for Blended Learning shall be based on the number of contact minutes incorporated in all the learning formats in the Blended Learning activity. This CPE activity shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.

1 (i) No more than 50 percent of the CPE credits required for a year in the aggregate shall be credits claimed under
2 Paragraphs (b), (d), and (f) of this Rule.

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4 *History Note: Authority G.S. 93-12(8b);*

5 *Eff. May 1, 1989;*

6 *Amended Eff. July 1, 2015; January 1, 2014; February 1, 2012; January 1, 2007; January 1, 2004;*

7 *February 1, 1996; April 1, 1994; March 1, 1990;*

8 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
9 *2014;*

10 *Amended Eff. January 1, ~~2020~~, 2020;*

11 *Readopted Eff. May 1, 2026.*

21 NCAC 08H .0101 is proposed for readoption with substantive changes as follows:

21 NCAC 08H .0101 RECIPROCAL CERTIFICATES

(a) Unless utilizing a practice privilege per G.S. 93-10(a), a person having a CPA certificate from another jurisdiction who desires to utilize the CPA title in this State or offer or render professional services as a CPA to his or her employer or a client in this State shall obtain a reciprocal North Carolina CPA certificate.

(b) The fee for a reciprocal certificate shall be \$100. The fee specified does not exceed the maximum amount allowed by as set forth in G.S. 93-12(7a).

(c) An applicant for a reciprocal certificate shall meet the following requirements:

- (1) The applicant has the legal authority to use the CPA title and to practice public accountancy in a United States jurisdiction; and
- (2) The applicant has received a passing score on each section of the Uniform CPA Examination.
- (3) The applicant meets the minimum education requirements as defined by G.S. 93-12(5).

History Note: Authority G.S. 93-12(6); 93-12(7a);

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. February 1, 2011; January 1, 2006; April 1, 2003; April 1, 1999; August 1, 1998;

September 1, 1992; March 1, 1990; May 1, 1989; June 1, 1988;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014;

Amended Eff. September 1, ~~2023~~. 2023;

Readopted Eff. May 1, 2026.

21 NCAC 08H .0102 is proposed for readoption with substantive changes as follows:

21 NCAC 08H .0102 TEMPORARY PERMIT

(a) The Board may grant temporary permits only to applicants for reciprocal certificates pending their qualification under ~~21 NCAC 8H .0101 and application to the Board on forms provided by the Board.~~ 21 NCAC 08H .0101.

(b) Upon approval of a temporary permit, the Board will issue the applicant a statement confirming that the CPA is in good standing in the state issuing the CPA's certificate and is entitled temporarily to use the CPA title and engage in the public practice of accountancy in North Carolina for a stated period. The stated period shall expire 120 days after issue or upon issuance of the individual's reciprocal certificate, whichever comes first.

History Note: Authority G.S. 93-12(6); 93-12(7a);

Eff. February 1, 1976;

Readopted Eff. September 1, 1977;

Amended Eff. April 1, 1999; April 1, 1994; May 1, 1989; December 1, 1982;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

1 21 NCAC 08H .0104 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08H .0104 NOTICE TO BOARD OF DISCIPLINE ~~BY OTHER AGENCY~~**

4 Any applicant for or holder of a temporary permit or reciprocal certificate issued by this Board shall also comply with
5 the reporting requirements listed in ~~21 NCAC 8N .0208.~~ 21 NCAC 08N .0208.

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7 *History Note: Authority G.S. 93-12(3);*

8 *Eff. December 1, 1987;*

9 *Amended Eff. April 1, 1994; March 1, 1990; May 1, 1989;*

10 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
11 *~~2014.~~ 2014;*

12 *Readopted Eff. May 1, 2026.*

21 NCAC 08I .0101 is proposed for readoption with substantive changes as follows:

21 NCAC 08I .0101 DISCIPLINARY ACTION

(a) Any person may file a complaint with the Board against a CPA, pursuant to G.S. 150B, Article 3A for disciplinary action against a CPA for violations of G.S. 93 and this ~~Chapter on forms provided by the Board that are on the Board's website at www.ncecpaboard.gov and may be requested from the Board.~~ Chapter.

(b) The complaint ~~shall form, which can be found on the Board's website or may be requested from the Board,~~ requires the complainant to set forth the facts upon which the complaint is based. The complainant shall confirm that he or she believes the facts stated in the complaint are true and that he or she is prepared to prove them at a hearing.

The complaint form shall contain the following:

- (1) The full name, mailing address, phone number, email address, and preferred method of contact for the complainant;
- (2) If represented by attorney, the attorney's name, address, phone number, and email address;
- (3) Identification as to whether there is a pending or completed lawsuit regarding the complaint;
- (4) The name of the CPA respondent, CPA business name, mailing address, phone number, email address, and CPA certificate number, if known;
- (5) A summary of the complaint;
- (6) Evidence to support the complaint including copies of business documents such as engagement letters, tax returns, financial statements, and correspondence;
- (7) A list of witnesses who can provide testimony to support the complaint, including their names, mailing addresses, phone numbers, and email addresses;
- (8) A verification by the complainant confirming the facts and supporting documents presented as part of the complaint are true to the best of their knowledge or belief.

(c) The complaint shall be filed in the office of the Board. The Board's professional standards staff shall open a case file, notify the complainant of receipt of the complaint, notify and provide a copy of the complaint to the respondent named in the complaint, and conduct an investigation of the allegations in the complaint. Based upon the investigation and the recommendation of the Professional Standards Committee of the Board appointed by the Board President, and with the approval of the Board, the professional standards staff may do any of the following:

- (1) close the case without prejudice;
- (2) close the case with prejudice;
- (3) prepare a Consent Order;
- (4) apply to the courts for injunctive relief; or
- (5) prepare a proposed Hearing Notice.

The Professional Standards Committee shall determine whether the allegations in a case warrant applying to the courts for injunctive relief and whether the allegations in the proposed Hearing Notice, if proven, warrant a contested case proceeding pursuant to ~~G.S. 150B-38--150B-42.~~ G.S. 150B-38 through G.S. 150B-42. A copy of any Hearing Notice filed and application for injunctive relief applied for shall be provided to the complainant in that matter.

1 (d) The Board shall notify the complainant and the respondent in any complaint filed with the Board of the disposition
2 of the case and shall publish or announce the disciplinary action against a CPA.

3
4 *History Note: Authority G.S. 55B-12; 93-12(9); 57D-2-02;*
5 *Eff. February 1, 1976;*
6 *Readopted Eff. September 26, 1977;*
7 *Amended Eff. April 1, 1994; May 1, 1989; June 1, 1985; October 1, 1984;*
8 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
9 *2014;*
10 *Amended Eff. May 1, ~~2017~~ 2017;*
11 *Readopted Eff. May 1, 2026.*

21 NCAC 08I .0102 is proposed for readoption with substantive changes as follows:

21 NCAC 08I .0102 PROCEDURE WHEN PETITION AGAINST BOARD MEMBER OR EMPLOYEE

If the person against whom a petition for disciplinary action is filed is a Board member or a Board employee, the Secretary-Treasurer or Executive Director shall immediately notify that person and every member of the Board of the petition. The person against whom the petition was filed shall not participate in considering or acting on the petition.

History Note: Authority G.S. 55B-12; 93-12(9); 57D-2-02;

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. May 1, 1989; June 1, 1985; October 1, 1984;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08I .0105 is proposed for readoption with substantive changes as follows:

21 NCAC 08I .0105 REVOCATION OF CERTIFICATES

(a) When a certificate is revoked either for a specific period of time or permanently, the certificate holder shall return the certificate to the Board office within 15 days of receipt of notice of revocation.

