

1 (v) Retired, per 22 GCA, §35106(d),  
2 Seventy-Five Dollars (\$75.00)."

3 **Section 32.** Section 2103(d)(2)(C)(iv) of Chapter 2 of Title 25, Guam  
4 Administrative Rules is hereby *amended* to read:

5 "(iv) Substantial Equivalency, per 22 GCA,  
6 §35122, Two One Hundred Fifty Dollars  
7 (\$2150.00)."

8 **Section 33.** Section 2103(d)(4) of Chapter 2 of Title 25, Guam  
9 Administrative Rules is hereby *amended* to read:

10 "(4) Delinquency fee for late filing of any required CPE  
11 forms, or License or Permit renewal application  
12 forms, Certification, licensee, or Firm Permit to  
13 Practice Renewal applications received after April  
14 30, Two Dollars (\$2.00)/day (minimum Fifty Dollars  
15 (\$50.00) per form"

16 **Section 34.** Section 2103(e) of Chapter 2 of Title 25, Guam  
17 Administrative Rules is hereby *amended* to read:

18 "(e) Obligation of all holders of certificates, ~~licensees~~ licenses  
19 and Firm Permits to Practice, to notify the Board of changes of  
20 address and changes of employment.

21 All holders of certificates, ~~licensees~~ licenses and Firm Permits to  
22 Practice shall notify the Board in writing within thirty (30) days of  
23 any change of address and, in the case of holders of certificates and,

1 ~~licensees~~ licenses, any change of employment.”

2 **Section 35.** Section 2103(f) of Chapter 2 of Title 25, Guam  
3 Administrative Rules is hereby *amended* to read:

4 “(f) **Communications.** Holders of certificates, ~~licensees~~  
5 licenses and Firm Permits to Practice shall respond in writing to any  
6 communication from the Board requesting a response, within thirty  
7 (30) days of the mailing of such communication by registered or  
8 certified mail, to the last address furnished to the Board by the  
9 holders of certificates, licenses and Firm Permits to Practice.”

10 **Section 36.** Section 2104(a)(8) of Chapter 2 of Title 25, Guam  
11 Administrative Rules is hereby *amended* to read:

12 “(8) The accounting and business concentration or  
13 equivalent contemplated by 22 GCA, §35105(~~e~~) as a 150 hour  
14 requirement shall consist of the semester hours specified in 25  
15 GAR, §2104(b) below. No more than six (6) hours will be  
16 recognized for internships or life experience.”

17 **Section 37.** Section 2104(a)(9) of Chapter 2 of Title 25, Guam  
18 Administrative Rules is hereby *amended* to read:

19 “(9) The accounting and business concentration or  
20 equivalent contemplated by 22 GCA, §35105(~~c~~~~d~~) shall consist of  
21 the semester hours specified in 25 GAR, §2104(k) below. No  
22 more than six (6) hours will be recognized for internships or life  
23 experience.”

1           **Section 38.** Section 2104(b) of Chapter 2 of Title 25, Guam  
2 Administrative Rules is hereby *amended* to read:

3           “(b) **Certification Education Requirement.** For purposes of  
4 certification per 22 GCA, §35105(e), an applicant will be deemed to  
5 have met a 150 hour ~~the~~ education requirement if the applicant has  
6 met any one (1) of the following four (4) conditions:”

7           **Section 39.** Section 2104(b)(3)(B) of Chapter 2 of Title 25, Guam  
8 Administrative Rules is hereby *amended* to read:

9           “(B) At least twenty four (24) ~~thirty six (36)~~  
10 semester hours in business courses (which shall include  
11 six (6) semester hours in economics, three (3) semester  
12 hours in business law, three (3) semester hours in finance  
13 and can include accounting courses beyond the  
14 elementary level in excess of those included to meet the  
15 twenty-four (24) semester hour requirement at the upper  
16 division level or graduate level).”

17           **Section 40.** Section 2104(b)(4)(B) of Chapter 2 of Title 25, Guam  
18 Administrative Rules is hereby *amended* to read:

19           “(B) At least twenty four (24) ~~thirty six (36)~~  
20 semester hours in business courses (which shall include 6  
21 semester hours in economics, three (3) semester hours in  
22 business law, three (3) semester hours in finance and can  
23 include accounting courses beyond the elementary level

1 in excess of those included to meet the twenty-four (24)  
2 semester hour requirement at the upper division level or  
3 graduate level.”

4 **Section 41.** Section 2104(g)(2) of Chapter 2 of Title 25, Guam  
5 Administrative Rules is hereby *amended* to read:

6 “(2) Upon the implementation of a computer-based  
7 examination, a Candidate may take the required Test Sections  
8 individually and in any order. Credit for any Test Section(s)  
9 passed shall be valid ~~for~~ through the end of the eighteenth (18<sup>th</sup>)  
10 ~~months from after~~ the actual ~~date~~ month the Candidate took  
11 that Test Section, without having to attain a minimum score on  
12 any failed Test Section(s) and without regard to whether the  
13 Candidate has taken other Test Sections.”