(b) Pursuant to the provisions of ~~21 NCAC 8I .0004~~, 21 NCAC 08I .0104, the Board may issue a new certificate ~~under a new number~~ bearing the previously issued number to anyone whose certificate has been revoked.

History Note: Authority ~~G.S. 55B-12; 93-12(8);~~ G.S. 93-12(8); 93-12(9); 93-12(15);

Eff. September 1, 1982;

Amended Eff. August 1, 1998; July 1, 1987; October 1, 1984;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08J .0101 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0101 ANNUAL RENEWAL OF CERTIFICATE, FORFEITURE, AND REAPPLICATION

(a) All active CPAs shall renew their certificates annually by the first day of July. ~~The fee for such renewal is the maximum amount allowed by G.S. 93-12(8).~~

(b) ~~To renew a certificate a CPA shall submit to the Board:~~ CPAs may renew their certificates online or by completing a certificate renewal application form as requested from the Board and described at Rule .0113 of this Section and paying the annual renewal fee of \$60. The fee specified does not exceed the maximum fee as set forth in G.S. 93-12(8).

~~(1) a completed certificate renewal application form;~~

~~(2) a completed CPE report, as required by 21 NCAC 08G .0406(a); and~~

~~(3) the annual renewal fee set forth in G.S. 93-12(8).~~

(c) Upon failure of a CPA to comply with any applicable part of Paragraph (b) of this Rule by July 1, the Board shall send notice of such failure in the form of a demand letter to the CPA at the most recent mailing address the Board has on file. Completed renewal application packages shall be postmarked with proper postage not later than 30 days after the mailing date of the demand letter, unless that date falls on a weekend, in which case the renewal package shall be postmarked or received in the Board office on the next business day. For renewal packages sent via the U.S. Postal Service, only a U.S. Postal Service cancellation shall be considered as the postmark. If the renewal package is sent to the Board office via a private delivery service, the date the package is received by the delivery service shall be considered as the postmark. Subsequent failure of the CPA to comply with any applicable part of Paragraph (b) of this Rule within 30 days after such notice is mailed by the Board automatically results in forfeiture of the CPA's certificate, as required by G.S. 93-12(15).

(d) Upon forfeiture of a certificate, the certificate holder is no longer a CPA and the Board shall send notice of such forfeiture to the certificate holder by certified mail to the most recent mailing address the Board has on file. The certificate holder shall return the certificate to the Board office within 15 days after receipt of notice of forfeiture or, if the certificate has been destroyed or lost, shall submit an affidavit, on a form supplied by the Board, within 15 days of receipt of such notice that the certificate has been destroyed or has been lost and shall be returned to the Board if found.

(e) A person who has forfeited a certificate pursuant to G.S. 93-12(15) for failure to renew his or her certificate may apply for reissuance under Rule .0106 of this Section.

(f) If a check or credit card authorization for the annual renewal fee fails to clear the bank, the annual renewal shall be deemed incomplete and returned.

(g) Any active CPA serving in the armed forces of the United States and to whom an extension of time to file a tax return is granted pursuant to G.S. 105-249.2, shall be granted the same extension of time to comply with the requirements of Paragraphs (a) and (b) of this Rule.

1 *History Note:* *Authority G.S. 93-12(7a); 93-12(8); ~~93-12(8a)~~; 93-12(8b); 93-12(15); 93B-15;*
2 *Eff. February 1, 1976;*
3 *Readopted Eff. September 26, 1977;*
4 *Legislative Objection Lodged Eff. July 20, 1982;*
5 *Amended Eff. August 1, 1982;*
6 *Curative Amended Eff. August 1, 1982;*
7 *Temporary Amendment Eff. May 13, 1983 for a period of 111 days to expire on September 1, 1983;*
8 *Amended Eff. February 1, 2011; August 1, 1998; February 1, 1996; April 1, 1994; March 1, 1990;*
9 *May 1, 1989;*
10 *Readopted Eff. February 1, ~~2016~~ 2016;*
11 *Readopted Eff. May 1, 2026.*

21 NCAC 08J .0105 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0105 INACTIVE STATUS: CHANGE OF STATUS

(a) A CPA may apply to the Board for change of status to inactive status provided the CPA meets the description of inactive status as defined in 21 NCAC 08A .0301. Application for any status change shall be made on the form provided by the Board.

(b) A CPA who does not meet the definition of inactive may not remain on inactive status.

(c) A CPA on inactive status may change to active status by:

(1) paying the certificate ~~renewal~~ fee amount of \$100 for the license year in which the application for change of status is ~~received~~; received. The fee is less than the maximum as set forth in G.S. 93-12(7a);

(2) furnishing the Board with evidence of satisfactory completion of ~~40 hours~~ 2,000 minutes of CPE courses during the 12-month period immediately preceding the application for change of status. ~~Eight~~ Four hundred of the required ~~hours~~ 2,000 minutes shall be credits derived from a course or examination in North Carolina accountancy statutes and rules (including the Code of Professional Ethics and Conduct as set forth in 21 NCAC 08N contained therein) as set forth in 21 NCAC 08F .0504; and

(3) ~~submitting three certificates of good moral character and completed by CPAs~~; submitting a reinstatement application in accordance with the requirements as set forth in 21 NCAC 08F .0502(b) through (e).

(d) The reclassification to inactive form shall contain the following:

(1) The licensee's full name and CPA certificate number;

(2) The licensee's mailing address, telephone number, and email address;

(3) Whether this is new contact information for the licensee;

(4) Whether the licensee wants to continue receiving the Board's communications by email;

(5) An affirmation that the licensee desires to be reclassified to inactive status and has read and understands that the licensee can no longer use the CPA title as an inactive CPA;

(6) The licensee's signature to certify that he or she has prepared the application and has read the answers; that the information provided in the application is true; and that he or she has read the Board rules found in 21 NCAC 08A .0301(b)(20), 08A .0308, and 08J .0105.

History Note: ~~Authority G.S. 93-12(3); 93-12(7a); 93-12(8); 93-12(8b);~~

~~Eff. December 1, 1982;~~

~~Curative Adopted Eff. January 25, 1983;~~

~~Legislative Objection Lodged Eff. January 31, 1983;~~

~~Amended Eff. January 1, 2014; February 1, 2012; February 1, 2011; August 1, 1998; August 1, 1995; April 1, 1994; March 1, 1990; May 1, 1989;~~

- 1 *Readopted Eff. February 1, ~~2016~~ 2016.*
- 2 *Readopted Eff. May 1, 2026.*

21 NCAC 08J .0106 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0106 FORFEITURE OF CERTIFICATE AND REISSUANCE

(a) A person who has forfeited a certificate is no longer a CPA and thus is not subject to the renewal fee or CPE requirements contained in these Rules.

(b) A person who requests reissuance of a forfeited certificate shall make application and provide the following to the Board:

- (1) payment of the ~~current~~ certificate ~~application fee~~; fee of \$100. This fee does not exceed the maximum as set forth in G.S. 93-12(7a);
- (2) ~~three certificates of moral character provided by the Board and completed by CPAs; and submitting a reissuance application in accordance with the requirements as set forth in 21 NCAC 08F .0502(b) through (e); and~~
- (3) evidence of satisfactory completion of the CPE requirement described in Rule .0105(c)(2) of this Section.

(c) The certificate may be reissued if determined by the Board that the person meets the requirements as listed in Paragraph (b) of this Rule.

(d) The reissuance application form shall contain the following:

- (1) The applicant's full name and CPA certificate number;
- (2) The applicant's home address, telephone number, and email address;
- (3) The applicant's business name, address, telephone number, email address, and job title;
- (4) The applicant's occupation category, business concentration, and any membership associations;
- (5) Three certificates of moral character as per 21 NCAC 08F .0505;
- (6) Affirmation to the licensee's moral character as per 21 NCAC 08F .0505 and 21 NCAC 08N .0204 and, if applicable, a statement providing the relevant explanation and documents for any yes responses;
- (7) Affirmation that the applicant has refrained from using the CPA title during the period of revocation or forfeiture;
- (8) Whether the applicant classifies as active-duty military or a military veteran;
- (9) Whether the applicant has completed the accountancy law course within the 12-month period prior to submission of the application;
- (10) A report of the CPE credit minutes obtained by the applicant during the 12-month period prior to submission of the application identifying attending at least 2,000 continuing education minutes of courses in accordance with Section .0400 – CPE Requirements of these Rules;
- (11) Whether the licensee has been subject to any investigation for employee misclassification since the previous renewal application was submitted;

1 (12) The licensee's signature to certify that he or she has prepared the application and has read the
2 answers; that the information provided in the application is true; and that he or she has read the
3 Board's applicable statutes and rules; and

4 (13) The application fee, as prescribed by G.S. 93-12(7a). If the application fee is dishonored by the
5 licensee's drawee bank for any reason, the Board shall suspend the license until the renewal fees and
6 non-sufficient fund charges are paid.

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9 *History Note: Authority G.S. 93-12(3); 93-12(5); 93-12(7a); ~~93-12(8a)~~; 93-12(8b);*
10 *Eff. October 1, 1984;*
11 *Amended Eff. January 1, 2014; July 1, 2010; August 1, 1998; February 1, 1996; April 1, 1994; May*
12 *1, 1989;*
13 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
14 *~~2014.~~ 2014;*
15 *Readopted Eff. May 1, 2026.*

21 NCAC 08J .0107 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0107 MAILING ADDRESSES OF CERTIFICATE HOLDERS AND CPA FIRMS

All certificate holders ~~and CPA firms~~ shall notify the Board electronically or in writing within 30 days of any change in ~~home address and phone number;~~ home address, phone number, or email address. CPA firms shall notify the Board electronically or in writing within 30 days of any change in the CPA firm address mailing address, and phone number; ~~business location physical address, and phone number;~~ number, and or contact email address.

History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(3); 93-12(7b)(5);

Eff. October 1, 1984;

Amended Eff. January 1, 2014; April 1, 1999; April 1, 1991; August 1, 1986;

Readopted Eff. February 1, ~~2016.~~ 2016;

Readopted Eff. May 1, 2026.

21 NCAC 08J .0108 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0108 CPA FIRM REGISTRATION AND ONGOING REQUIREMENTS

(a) All CPA firms shall register with the Board within 30 days after opening a North Carolina office or beginning a new CPA firm unless they are a professional corporation, professional limited liability company, or registered limited liability partnership, in which case they shall register prior to formation pursuant to 21 NCAC 08K .0104 and .0301.

(b) In addition to the registration required by Paragraph (a) of this Rule, all CPA firms shall renew annually by January 31 with the Board upon forms provided by the Board.

(c) The information provided by the registration shall include:

(1) Either an application for exemption from peer review, a request to be deemed in compliance with peer review or registration for peer review, pursuant to 21 NCAC 08M .0105;

(2) For all CPA firms not exempt from the peer review program, with the registration immediately following its review, the information required by 21 NCAC 08M .0106(a);

(3) For all North Carolina offices, an office registration form indicating the name of the office supervisor, the location of the office and its telephone number;

(4) For all partnerships or registered limited liability partnerships, a list of all resident and nonresident partners of the partnership;

(5) For all professional limited liability companies, the information set forth in 21 NCAC 08K .0104(d);

(6) For all incorporated CPA firms, the information set forth in 21 NCAC 08K .0104(d);

(7) For all CPA firms, the appropriate registration fees as set forth in 21 NCAC 08J .0110; and

(8) For all new CPA firms, the percentage of ownership held ~~individually by each non-CPA owner who has five percent or more of ownership:~~ by CPAs;

(A) ~~in the new CPA firm; and~~

(B) ~~at the year end in each CPA firm in which that owner was an owner during the preceding two years.~~

(9) ~~For all changes in ownership of a CPA firm, the percentage of ownership held individually by each owner who has five percent or more of ownership.~~

(d) All information provided for ~~registration renewal~~ with the Board shall pertain to events of and action taken ~~during the year preceding the year of registration. The last day of the preceding calendar year is the "year end."~~ since the CPA firm's last registration or renewal.

(e) With regard to Paragraph (c)(3) of this Rule, one representative of a CPA firm may file all documents with the Board on behalf of the CPA firm's offices in North Carolina. However, responsibility for compliance with this Rule remains with each office supervisor.

(f) With regard to Paragraph (c)(4) or (c)(5) of this Rule, one annual listing by a representative of the partnership, registered limited liability partnership, or professional limited liability company shall satisfy the requirement for all owners of the CPA firm. However, each owner remains responsible for compliance with this Rule. The absence of a

1 filing under Paragraph (c)(4) or (c)(5) of this Rule shall be construed to mean that no partnership, registered limited
2 liability partnership, or professional limited liability company exists.

3 (g) Notice that a CPA firm has dissolved or any change in the information required by Paragraph (c)(3) of this Rule
4 shall be delivered to the Board's office within 30 days after the change or dissolution occurs. A professional
5 corporation or professional limited liability company which is dissolving shall deliver the Articles of Dissolution to
6 the Board's office within 30 days of filing with the Office of the Secretary of State.

7 ~~(h) Upon written petition by a CPA firm, the Board shall grant the CPA firm a conditional registration for a period of~~
8 ~~60 days or less, if the CPA firm shows that circumstances beyond its control prohibited it from registering with the~~
9 ~~Board, completing a peer review or notifying the Board of change or dissolution pursuant to Paragraphs (a), (b), (c),~~
10 ~~and (g) of this Rule. The Board may grant a second extension under continued extenuating circumstances.~~

11 ~~(i) A complete registration, renewal, as required by Paragraphs (b) and (c) of this Rule, shall be postmarked with~~
12 ~~proper postage or received in the Board office not later than the last day of January unless that date falls on a weekend~~
13 ~~or federal holiday, in which case that day shall be the next business day. Only a U.S. Postal Service cancellation is~~
14 ~~considered as the postmark. If a registration is sent to the Board office via a private delivery service, the date the~~
15 ~~package is received by the delivery service is considered as the postmark. (h) a complete renewal, as required by~~
16 ~~Paragraphs (b) and (c) of this Rule, if delivered on a paper form, shall be postmarked with proper postage and received~~
17 ~~in the Board office not later than the last day of January unless that date falls on a weekend or federal holiday, in~~
18 ~~which case that day shall be the next business day. Only a U.S. Postal Service cancellation is considered as the~~
19 ~~postmark. If a renewal is sent to the Board office via a private delivery service, the date the package is received by~~
20 ~~the delivery service is considered as the postmark. If the renewal is delivered by electronic means, it shall be sent not~~
21 ~~later than midnight on the last day of January unless that date falls on a weekend or federal holiday, in which case that~~
22 ~~day shall be the next business day.~~

23
24 *History Note:* ~~Authority G.S. 55B-10; G.S. 55B-6; 55B-10; 55B-12; 57D-1; 57D-2; 59-84.2; 93-12(8a); 93-~~
25 ~~12(8c);~~
26 ~~Eff. June 1, 1985;~~
27 ~~Amended Eff. February 1, 2011; January 1, 2004; April 1, 1999; August 1, 1998; August 1, 1995;~~
28 ~~April 1, 1994; April 1, 1991; May 1, 1989;~~
29 ~~Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,~~
30 ~~2014. 2014;~~
31 ~~Readopted Eff. May 1, 2026.~~

21 NCAC 08J .0109 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0109 CPA FIRM PRACTICE PRIVILEGE NOTIFICATION

(a) Notice pursuant to G.S. 93-10(c)(3) shall be made on a form supplied by the Board. The form requires the out-of-state CPA firm to identify itself and to disclose which of the services listed in G.S. 93-10(c)(3) are being provided to North Carolina clients.