14 **Section 42.** Section 2104(g)(2)(A) of Chapter 2 of Title 25, Guam  
15 Administrative Rules is hereby *amended* to read:

16 “(A) Candidates must pass all four (4) Test Sections  
17 of the Uniform CPA Examination within a rolling  
18 eighteen (18)-month period, which begins in the month  
19 ~~on the date~~ that the first Test Section(s) passed is taken.”

20 **Section 43.** Section 2104(g)(6) of Chapter 2 of Title 25, Guam  
21 Administrative Rules is hereby *amended* to read:

22 “(6) A Candidate shall be deemed to have passed the  
23 Uniform CPA Examination once the Candidate holds at the

1 same time valid credit for passing each of the four (4) Test  
2 Sections of the examination. For purposes of this section, credit  
3 for passing a Test Section of the computer-based examination is  
4 valid from the actual month ~~date~~ of the Testing Event for that  
5 Test Section, regardless of the date the Candidate actually  
6 receives notice of the passing grade.”

7 **Section 44.** Section 2104(k) of Chapter 2 of Title 25, Guam  
8 Administrative Rules is hereby *amended* to read:

9 “(k) **Examination Education requirement.** For purposes of  
10 qualifying to take the exam per 22 GCA, §35105(~~c~~)(2), an applicant  
11 will be deemed to have met the education requirement *if* the  
12 applicant has met any one (1) of the following four (4) conditions:”

13 **Section 45.** Section 2103(k)(3)(B) of Chapter 2 of Title 25, Guam  
14 Administrative Rules is hereby *amended* to read:

15 “(B) completed at least twenty four (24) ~~thirty-six~~  
16 ~~(36)~~ semester hours in business courses (which shall  
17 include six (6) semester hours in economics, three (3)  
18 semester hours in business law, three (3) semester hours  
19 in finance and can include accounting courses beyond the  
20 elementary level in excess of those included to meet the  
21 twenty-four (24) semester hour requirement at the upper  
22 division level or graduate level).”

23 **Section 46.** Section 2104(k)(4)(B) of Chapter 2 of Title 25, Guam

1 Administrative Rules is hereby *amended* to read:

2                   “(B) completed at least twenty four (24) ~~thirty six~~  
3                   ~~(36)~~ semester hours in business courses (which shall  
4                   include six (6) semester hours in economics, three (3)  
5                   semester hours in business law, three (3) semester hours  
6                   in finance and can include accounting courses beyond the  
7                   elementary level in excess of those included to meet the  
8                   twenty-four (24) semester hour requirement at the upper  
9                   division level or graduate level).”

10           **Section 47.** The Title of §2105 of Chapter 2 of Title 25, Guam  
11 Administrative Rules is hereby *amended* to read:

12                   “**§2105. Issuance of Certificates and Licenses, Renewal of**  
13                   **Licenses ~~Certificates and Registrations~~, Continuing Professional**  
14                   **Education, and Reciprocity.”**

15           **Section 48.** Chapter 25 of the Guam Administrative Rules, Section  
16 2105(a)(1) is hereby *amended* to read:

17                   “(1) Applications for initial certificates and licenses, and  
18                   for renewal of licenses pursuant to the Act shall be made on a  
19                   form provided by the Board. Applications for renewal of  
20                   licenses are due annually no later than June 30<sup>th</sup>, ~~shall be filed~~  
21                   ~~no later than sixty (60) days prior to the expiration date set by~~  
22                   ~~these rules.~~ Applications will not be considered filed until the  
23                   applicable fee prescribed in the Rules is received. *If* an

1 application for renewal is filed late, it shall also be accompanied  
2 by the delinquency fee prescribed in the Rules.

3 Applications for renewal of licenses shall be accompanied  
4 by evidence satisfactory to the Board that the applicant has  
5 complied with the continuing professional education  
6 requirements under 22 GCA, §35106 and of these Rules. During  
7 each three (3) year renewal period after January 1, 2004, at least  
8 six (6) two (2) hours of ethics continuing professional education  
9 shall be required.

10 Failure to meet the license renewal requirements by the  
11 deadlines set forth in these rules will result in the license  
12 reverting to a delinquent status. Any delinquent license that is  
13 not renewed to an active, inactive or retired status within three  
14 (3) years will be cancelled.

15 Applications for initial certificates, and licenses, and for  
16 renewal of licenses ~~and registrations~~ pursuant to the Act shall  
17 be cleared by the Director of the Department of Revenue and  
18 Taxation for tax purposes.”

19 **Section 49.** Section 2105(b) of Chapter 2 of Title 25, Guam  
20 Administrative Rules is hereby *amended* to read:

21 “(b) **Experience required for initial certificate and active**  
22 **license.** The experience required to be demonstrated for  
23 issuance of an initial certificate and active status license

1           pursuant to 22 GCA, §35105 shall have been obtained within  
2           the five (5) years prior to the date of application and shall meet  
3           the requirements of this Rule.”