(b) The notification form shall contain the following:

(1) The CPA firm's full name;

(2) The CPA firm's mailing address, telephone number, and website address;

(3) The supervising CPA's name, and email address;

(4) The supervising CPA's certificate number and issuing jurisdiction;

(5) An alternate contact person's name and email address;

(6) The date of the last accepted peer review and the administering entity of that peer review;

(7) Identification of the services listed in G.S. 93-10(c)(3) that are being provided to North Carolina clients;

(8) The supervising CPA's signature to certify that he or she has prepared the application and has read the answers; that the information provided in the application is true; and that the CPA firm will comply with the Board's applicable statutes and rules; and

(9) The notification is provided to the Board without a fee.

History Note: Authority G.S. 93-10;

Eff. February 1, 2011;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08J .0110 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0110 REGISTRATION FEES

The annual registration fees shall be as follows:

- (1) For all professional corporations or professional limited liability companies, twenty-five dollars (\$25.00); and
- (2) For all non-incorporated CPA firms which have offices both within and outside the state of North Carolina, whether sole proprietorships, partnerships, or registered limited liability partnerships, an amount equal to two thousand five hundred dollars ~~(\$2,500.00)~~ (\$2,500) or the number of CPA members of the CPA firm multiplied by ten dollars (\$10.00), whichever is less.

History Note: Authority G.S. 55B-11; 55B-12; 57D-1; 57D-2; 59-84.2; 93-12(7b); 93-12(8a); 93-12(8c); Eff. April 1, 1991; Amended Eff. January 1, 2004; April 1, 1999; August 1, 1998; April 1, 1994; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014; Readopted Eff. May 1, 2026.

21 NCAC 08J .0111 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0111 COMPLIANCE WITH CPA FIRM REGISTRATION

If a CPA firm fails to comply with any part of Rule .0108 or Rule .0110 of this Section, and continues to offer or render services, the Board may take disciplinary action against the CPA firm's members. ~~As set forth in G.S. 93-12(9)(e),~~ The disciplinary action may include:

- (1) one hundred dollars (\$100.00) civil penalty for non-compliance of less than 60 days;
- (2) two hundred dollars (\$200.00) civil penalty for non-compliance in excess of 60 days but not more than 120 days;
- (3) five hundred dollars (\$500.00) civil penalty for each member for non-compliance in excess of 120 days.

*History Note: Authority G.S. 55B-12; 57D-2-02; 59-84.2; 93-12(8c); 93-12(9);
Eff. April 1, 1994;
Amended Eff. February 1, 2011; January 1, 2004; April 1, 1999;
Readopted Eff. February 1, 2016; 2016;
Readopted Eff. May 1, 2026.*

21 NCAC 08J .0112 is proposed for readoption with substantive changes as follows:

21 NCAC 08J .0112 RETIRED STATUS - CHANGE OF STATUS

(a) A CPA on active or inactive status may apply to the Board for a change to CPA-retired status if that CPA completes an application provided by the Board confirming the following:

(1) they will not perform any of the services listed in ~~21 NCAC 08A .0307(2)~~ 21 NCAC 08A .0307(a)(2) except that:

(A) they may prepare tax returns for themselves and their immediate family members without compensation. Immediate family is defined as spouse, domestic partner, parent, child, sibling, stepparent, parent-in-law, stepchild, child-in-law, grandparent, grandchild, sibling-in-law, or legal dependent; and

(B) they may prepare tax returns through public service programs without compensation, such as the Volunteer Income Tax Assistance program.

(2) they will not hold themselves out to the public as a certified public accountant while they remain on CPA-retired status except that they may use the designation "CPA-retired".

(3) they consent to the continued regulatory authority of the Board.

(b) Individuals on CPA-retired status may receive compensation for any services that are not listed in ~~21 NCAC 08A .0307(2)~~ 21 NCAC 08A .0307(a)(2).

(c) Individuals on CPA-retired status must renew their certificate annually as set forth in 21 NCAC 08J .0101. However, individuals on CPA-retired status are exempt from the Board's annual CPE requirements.

(d) Individuals on CPA-retired status may not have an ownership interest in a CPA firm.

~~(d)~~ (e) In addition to the requirements in Paragraph (a) of this Rule, the application to move from inactive status to CPA-retired status will also contain the requirements set forth in 21 NCAC 08F .0502. However, the application will not require an experience affidavit or three certificates of good moral character.

~~(e)~~ (f) An individual on CPA-retired status may change to active status by:

(1) furnishing the Board with evidence of satisfactory completion of ~~40 hours~~ 2,000 minutes of CPE courses during the 12-month period immediately preceding the application for change of status. Eight of the required hours shall be credits derived from a course or examination in North Carolina accountancy statutes and rules (including the Code of Professional Ethics and Conduct as set forth in 21 NCAC 08N contained therein) as set forth in 21 NCAC 08F .0504; and

(2) ~~submitting three certificates of good moral character completed by CPAs on active status.~~ submitting a reinstatement application in accordance with the requirements as set forth in 21 NCAC 08F .0502(b) through (e).

History Note: Authority G.S. 93-12(3); 93-12(8); 93-12(8b);

Eff. September 1, 2023; 2023;

Readopted Eff. May 1, 2026.

21 NCAC 08J .0113 is proposed for adoption as follows:

21 NCAC 08J .0113 LICENSE RENEWAL FORM

(a) To renew a CPA certificate, the licensee annually shall complete and submit to the Board a renewal application. Failure to submit a completed renewal application by July 31 shall cause the licensee's license to be forfeited.

(b) The renewal form shall contain the following:

(1) The licensee's full name and license number;

(2) Whether the licensee is renewing an active or retired status pursuant per Rule .0112 of this Section;

(3) The licensee's job concentration area, occupation area, and job title;

(4) Whether the licensee has complied with the Board's continuing professional education rules;

(5) A report of the CPE credit minutes obtained by the licensee during the current reporting period identifying attending at least 2,000 continuing education minutes of courses in accordance with Section .0400 – CPE Requirements of these Rules since the previous renewal application was submitted;

(6) Affirmation to the licensee's moral character as per 21 NCAC 08F .0505 and 21 NCAC 08N .0204 since the previous renewal application was submitted and, if so, a statement providing the relevant explanation and documents for any no responses;

(7) Whether the licensee has been subject to any investigation for employee misclassification since the previous renewal application was submitted;

(8) The licensee's signature to certify that he or she has prepared the application and has read the answers; that the information provided in the application is true; and that he or she has read the NC Industrial Commission Public Notice Statement; and

(9) The application fee, as prescribed by G.S. 93-12(8). If the application fee is dishonored by the licensee's drawee bank for any reason, the Board shall suspend the license until the renewal fees and non-sufficient fund charges are paid.

*History Note: Authority G.S. 93-12(8);
Eff. May 1, 2026.*

21 NCAC 08K .0104 is proposed for readoption with substantive changes as follows:

21 NCAC 08K .0104 REGISTRATION AND RENEWAL

(a) Domestic CPA professional corporations or professional limited liability companies must be formed and all CPA professional corporations or professional limited liability companies must be operated in accordance with the requirements set out in G.S. 55B and 57D. Before any CPA professional corporation or professional limited liability company can offer to perform or perform any professional services in this state, it must register with the Board.

(b) Initial registration.

(1) Domestic CPA Corporation or Professional Limited Liability Company. In order to register initially with this Board, the incorporators of a domestic CPA corporation or professional limited liability company, prior to incorporation of the CPA firm, must:

(A) prepare and file with the Board the articles of incorporation along with any supporting documents and appropriate checks for fees payable to the Secretary of State;

(B) complete and file with the Board the application for professional corporation or professional limited liability company registration form along with any supporting documents; and

(C) pay to the Board an initial registration fee ~~of fifty dollars (\$50.00).~~ of fifty dollars (\$50.00) as set forth in G.S. 93-12(7b).

(2) Foreign CPA Corporation or Foreign Limited Liability Company. To register initially with the Board, the officers of a foreign corporation or foreign limited liability company, prior to performing services or offering to perform services in North Carolina, must submit to the Board:

(A) on an application for registration form provided by the Board, a list of its present shareholders or members and the state or territory issuing the CPA certificate, or the equivalent, of each shareholder or member and the number of each certificate or equivalent; and

(B) the documents required by G.S. 55-15-01(a) and 57D-7.

(C) pay to the Board an initial registration fee of fifty dollars (\$50.00) as set forth in G.S. 93-12(7b).

(c) In addition to its initial registration, every CPA corporation or professional limited liability company, whether domestic or foreign, must ~~register~~ renew annually pursuant to 21 NCAC 08J .0108.

(d) The application for registration by a CPA corporation or professional limited liability company shall provide the following information:

(1) the ~~name and address~~ name, address, phone number, and email address of the professional corporation or professional limited liability company;

(2) the address of each office operated or maintained by the corporation or professional limited liability company;

(3) the names and addresses of all the officers, directors, shareholders, or members; and

1 (4) the names and addresses of all the employees and managers of the corporation or professional
2 limited liability company licensed by the Board under the provisions of G.S. 93.

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4 *History Note:* *Authority G.S. 55B-11; 57D-1; 57D-2; 59-84.2; 93-8; 93-12(7b); 93-12(8c);*
5 *Eff. February 1, 1976;*
6 *Readopted Eff. September 26, 1977;*
7 *Amended Eff. July 1, 2010; April 1, 1999; April 1, 1994; April 1, 1991; May 1, 1989; August 1,*
8 *1988;*
9 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
10 *2014;*
11 *Amended Eff. March 1, ~~2020~~ 2020;*
12 *Readopted Eff. May 1, 2026.*

21 NCAC 08K .0201 is proposed for readoption with substantive changes as follows:

21 NCAC 08K .0201 CORPORATE AND PROFESSIONAL LIMITED LIABILITY COMPANY NAMES

(a) The corporate name of a professional corporation registered under these Rules shall contain the wording "corporation," "incorporated," "limited," "company," "professional corporation," or "professional association," or an abbreviation of one of the foregoing: "Corp.," "Inc.," "Ltd.," "Co.," "P.C.," or "P.A."

(b) The corporate name of a professional limited liability company registered under these Rules shall contain the wording "professional limited liability company," "professional ltd. liability co.," "professional limited liability co.," or "professional ltd. liability company," or an abbreviation of one of the foregoing: "P.L.L.C." or "PLLC."

(c) The use of "CPA" or "Certified Public Accountant(s)" in the corporate name is encouraged, but not required. Any name shall also meet the requirements in ~~21 NCAC 8N .0302 and .0307~~; 21 NCAC 08N .0302 and .0307.

History Note: Authority G.S. 55B-5; 55B-12; 57C-1; 57C-2;

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. April 1, 1994; May 1, 1989; December 1, 1988; April 1, 1988;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08K .0301 is proposed for readoption with substantive changes as follows:

21 NCAC 08K .0301 REGISTERED LIMITED LIABILITY PARTNERSHIPS

(a) Any ~~Registered Limited Liability Partnership~~ CPA registered limited liability partnership created pursuant to and in compliance with G.S. 59 shall also comply with all accountancy laws and rules pertaining to partnerships.

(b) Before any CPA registered limited liability partnership may perform or offer to perform any professional services in this state, it shall file with the Board the certificate of registration of the Secretary of State and appropriate fees payable to the Secretary of State.

History Note: Authority G.S. 59-84.2; 59-84.3; 93-12;

Temporary Adoption Eff. October 1, 1993 for a period of 180 days or until the permanent rule becomes effective, whichever is sooner;

Eff. April 1, 1994;

Amended Eff. August 1, 1998;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014. 2014;

Readopted Eff. May 1, 2026.

21 NCAC 08M .0105 is proposed for readoption with substantive changes as follows:

SUBCHAPTER 08M - STATE QUALITY REPORT AND PEER REVIEW PROGRAM

SECTION .0100 - GENERAL SQR REQUIREMENTS

21 NCAC 08M .0105 PEER REVIEW REQUIREMENTS

(a) A CPA or CPA firm providing any of the following services to the public shall participate in a peer review program:

- (1) audits;
- (2) reviews of financial statements;
- (3) compilations of financial statements; or
- (4) any engagement to be performed in accordance with the Statements on Standards for Attestation Engagements.

(b) A CPA or CPA firm not providing any of the services listed in Paragraph (a) of this Rule is exempt from peer review until the issuance of the first report provided to a client. A CPA or CPA firm shall register with the peer review program as listed in Paragraph (d) of this Rule within 30 days of the issuance of the first report provided to a client.

(c) A CPA, a new CPA firm, or a CPA firm exempt from peer review that starts providing any of the services in Paragraph (a) of this Rule shall furnish to the peer review program selected financial statements, corresponding work papers, and any additional information or documentation required for the peer review program within 18 months of the issuance of the first report provided to a client.

(d) ~~Participation~~ Enrollment in and completion of the AICPA Peer Review Program, or a program that substantially complies with the AICPA Standards for Performing and Reporting on Peer Reviews, shall be required. The AICPA Standards for Performing and Reporting on Peer Reviews are incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://us.aicpa.org/research/standards/peerreview> at no cost.

(e) CPA firms shall not rearrange their structure or act in any manner with the intent to avoid ~~participation~~ enrollment in peer review.

(f) A CPA firm that does not have offices in North Carolina and that has provided any services as listed in G.S. 93-10(c)(3) to North Carolina clients shall ~~participate~~ enroll in a peer review program.

(g) Subsequent peer reviews of a CPA firm are due three years and six months from the year end of the 12-month period of the first peer review, unless granted an extension by the peer review program.

(h) All CPA firms enrolled in the AICPA Peer Review Program registered with this Board shall also participate in the AICPA Facilitated State Board Access ~~process~~ process and shall not opt out of any part of the process.