4           **Section 50.** Section 2105(b)(2) of Chapter 2 of Title 25, Guam  
5           Administrative Rules is hereby *amended* to read:

6                       “(2) The applicant shall have their experience verified to  
7           the Board by an active status licensee as defined in the Act or  
8           from another state. Acceptable experience shall include  
9           employment in industry, government, academia or public  
10          practice. The Board shall look at such factors as the complexity  
11          and diversity of the work. Applicant’s experience shall have  
12          been performed in accordance with applicable professional  
13          standards. Experience in public accounting shall be completed  
14          under the supervision or in the employ of a person licensed or  
15          otherwise having comparable authority under the laws of any  
16          state or country to engage in the practice of public accountancy.  
17          Experience in academia, private or governmental accounting or  
18          auditing shall be completed under the supervision of an  
19          individual actively licensed by a state to engage in the practice  
20          of public accountancy. Experience in attest services shall be  
21          comprised of at least 1000 hours of direct experience in  
22          providing attest services under the direct supervision of an  
23          individual licensed or otherwise having comparable authority



1           under the laws of any state or country to engage in the practice  
2           of public accountancy and provide attest services.”

3           **Section 51.** Section 2105(d) of Chapter 2 of Title 25, Guam  
4 Administrative Rules is hereby *amended* to read:

5           “(d) **Continuing professional education requirements for**  
6 **renewal of the license ~~or registration~~.** The following requirements  
7 of continuing professional education apply to the renewal of licenses  
8 ~~and registrations~~ pursuant to 22 GCA §35106:”

9           **Section 52.** Section 2105(d)(1) of Chapter 2 of Title 25, Guam  
10 Administrative Rules is hereby *amended* to read:

11           “(1) An applicant seeking renewal of an active status  
12 license, ~~or registration~~, shall show that the applicant has  
13 completed no less than one hundred twenty (120) hours of  
14 continuing professional education, complying with these Rules  
15 during the three (3)-year period preceding renewal, with a  
16 minimum of twenty (20) hours in each year. An applicant  
17 seeking renewal of an active license ~~or registration~~ shall  
18 demonstrate participation in a program of learning, meeting the  
19 standards set forth in the Statement on Standards for  
20 Continuing Professional Education (CPE) Programs jointly  
21 ~~re~~ approved by NASBA and AICPA.” ~~re~~

22           **Section 53.** Section 2105(d)(2) of Chapter 2 of Title 25, Guam  
23 Administrative Rules is hereby *amended* to read:

1           “(2) An applicant whose license, ~~or registration~~, has  
2           become delinquentlapsed shall complete no less than one  
3           hundred twenty (120) hours of CPE complying with these Rules  
4           during the three (3)- year period preceding the date of  
5           reapplication. An applicant whose license ~~or registration~~ has  
6           become delinquentlapsed shall be required to identify and  
7           complete a program of learning designed to demonstrate the  
8           currency of the licensee’s competencies directly related to his or  
9           her area of service.”

10           **Section 54.** Section 2103(d)(1)~~(B)~~(3) of Chapter 2 of Title 25, Guam  
11           Administrative Rules is hereby *amended* to read:

12           “(3) An active status licensee granted an exception from  
13           the competency requirement by the Board may discontinue use  
14           of the word ‘inactive’ in association with their CPA title upon  
15           showing that they have completed no less than one hundred  
16           twenty (120) hours of continuing professional education  
17           complying with these Rules during the three (3)-year period  
18           preceding their request to discontinue use of the word  
19           ‘inactive’.”

20           **Section 55.** Section 2105(d)(4) of Chapter 2 of Title 25, Guam  
21           Administrative Rules is hereby *amended* to read:

22           “(4) An applicant seeking renewal of an active status  
23           license ~~or registration~~ shall show that the applicant has

1 completed no less than one hundred twenty (120) hours of  
2 continuing professional education, including at least thirty (30)  
3 hours of CPE in accounting and auditing subjects, no more than  
4 thirty (30) hours of CPE in personal development subjects, and  
5 no less than six (6) ~~two~~ (2) hours of ethics continuing  
6 professional education during the three (3)-year period  
7 preceding renewal.”