(i) The firm shall allow the administrating entity to provide the Board access to the documents and peer review information via a secure website process such as the AICPA Facilitated State Board Access (FSBA).

1 *History Note:* *Authority G.S. 93-10(c); 93-12(8c);*
2 *Eff. January 1, 2004;*
3 *Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006;*
4 *Readopted Eff. February 1, 2016;*
5 *Amended Eff. September 1, ~~2023~~ 2023;*
6 *Readopted Eff. May 1, 2026.*

21 NCAC 08M .0106 is proposed for readoption with substantive changes as follows:

21 NCAC 08M .0106 COMPLIANCE

(a) A CPA firm registered for peer review shall provide to the Board the following:

- (1) peer review due date;
 - (2) year end date;
 - (3) ~~final Letter of Acceptance~~ the acceptance letter from the administering entity from the peer review
program within 60 days of the date of the letter; and
 - (4) ~~a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance~~
for all failed and second passed with deficiencies ~~reports~~ reports, a package to include the following
items issued by a peer review program within 60 days of the date of the ~~Final Letter of Acceptance~~.
completion letter:
- (a) peer review report accepted by the administering entity;
 - (b) the firm's letter of response to the peer review report;
 - (c) the acceptance letter from the administering entity; and
 - (d) letter signed by the administering entity notifying the firm that the required actions have been
appropriately completed, if applicable.

(b) A peer review shall not be complete until the ~~Final Letter of Acceptance~~ completion letter is issued by the peer review program with the new due date.

(c) If a CPA firm fails to comply with Rule .0105(c), (d), or (g) of this Section, and continues to offer or render services, the Board may take disciplinary action against the CPA firm's members that may include a suspension of each members' CPA certificate for a period of not less than 30 days and a civil penalty up to one thousand dollars (\$1,000) as set forth in ~~G.S. 93-12(b)(9)~~ G.S. 93-12(9).

History Note: Authority G.S. 93-12(7b); 93-12(8c);
Eff. January 1, 2004;
Amended Eff. February 1, 2011; January 1, 2006;
Readopted Eff. February 1, 2016; 2016;
Readopted Eff. May 1, 2026.

21 NCAC 08N .0203 is proposed for readoption with substantive changes as follows:

21 NCAC 08N .0203 DISCREDITABLE CONDUCT PROHIBITED

(a) A CPA shall not engage in conduct discreditable to the accounting profession.

(b) Prohibited discreditable conduct includes:

- (1) acts that reflect adversely on the CPA's honesty, integrity, trustworthiness, good moral character, or fitness as a CPA;
- (2) stating or implying an ability to improperly influence a governmental agency or official;
- (3) failing to comply with any order issued by the Board;
- (4) failing to fulfill the terms of a peer review engagement contract;
- (5) misrepresentation in reporting CPE credits;
- (6) entering into any settlement or other resolution of a dispute that purports to keep its contents confidential from the ~~Board~~; or Board;
- (7) failing to participate in a peer review program pursuant to ~~21 NCAC 08M .0105~~; 21 NCAC 08M .0105; or
- (8) failing to execute an experience affidavit as set forth in 21 NCAC 08F .0401(b)(4) following a determination by the Board that the license applicant meets the Board's criteria to execute that affidavit.

*History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(3); 93-12(9);
Eff. April 1, 1994;
Amended Eff. January 1, 2014; January 1, 2004; August 1, 1995;
Readopted Eff. February 1, 2016;
Amended Eff. May 1, 2017; 2017;
Readopted Eff. May 1, 2026.*

21 NCAC 08N .0216 is proposed for adoption as follows:

21 NCAC 08N .0216 PROFESSIONAL JUDGMENT

A CPA shall not subordinate the CPA's professional judgment to non-CPAs.

History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);

Eff. April 1, 1994;

Readopted Eff. February 1, 2016;

Proposed for adoption Eff. May 1, 2026.

1 21 NCAC 08N .0301 is proposed for repeal through readoption as follows:

2
3 **21 NCAC 08N .0301 PROFESSIONAL JUDGMENT**

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5 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*
6 *Eff. April 1, 1994;*
7 *Readopted Eff. February 1, ~~2016~~ 2016;*
8 *Repealed Eff. May 1, 2026.*

21 NCAC 08N .0302 is proposed for readoption with substantive changes as follows:

21 NCAC 08N .0302 FORMS OF PRACTICE

(a) Authorized Forms of Practice. A CPA who uses CPA in or with the name of the business or offers or renders audits, reviews, compilations, agreed-upon procedure or engagement services performed in accordance with the standards in 21 NCAC 08A .0301(b)(5) in the public practice of accountancy to clients shall do so only through a registered sole proprietorship, partnership, Professional Corporation, Professional Limited Liability Company, or Registered Limited Liability Partnership.

(b) Authorized Ownership. A CPA firm may have an ownership of up to 49 percent by non-CPAs. A CPA firm shall have ownership of at least 51 percent and be controlled in law and fact by holders of valid CPA certificates who have the unrestricted privilege to use the CPA title and to practice public accountancy in a jurisdiction and at least one of whom shall be licensed by this Board.

(c) CPA Firm Registration Required. A CPA shall not offer or render professional services through a CPA firm that is in violation of the registration requirements of 21 NCAC 08J .0108, 08J .0110, or 08M .0105.

(d) Supervision of CPA Firms. Every North Carolina office of a CPA firm registered in North Carolina shall be actively and locally supervised by a designated actively licensed North Carolina CPA whose primary responsibility and a corresponding amount of time shall be work performed in that office.

(e) CPA Firm Requirements for CPA Ownership. A CPA firm and its designated supervising CPA shall be accountable for the following in regard to a CPA owner:

- (1) a CPA owner shall be a natural person or a general partnership or a limited liability partnership directly owned by natural persons;
- (2) a CPA owner shall actively participate in the business of the CPA firm; and
- (3) a CPA owner who, prior to January 1, 2006, is not actively participating in the CPA firm may continue as an owner until such time as his or her ownership is terminated.

(f) CPA Firm Requirements for Non-CPA Ownership. A CPA firm and its designated supervising CPA owner shall be accountable for the following in regard to a non-CPA owner:

- (1) a non-CPA owner shall be a natural person or a general partnership or limited liability partnership directly owned by natural persons;
- (2) a non-CPA owner shall actively participate in the business of the firm or an affiliated entity as his or her principal occupation;
- (3) a non-CPA owner shall comply with all applicable accountancy statutes and the rules as set forth in G.S. 93 and all rules in this Chapter.
- (4) a non-CPA owner shall be of good moral character and shall be dismissed and disqualified from ownership for any conduct that, if committed by a licensee, would result in a discipline pursuant to G.S. 93-12(9); and
- (5) a non-CPA owner shall report his or her name, home address, phone number, social security number, and Federal Tax ID number (if any) on the CPA firm's registration.

1 (g) ESOP Ownership. Notwithstanding the restrictions set forth in subparagraph (f) of this section, up to 49 percent
2 of the ownership in a CPA firm may be held in an employee stock ownership plan (“ESOP”) that meets the
3 requirements of Section 409 of the Internal Revenue Code. All trustees of the ESOP must be licensed CPAs in a
4 United States jurisdiction. Further, the beneficial ownership in an ESOP may not be held by persons who are not
5 active participants in the CPA firm.

6
7 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*

8 *Eff. April 1, 1994;*

9 *Amended Eff. February 1, 2011; January 1, 2006; April 1, 2003; April 1, 1999; August 1, 1995;*

10 *Readopted Eff. February 1, ~~2016~~ 2016;*

11 *Readopted Eff. May 1, 2026.*

21 NCAC 08N .0305 is proposed for readoption with substantive changes as follows:

21 NCAC 08N .0305 RETENTION OF CLIENT RECORDS

(a) A CPA shall return client-provided records in the CPA's custody or control to the client at the client's request. Client-provided records are accounting or other records, including hardcopy and electronic reproductions of such records, belonging to the client that were provided to the CPA by, or on behalf of, the client.

(b) Unless a CPA and the client have agreed to the contrary, when a client makes a request for CPA prepared records or a CPA's work products that are in the CPA's custody or control that have not previously been provided to the client, the CPA shall respond to the client's request as follows:

(1) The CPA shall provide CPA prepared records relating to a completed and issued work product to the client, except that such records may be withheld if fees are due to the CPA for that specific work product; and

(2) The CPA's work products shall be provided to the client, except that such work products may be withheld:

(A) if fees are due to the CPA for the specific work product;

(B) if the work product is incomplete;

(C) if for the purpose of complying with professional standards. For example, withholding an audit report due to outstanding audit issues; or

(D) if threatened or outstanding litigation exists concerning the engagement or CPA's work.

(c) CPA prepared records are accounting or other records that the CPA was not specifically engaged to prepare and that are not in the client's books and records or are otherwise not available to the client, thus rendering the client's financial information incomplete. Examples include adjusting, closing, combining, or consolidating journal entries including computations supporting such entries and supporting schedules and documents that the CPA proposed or prepared as part of an engagement, an audit being an example. CPA's work products are deliverables set forth in the terms of the ~~engagement, such as tax returns.~~ engagement.

(d) Once a CPA has complied with the requirements described in Paragraphs (a) and (b) of this Rule, he or she shall not be under any further ethical obligation to:

(1) comply with any subsequent requests to again provide records or copies of records described in Paragraphs (a) and (b) of this Rule. If subsequent to complying with a request, a client experiences a loss of records due to a natural disaster, the CPA shall comply with an additional request to provide such records that are in possession of the CPA; and

(2) retain records for periods that exceed applicable professional standards, state and federal statutes and regulations, and contractual agreements relating to the service performed.

(e) A CPA who has provided records to an individual designated or held out as the client's representative, such as the general partner, or majority shareholder, shall not be obligated to provide such records to other individuals associated with the client. However, in the case of joint individual tax returns, each named taxpayer on that return shall be entitled to a copy of the tax returns and supporting schedules from the CPA.

(f) Work papers shall be the CPA's property, and the CPA is not required to provide such information to the client. However, state and federal statutes and regulations and contractual agreements may impose additional requirements on the CPA.

(g) In fulfilling a request for client provided records, CPA prepared records, or a CPA's work products, the CPA may:

(1) charge the client a fee for the time and expense incurred to retrieve and copy such records and require that the client pay the fee before the CPA provides the records to the client;

(2) provide the requested records in any format usable by the client. The CPA is not required to convert records that are not in electronic format to electronic format. If the client requests records in a specific format and the records are available in such format within the CPA's custody and control, the client's request shall be honored. In addition, the CPA is not required to provide the client with formulas, unless the formulas support the client's underlying accounting or other records or the CPA was engaged to provide such formulas as part of a completed work product. The CPA is not required to provide electronic data files to a client if they were created with tax preparation software owned or licensed by the CPA; and

(3) make and retain copies of any records that the CPA returned or provided to the client.

(h) A CPA who is required to return or provide records to the client shall comply with the client's request as soon as practicable, but no later than 45 days after the request is made.

*History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);
Eff. April 1, 1994;
Amended Eff. January 1, 2006; April 1, 2003;
Readopted Eff. February 1, 2016;
Amended Eff. September 1, 2023; May 1, ~~2017~~; 2017;
Readopted Eff. May 1, 2026.*

21 NCAC 08N .0306 is proposed for readoption with substantive changes as follows:

21 NCAC 08N .0306 ADVERTISING OR OTHER FORMS OF SOLICITATION

(a) Deceptive Advertising. A CPA shall not seek to obtain clients by advertising or using other forms of solicitation in a manner that is deceptive.

(b) Specialty Designations. A CPA may advertise the nature of services provided to clients, but the CPA shall not advertise or indicate a specialty designation or other title unless the CPA has met the requirements of the granting organization for the separate title or specialty designation and the individual is currently on active status and in good standing with the granting organization for the separate title or specialty designation.

(c) The CPA firm shall offer to perform or perform professional services only in the exact name of the CPA firm as registered with the Board. The exact CPA firm name as registered with the Board shall be used on the following documents:

~~(1) letterhead;~~

~~(2) (1) contracts;~~

~~(3) (2) engagement letters;~~

~~(4) (3) tax returns; and~~

~~(5) (4) all professional services reports.~~

(d) The CPA firm may advertise professional services using the exact name of the CPA firm, a portion of the CPA firm name, or initials or acronyms derived from the exact CPA firm name as registered with the Board.

(e) Any CPA or CPA firm offering to or performing professional services via the Internet shall include the following information on the Internet:

(1) CPA business or CPA firm name as registered with the Board;

~~(2) principal place of business;~~

~~(3) (2) business phone number; and~~

~~(4) (3) North Carolina certificate number and North Carolina as jurisdiction of certification.~~

(f) The use of the phrase "certified public accountant(s)" or "CPA(s)" in the name of any business entity on letterhead, professional services reports, business cards, brochures, building signage, office signs, telephone directories, contracts, engagement letters, tax returns, Internet directories, or any other advertisements or forms or solicitation shall be prohibited except for registered CPA firms.

History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);

Eff. April 1, 1994;

Amended Eff. February 1, 2011; April 1, 1999; February 1, 1996;

Readopted Eff. February 1, 2016; 2016;

Readopted Eff. May 1, 2026.

21 NCAC 08N .0307 is proposed for readoption with substantive changes as follows:

21 NCAC 08N .0307 CPA FIRM NAMES

(a) Registration of Firm Names. A business may not use a CPA firm name unless that name has been registered with the Board.

(b) Misleading Names Prohibited. A CPA firm shall not trade upon the CPA title through use of any name that is misleading. A misleading CPA firm name ~~is one which~~ includes, but are not limited to, the following:

- (1) Implies the existence of a partnership or registered limited liability partnership or a professional corporation or professional limited liability company if the firm is not, in fact, one of those entities;
- (2) Includes the name of an individual who is not a CPA if the words "certified public accountants" or "CPAs" are included in the firm name;
- (3) Includes information about or indicates an association with persons who are not current or former members of the firm, unless the name is that of a firm network;
- (4) Includes the terms "& Company", "& Associates", or "Group", but the firm does not include, in addition to the named partner, shareholder, owner, or member, at least one other unnamed partner, shareholder, owner, member, or staff employee;
- (5) Contains any representation that would be likely to cause a reasonable person to have a false or unjustified expectation of favorable results or capabilities, including names indicating qualitative superiority or pricing differences;
- (6) Claims or implies the ability to influence a regulatory body or official; or
- (7) Includes the name of an owner whose license has been revoked for disciplinary reasons by the Board, whereby the licensee has been prohibited from practicing public accountancy or prohibited from using the title CPA or holding themselves out as a Certified Public Accountant.