8 **Section 56.** Section 2105(f) of Chapter 2 of Title 25, Guam  
9 Administrative Rules is hereby *amended* to read:

10 **“(f) Continuing professional education records.**

11 (1) Applicants for renewal of active status licenses or  
12 ~~registrations~~ pursuant to this Act shall file ~~with their~~  
13 ~~applications~~ a signed CPE Report form provided by the Board,  
14 including a statement indicating they have met the  
15 requirements for participation in a program of continuous  
16 learning as set forth by the Board or contained in the Statement  
17 on Standards for Continuing Professional Education (CPE)  
18 Programs jointly approved by the NASBA and the AICPA.  
19 Applicants’ CPE Reports are due annually no later than January  
20 15<sup>th</sup>, covering the three (3)-year period ending the preceding  
21 December 31<sup>st</sup>. Any CPE reporting form received after January  
22 15<sup>th</sup>, but on or before June 30<sup>th</sup> will be assessed the delinquency  
23 fee for late filing. Applicants who do not meet the requirements

1 by December 31<sup>st</sup> will be granted an automatic extension until  
2 June 1<sup>st</sup> provided the applicant completes an additional 16  
3 hours (136 hours total) of CPE in accounting and auditing  
4 subjects. Applicants utilizing this automatic extension must  
5 ensure the Board receives all required information, forms and  
6 fees by June 1<sup>st</sup>. Responsibility for documenting the  
7 acceptability of the program and the validity of the credits rests  
8 with the applicant who should retain such documentation for a  
9 period of five (5) years following completion of each learning  
10 activity.

11 (2) The Board will verify, on a test basis, information  
12 submitted by applicants for renewal of licenses ~~or registrations~~.  
13 In cases where the Board determines that the requirement is not  
14 met, the Board may grant an additional period of time in which  
15 the deficiencies can be cured. Fraudulent reporting is a basis  
16 for disciplinary action.”

17 **Section 57.** Section 2105(g)(3) of Chapter 2 of Title 25, Guam  
18 Administrative Rules is hereby *amended* to read:

19 “(3) Licensees granted such an exception by the Board  
20 must place the word ‘inactive’ adjacent to their CPA title on  
21 any business card, letterhead or any other document or device,  
22 with the exception of their CPA certificate, on which their CPA  
23 title appears, unless such exception was granted as a result of

1 licensee's request for retired status, in which event the licensee  
2 must substitute the word 'retired' for the word 'inactive'."

3 **Section 58.** Section 2105(h) of Chapter 2 of Title 25, Guam  
4 Administrative Rules is hereby *amended* to read:

5 “(h) **Interstate practicereciprocity.** If the substantial  
6 equivalency standard set out in 22 GCA, §35122 is not applicable, the  
7 Board:

8 (1) shall issue a certificate to the holder of a certificate issued  
9 by another state provided that the applicant: establishes a principal  
10 place of business in Guam, and

11 (a~~1~~) Has successfully completed the CPA examination.  
12 Successful completion of the examination means that the  
13 applicant passed the examination in accordance with the rules  
14 of the other state at the time it granted the applicant's initial  
15 certificate.

16 (b~~2~~) Has, in addition to meeting the requirements of  
17 Subsection (a~~1~~) satisfied the requirements set out in 22 GCA  
18 §35106(c)(1)(B).

19 (c~~3~~) Has experience of the type required under this Act  
20 and these Rules for issuance of the initial certificate.

21 (d~~4~~) Has met the CPE requirement pursuant to 22 GCA,  
22 §35106 (c)(1)(C) if applicable.

23 (2) may authorize the individual that maintains a principal

1 place of business outside of Guam to exercise practice privileges in  
2 Guam if such individual:

3 (a) Has an active CPA license in good standing issued by  
4 another state; as provided within 22 GCA §35103 (r);

5 (b) Has met the 4 in 10 experience requirement set out in  
6 22 GCA §35106(c)(1)(b) of the Act;

7 (c) Provides Notice to the Board in the same manner and  
8 on comparable forms as required for substantially  
9 equivalent practitioners under 22 GCA §35122 of the Act  
10 and rules; and

11 (d) Consents to each of the terms and conditions  
12 pertaining to the use of practice privileges as set out in 22  
13 GCA §35122(a)(3) of the Act and rules.”

14 **Section 59.** Section 2106(a)(1) of Chapter 2 of Title 25, Guam  
15 Administrative Rules is hereby *amended* to read:

16 “(1) Applications by firms for initial issuance and for  
17 renewal of permits pursuant to 22 GCA, §35107 shall be made  
18 ~~annually~~ on a form provided by the Board, ~~and, in the case of a~~  
19 Applications for renewal of permits are due annually no later  
20 than, shall be filed no earlier than four (4) months and no later  
21 than two (2) months prior to June 30<sup>th</sup> of each year.  
22 Applications will not be considered filed until the applicable  
23 fee and all required documents prescribed in these Rules are

1 received by the Board. If an application for permit renewal is  
2 filed late, it shall also be accompanied by the delinquency fee  
3 prescribed in these Rules.

4 **Section 60.** Section 2106(a)(2) of Chapter 2 of Title 25, Guam  
5 Administrative Rules is hereby *amended* to read:

6 “(2) A sole proprietor may apply simultaneously for an  
7 individual license or a renewal of an individual ~~registration or a~~  
8 license and a Firm Permit to Practice and will pay only the fee  
9 for the individual license or renewal thereof~~registration.~~”

10 **Section 61.** Section 2106(c)(6) of Chapter 2 of Title 25, Guam  
11 Administrative Rules is hereby *amended* to read:

12 “(6) In gathering information about the professional  
13 work of licensees, the Board may make use of investigators,  
14 either paid or unpaid, who are *not* members of the Board.  
15 Except for investigation of non-technical matters, all  
16 investigators and consultants hired by the Board who  
17 undertake the investigation of Guam CPAs shall be active  
18 certified public accountants with a minimum of five (5) years of  
19 active licensure in the area of public accountancy. Non-  
20 technical matters are matters not encompassing the technical  
21 proficiency of a licensee in the practice of public accountancy.”

22 **Section 62.** Section 2106(d)(2) of Chapter 2 of Title 25, Guam  
23 Administrative Rules is hereby *amended* to read:

1                   “(2) The Board, or a A Peer Review Oversight  
2                   Committee ~~shall be appointed by the Board, shall to~~ monitor  
3                   such the equivalent programs to determine and report to the  
4                   ~~Board~~ that the programs meet the requirements set out in this  
5                   Act and these Rules.”

6                   **Section 63.** Section 2106(f) of Chapter 2 of Title 25, Guam  
7 Administrative Rules is hereby ~~added~~ *amended* to read:

8                   “(f) **Documentation and Retention.** Licensees and CPA  
9                   firms shall comply with all professional standards applicable to  
10                   particular engagements, including but not limited to standards  
11                   adopted by recognized standards setting bodies such as the Public  
12                   Company Accounting Oversight Board (PCAOB), the Comptroller  
13                   General of the United States, and the Auditing Standards Board.  
14                   Accordingly, the retention period for Attest Documentation shall be  
15                   seven (7) years and shall be measured from the report date. Any  
16                   Attest Documentation involved in a pending investigation or  
17                   disciplinary action shall not be destroyed until the licensee has been  
18                   notified in writing of the closure of such investigation or disciplinary  
19                   proceeding.”

20                   **Section 64.** Section 2107(a) of Chapter 2 of Title 25, Guam  
21 Administrative Rules is hereby *amended* to read:

22                   “(a) **Grounds for enforcement actions against licensees.**

23                   The grounds for revocation and suspension of certificates,



1 ~~registrations~~ and licenses, and other disciplinary action against  
2 licensees and individuals with privileges under 22 GCA, §35122, are  
3 set out in 22 GCA, §35109 in both specific and general terms. The  
4 general terms of that provision of the Act include the following  
5 particular grounds for such disciplinary action:"

6 **Section 65.** Section 2107(a)(1) of Chapter 2 of Title 25, Guam  
7 Administrative Rules is hereby *amended* to read:

8 "(1) Fraud or deceit in obtaining a certificate,  
9 ~~registration~~ or license, within the meaning of 22 GCA, §35109,  
10 includes the submission to the Board of any knowingly false or  
11 forged evidence in, or in support of, an application for a  
12 certificate, ~~registration~~ or license, and cheating on an  
13 examination as defined in these Rules."

14 **Section 66.** Section 2107(a)(4)(C) of Chapter 2 of Title 25, Guam  
15 Administrative Rules is hereby *amended* to read:

16 "(C) Presenting as one's own a certificate,  
17 ~~registration~~ or license issued to another;"

18 **Section 67.** Section 2107(b) of Chapter 2 of Title 25, Guam  
19 Administrative Rules is hereby *amended* to read:

20 "(b) **Return of certificate, ~~registration~~, license, or Firm Permit**  
21 **to Practice.** Any licensee whose certificate, license or Firm Permit to  
22 Practice issued by the Board is subsequently suspended or revoked  
23 shall promptly return such certificate, ~~registration~~, license, or Firm

1 Permit to Practice to the Board.”

2 **Section 68.** Section 2110(a)(1) of Chapter 2 of Title 25, Guam  
3 Administrative Rules is hereby *amended* to read:

4 “(1) A person whose certificate, or license, ~~or~~  
5 ~~registration~~ has been revoked or suspended or an individual  
6 whose privileges under 22 GCA, §35122 have been revoked or  
7 limited, or a firm whose Permit to Practice has been revoked or  
8 suspended or a person or firm that has been put on probation  
9 pursuant to 22 GCA, §35109 may apply to the Board for  
10 modification of the suspension, revocation or probation after  
11 completion of all requirements contained in the Board’s original  
12 order.”

13 **Section 69.** Section 2110(b)(2) of Chapter 2 of Title 25, Guam  
14 Administrative Rules is hereby *amended* to read:

15 “(2) The Board may impose appropriate terms and  
16 conditions for reinstatement of a certificate, license, ~~registration,~~  
17 Firm Permit to Practice or privileges under 22 GCA, §35122 or  
18 modification of a suspension, revocation or probation.”