(c) Permissible Firm Names: The following is a non-exhaustive list of types of CPA firm names that are not in and of themselves misleading and are permissible so long as they do not violate other firm name provisions:

- (1) A firm name that includes the names or initials of one or more former or current owners;
- (2) A firm name that excludes the names of one or more former or current owners;
- (3) A firm name that uses the "CPA" title as part of the firm name when all named individuals are owners of the firm who hold the CPA title or are former owners who held the CPA title at the time they ceased to be owners of the firm; or
- (4) A firm name that includes the name of a non-CPA owner if the words "certified public accountant" or "CPA" title are not a part of the firm name.

(d) Any CPA firm registered in another jurisdiction that provides notification of intent to practice pursuant to G.S. 93-10(c)(3) may practice under the name as registered with that jurisdiction.

*History Note: Authority G.S. 55B-5; 55B-12; 57D-2-02; 93-12(9);
Eff. April 1, 1994;*

1 *Amended Eff. February 1, 2011; January 1, 2006; April 1, 1999; August 1, 1995;*
2 *Readopted Eff. February 1, 2016;*
3 *Amended Eff. September 1, ~~2023~~ 2023;*
4 *Readopted Eff. May 1, 2026.*

21 NCAC 08N .0310 is proposed for adoption as follows:

21 NCAC 08N .0310 FORENSIC SERVICES

(a) Statement on Standards for Forensic Services. A CPA shall not render forensic services unless the CPA has complied with the Statement on Standards for Forensic Services.

(b) Statement on Standards for Forensic Services. The Statement for Forensic Services, including the definition of such services, issued by the AICPA are incorporated by reference, including subsequent amendments and editions. This document may be accessed at <https://www.aicpa.org/resources/download/statement-on-standards-for-forensic-services> at no cost.

History Note: Authority G.S. 55B-12; 57-D-02); 93-12(9);

Eff. September 1, 2023.

Proposed for adoption Eff. May 1, 2026.

1 21 NCAC 08N .0401 is proposed for readoption with substantive changes as follows:

2
3 **21 NCAC 08N .0401 PUBLIC RELIANCE**

4 The rules in this Section apply to any CPA who engages in attest services as defined in ~~21 NCAC 08A .0301(b)~~; 21
5 NCAC 08A .0301(b)(5).

6
7 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*

8 *Eff. April 1, 1994;*

9 *Amended Eff. January 1, 2006;*

10 *Readopted Eff. February 1, ~~2016~~ 2016;*

11 *Readopted Eff. May 1, 2026.*

21 NCAC 08N .0402 is proposed for readoption with substantive changes as follows:

21 NCAC 08N .0402 INDEPENDENCE

(a) A CPA, or the CPA's firm, who is performing an engagement in which the CPA, or the CPA's firm, will issue a report on financial statements of any client (other than a report in which lack of independence is disclosed) ~~shall be independent with respect to the client in fact and appearance.~~ shall conform in fact and in appearance to the independence standards established by the AICPA and this Board, and, where applicable, the SEC, the U.S. GAO, the PCAOB and other national or international regulatory or professional standard setting bodies.

(b) ~~Independence is impaired if, during the period of the professional engagement, a covered person:~~ The PCAOB independence rules are hereby incorporated by reference, including subsequent amendments and editions. They may be accessed at www.pcaobus.org/oversight/standards/ethics-independence-rules.

(1) ~~had or was committed to acquire any direct or material indirect financial interest in the client;~~

(2) ~~was a trustee of any trust or executor or administrator of any estate if such trust or estate had or was committed to acquire any direct or material indirect financial interest in the client; and~~

(A) ~~the covered person (individually or with others) had the authority to make investment decisions for the trust or estate;~~

(B) ~~the trust or estate owned or was committed to acquire more than 10 percent of the client's outstanding equity securities or other ownership interests; or~~

(C) ~~the value of the trust's or estate's holdings in the client exceeded 10 percent of the total assets of the trust or estate;~~

(3) ~~had a joint closely held investment that was material to the covered person; or~~

(4) ~~except as permitted in the AICPA Professional Standards Code of Professional Conduct and Bylaws, had any loan to or from the client or any officer or director of the client, or any individual owning 10 percent or more of the client's outstanding equity securities or other ownership interests.~~

(c) ~~Independence is impaired if during the period of the professional engagement, a shareholder, a member, a partner or professional employee of the firm, his or her immediate family and close relatives, (as defined in the AICPA Code of Professional Conduct and Bylaws) or any group of such persons acting together owned more than five percent of a client's outstanding equity securities or other ownership interests.~~ The SEC independence rules are codified at 17 CFR 210.2-01 and are hereby incorporated by reference, including subsequent amendments and editions. They may be accessed at www.ecfr.gov/current/title-17/chapter-11 at no cost.

(d) ~~Independence is impaired if, during the period covered by the financial statements, or during the period of the professional engagement, a shareholder, a member, a partner, or professional employee of the firm was simultaneously associated with the client as a:~~

(1) ~~director, officer, employee, or in any capacity equivalent to that of a member of management;~~

(2) ~~promoter, underwriter, or voting trustee; or~~

(3) ~~trustee for any pension or profit-sharing trust of the client.~~

(e) ~~For the purposes of this Rule "covered person" is~~

- 1 (1) — an individual on the attest engagement team;
- 2 (2) — an individual in a position to influence the attest engagement;
- 3 (3) — a partner or manager who provides non-attest services to the attest client beginning once he or she
- 4 provides 10 hours of non-attest services to the client within any fiscal year and ending on the later
- 5 of the date:
- 6 (A) — the firm signs the report on the financial statements for the fiscal year during which those
- 7 services were provided; or
- 8 (B) — he or she no longer expects to provide 10 or more hours of non-attest services to the attest
- 9 client on a recurring basis;
- 10 (4) — a partner in the office in which the lead attest engagement partner primarily practices in connection
- 11 with the attest engagement;
- 12 (5) — the firm, including the firm's employee benefit plans; or
- 13 (6) — an entity whose operating, financial, or accounting policies can be controlled (as defined by
- 14 generally accepted accounting principles (GAAP) for consolidation purposes) by any of the
- 15 individuals or entities described in Subparagraphs (1) through (5) of this Paragraph or by two or
- 16 more such individuals or entities if they act together;
- 17 (f) The impairments of independence listed in this Rule shall not be interpreted to be an all inclusive list.
- 18

19 *History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);*

20 *Eff. April 1, 1994;*

21 *Amended Eff. February 1, 2011; April 1, 2003;*

22 *Readopted Eff. February 1, 2016; 2016;*

23 *Readopted Eff. May 1, 2026.*

21 NCAC 08N .0411 is proposed for readoption with substantive changes as follows:

21 NCAC 08N .0411 AUDITS SUBJECT TO THE SINGLE AUDIT ACT

A CPA rendering audit services to a state or local government entity, non-profit organization, or other entity that is subject to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156, must comply with the Single Audit Act amendments as implemented through Subpart F - Audit Requirements of Title 2 of C.F.R., Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200). 2 CFR part 200 is hereby incorporated by reference, including subsequent amendments and editions. This document may be accessed at www.ecfr.gov/current/title-2 at no cost.

History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(9);

Eff. September 1, 2023- 2023;

Readopted Eff. May 1, 2026.

1 21 NCAC 08N .0412 is proposed for repeal through readoption as follows:

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3 **21 NCAC 08N .0412 FORENSIC SERVICES**

4

5 *History Note: Authority G.S. 55B-12; 57-D-02); 93-12(9);*

6 *Eff. September 1, 2023; 2023;*

7 *Repealed Eff. May 1, 2026.*