19 **Section 70.** Section 2110(b)(3) of Chapter 2 of Title 25, Guam  
20 Administrative Rules is hereby *amended* to read:

21 “(3) In considering an application under §2110(a),~~§~~ the  
22 Board may consider all activities of the applicant since the  
23 disciplinary penalty from which relief is sought was imposed,

1 the offense for which the applicant was disciplined, the  
2 applicant's activities during the time the certificate, license,  
3 ~~registration~~, privileges under 22, GCA §35122 or permit was in  
4 good standing, the applicant's rehabilitative efforts, restitution  
5 to damaged parties in the matter for which the penalty was  
6 imposed, and the applicant's general reputation for truth and  
7 professional probity."

8 **Section 71.** Sections 27 through 70 of this law are considered part of  
9 the Guam Administrative Rules and may be amended through the  
10 Administrative Adjudication Act process.

11 **Section 72. Transfer of Appropriation to the Guam Board of**  
12 **Accountancy.** The balance of the appropriation contained within Section  
13 22 of Chapter III of Public Law 28-68, is hereby transferred to the Guam  
14 Board of Accountancy. The Department of Revenue and Taxation and the  
15 Department of Administration shall reconcile the account prior to the  
16 transfer of funds.

17 **Section 732. Severability.** *If any provision of this law or its*  
18 *application to any person or circumstance is found to be invalid or contrary*  
19 *to law, such invalidity shall not affect other provisions or applications of*  
20 *this law which can be given effect without the invalid provisions or*  
21 *application, and to this end the provisions of this law are severable.*

I MINA'BENTE OCHO NA LIHESLATURAN GUAHAN  
FLOOR AMENDMENTS/CHANGES

Bill No. ~~1111~~ 242 (EC)

Senator Proposing Amendment: ~~\_\_\_\_\_~~ Lou Leon Guerrero

*Describe proposed amendment and/or change here:*

**Add a new Section to Chapter \_\_\_\_\_ Miscellaneous Provisions as follows:**

Section \_\_\_\_ 35104(d) of Chapter 35, Title 22, Guam Code Annotated is hereby amended to read:

“(d) Notwithstanding the Central Accounting Act, all fees and money collected by the Board under this Chapter shall be received and accounted for by the Board and deposited in a special fund known as the Guam Board of Accountancy Fund. This fund shall be established by the Board and kept in a bank licensed to do business on Guam, and funds shall be paid out only upon a request for payment, or requisition, submitted by the Executive Director and countersigned by the Chairperson of the Board, or other member specifically designated by the Board. All monies in this fund are hereby specifically appropriated only the General Fund. All funds shall be appropriated to the Board by I Liheslaturan Guahan, for the use of the Board in the pursuit of its authority. No disbursement of funds appropriated shall be made unless the same has been approved, authorized and ordered by the Board. Such monies shall be utilized solely for the expenses of administering the provisions of this Chapter, which may include, but shall not be limited to, the costs of conducting investigations and of taking testimony and procuring the attendance of witnesses before the Board or its committees; all legal proceedings taken under this Chapter for the enforcement thereof; and educational programs for the benefit of the public and licensees and their employees. The Board shall make expenditures from this fund for any purpose which is approved by the Board as reasonable and necessary for the proper performance of its duties under this Chapter, including the expenses of the Board delegates to attend meetings of and the membership fees to the National Association of State Boards of Accountancy. The Board shall approve and submit an annual budget to I Liheslaturan Guahan on or before March 30, 2006 for Fiscal Year 2007 and January 30<sup>th</sup> for each following fiscal year. thereafter, the Board shall approve and submit to I Liheslaturan Guahan its annual budget for the following fiscal year. If the Board fails to submit a budget for the next fiscal year, or if I Liheslaturan Guahan fails to approve the annual budget before the next fiscal year, the current fiscal year’s budget shall become law for the next fiscal year, subject to legislative modification. On or before December 1<sup>st</sup> of each fiscal year, the Board shall prepare and submit to I Maga’lahen Guahan and to I Liheslaturan Guahan a report of its transactions for the preceding fiscal year, including a complete statement of receipts and expenditures of the Board attested by affidavits of its Chairperson and Executive Direct.”

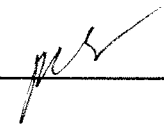
(i) ~~Annual Transfer of Funds, Appropriations and Obligations.~~ Beginning in Fiscal Year 2007, all funds, balances and unreserved fund balances and funds in excess of any outstanding obligations or encumbrances of the Guam Board of Accountancy Fund as of the end of each fiscal year shall be transferred annually to the General Fund. ~~Any past appropriation, outstanding obligation or encumbrances remaining with the Guam Board of Accountancy Fund shall be assumed and obligated by the General Fund beginning in Fiscal Year 2007.~~

Date: 3/24/06 (Below for Clerk of Legislature's use and processing)

Floor Amendment No. 1 of a total of \_\_\_\_\_ changes on above Bill.  
Votes For Amendment: \_\_\_\_\_ Votes Against Amendment: \_\_\_\_\_

AMENDMENT PASSED: \_\_\_\_\_ AMENDMENT FAILED:  \_\_\_\_\_  
AMENDMENT WITHDRAWN: \_\_\_\_\_

APPROVED AS TO FORM PASSED  
CONCUR (INITIAL)

\_\_\_\_\_ 

\_\_\_\_\_  
Clerk of Legislature  
\_\_\_\_\_  
Ass't Amend. Clerk  
\_\_\_\_\_  
Engrossment Staff

\_\_\_\_\_  
Speaker

I MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN  
2005 (FIRST) Regular Session

Bill No. 242 (FC)

Introduced by:

Edward J.B. Calvo *EB*  
A.R. Unpingco  
Mark Forbes *MF*

AN ACT TO AMEND CHAPTER 35 TITLE 22 OF THE  
GUAM CODE ANNOTATED, RELATIVE TO THE  
GUAM ACCOUNTANCY ACT OF 2003, AND TO  
AMEND TITLE 25, CHAPTER 2 OF THE GUAM  
ADMINISTRATIVE RULES, RELATIVE TO  
POLICIES WITHIN THE ADMINSTRATIVE RULES  
AND REGULATIONS OF THE GUAM BOARD OF  
ACCOUNTANCY.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan*  
3 finds the Guam Board of Accountancy ("GBA") regulates the practice of  
4 public accountancy, as well as the administration of testing, certification,  
5 licensure, and enforcement of certified public accountants ("CPAs") for the  
6 purpose of protecting the welfare of the general public. *I Liheslaturan*  
7 *Guåhan* further finds most state boards of accountancy subscribe to  
8 regulatory and professional standards incorporated in the Uniform

1 Accountancy Act ("UAA"), a model code issued and periodically updated  
2 by the National Association of State Boards of Accountancy ("NASBA")  
3 and the American Institute of Certified Public Accountants ("AICPA").

4 Having essentially adopted all provisions of the UAA with  
5 enactment of the Guam Accountancy Act of 2003 ("the ACT"), GBA has  
6 during the ensuing two years determined it is now necessary to  
7 incorporate several definitive technical clarifications in Guam's Public  
8 Accountancy statutes including: 1) clarification of educational  
9 qualifications required of candidates for the CPA Exam; 2) delineation of  
10 the types of accounting experience required to qualify for a CPA certificate  
11 and license to practice; 3) definition of licensing classifications relative to  
12 the requirements met; 4) updating of reciprocity requirements relative to  
13 national and international standards; and 5) clarification and/or correction  
14 of obvious omissions and/or errors existing in the ACT as originally  
15 passed.

16 It is therefore the intent of *I Liheslaturan Guåhan* to revise existing  
17 statutes as well as administrative rules and regulations for the purpose of  
18 bettering Guam's compliance with and administration of nationally and  
19 internationally accepted standards and practices of public accountancy.

1           **Section 2.** Section 35103(b) of Chapter 35 of Title 22, Guam Code

2 Annotated is hereby *amended* to read:

3           “(b) ‘Attest’ means providing the following financial  
4 statement services:

5                   (1) any audit or other engagement to be performed in  
6 accordance with the Statements on Auditing Standards (‘SAS’);

7                   (2) any review of a financial statement to be performed  
8 in accordance with the Statements on Standards for Accounting  
9 and Review Services (‘SSARS’); and

10                   (3) any ~~examination of prospective financial information~~  
11 engagement to be performed in accordance with the Statements  
12 on Standards for Attestation Engagements (‘SSAE’).”

13           The statements on standards specified in this definition shall be  
14 adopted by reference by the Board pursuant to rulemaking and shall  
15 be those developed for general application by recognized national  
16 accountancy organizations such as the AICPA and the PCAOB.

17           **Section 3.** Section 35103(r) of Chapter 35 of Title 22, Guam Code

18 Annotated is hereby *amended* to read:

19           “(r) ‘State’ means any state of the United States, the District of



1 Columbia, Puerto Rico, the United States Virgin Islands, ~~and~~ Guam,  
2 and the Commonwealth of the Northern Mariana Islands."

3 **Section 4.** A *new* Subsection (t) is *added* to §35103 of Chapter 35 of  
4 Title 22, Guam Code Annotated to read:

5 "(t) 'PCAOB' means the Public Company Accounting  
6 Oversight Board."

7 **Section 5.** A *new* Subsection (u) is *added* to §35103 of Chapter 35 of  
8 Title 22, Guam Code Annotated to read:

9 "(u) 'Principal place of business' means the office location  
10 designated by the licensee for purposes of substantial equivalency  
11 and reciprocity."

12 **Section 6.** Section 35104(a) of Chapter 35 of Title 22, Guam Code  
13 Annotated is hereby *amended* to read:

14 "(a) There is hereby created the Guam Board of Accountancy,  
15 which shall have responsibility for the administration and  
16 enforcement of this Chapter. The Board shall consist of five (5)  
17 members appointed by *I Maga'lahi*, all of whom shall be residents of  
18 Guam and holders of licenses currently valid under §35106 of this  
19 Chapter. The term of each member of the Board shall be four (4)

1 years. Vacancies occurring during a term shall be filled by  
2 appointment by *I Maga'lahi* for the unexpired remaining term,  
3 provided that all appointments first occurring after this Guam  
4 Accountancy Act becomes law, whether due to term expiration or  
5 otherwise, shall be for terms of the following lengths: the first two  
6 appointments for two year terms, the second two appointments for  
7 three year terms and a third single appointment for a four year term,  
8 until the Board shall have no more than two terms expiring in any  
9 one year. Thereafter, all appointments shall be for four year terms.

10 Upon the expiration of a member's term of office, such member shall  
11 continue to serve until a successor shall have been appointed and  
12 taken office. Any member of the Board whose certificate under  
13 §35105 of this Chapter is revoked, or suspended shall automatically  
14 cease to be a member of the Board. *I Maga'lahi* may, after a hearing  
15 pursuant to the Administration Adjudication Law, remove any  
16 member of the Board for neglect of duty or other cause."

17 | **Section 7.** Section 35105(b) of Chapter 35 of Title 22, Guam Code  
18 Annotated is hereby *amended* to read:

19 "(b) Good moral character for purposes of this §35105

1 means the propensity to provide professional services in a fair,  
2 honest, and open manner ~~lack of a history of dishonest or felonious~~  
3 ~~acts.~~ The Board may refuse to grant a certificate, or license, on the  
4 ground of failure to satisfy this requirement only *if* there is a  
5 substantial connection between the lack of good moral character of  
6 the applicant and the professional responsibilities of a licensee and *if*  
7 the finding by the Board of lack of good moral character is supported  
8 by clear and convincing evidence. When an applicant is found to be  
9 unqualified for a certificate or license because of a lack of good moral  
10 character, the Board shall furnish the applicant a statement  
11 containing the findings of the Board, a complete record of the  
12 evidence upon which the determination was based, and a notice of  
13 the applicant's right of appeal."

14 **Section 8.** Section 35105(c) of Chapter 35 of Title 22, Guam Code  
15 Annotated is hereby *amended* to read:

16 "(c) The education requirement for a certificate shall be at  
17 least ~~one hundred fifty (150) semester hours of~~ a college education  
18 including a baccalaureate, or higher degree, conferred by a college or  
19 university acceptable to the Board, the total educational program to

1 include an accounting concentration, or equivalent, as determined by  
2 Board rule to be appropriate.”

3 **Section 9.** Section 35105(d)(2) of Chapter 35 of Title 22, Guam Code  
4 Annotated is hereby *amended* to read:

5 “(2) Notwithstanding Title 22 GCA, §35105(c), beginning  
6 October 1, 2005, August 1, 2003, the education requirement, which  
7 must be met *before* an applicant is qualified to take the examination  
8 prescribed in Subsection (d)(1) shall be ~~as follows:~~ the completion of  
9 a baccalaureate degree, or its equivalent, conferred by a college or  
10 university acceptable to the Board, with an accounting and business  
11 concentration, or equivalent, as determined by Board rule to be  
12 appropriate, within 150 days following the examination. No credit for  
13 the examination shall be granted if the education requirement is not  
14 completed within such time.”

15 **Section 10.** Section 35105(f) of Chapter 35 of Title 22, Guam Code  
16 Annotated is hereby *amended* to read:

17 “(f) An applicant for initial issuance of a certificate and  
18 inactive license under this §35105 shall show that the applicant has  
19 met the education and examination requirements as defined herein

1 and as prescribed by the Board by rule.

2 An applicant for initial issuance of a certificate and active  
3 license under this §35105 shall show that the applicant has met the  
4 education and examination requirements and has had two (2) ~~one (1)~~  
5 years of experience as defined herein and in the Rules as prescribed  
6 by the Board by rule; or if the applicant's educational qualifications  
7 comprise a baccalaureate degree with an accounting concentration, or  
8 equivalent, as determined by the Board to be appropriate, and not  
9 less than thirty (30) semester hours of additional study in the field of  
10 business or related subjects, then that such applicant shall have had  
11 one (1) year of experience as defined herein and as prescribed by the  
12 Board by rule. This experience shall include providing any type of  
13 service or advice involving the use of accounting, attest, compilation,  
14 management advisory, financial advisory, tax or consulting skills all  
15 of which ~~must be~~ was verified by an active licensee, ~~meeting~~  
16 requirements prescribed by the Board by rule. This experience  
17 would be acceptable if it was gained through employment in  
18 government, industry, academia or public practice, ~~meeting all~~  
19 requirements prescribed by the Board by rule. To be authorized to

1 sign reports on attest engagements, an applicant shall show that the  
2 applicant has had experience in attest services as prescribed by the  
3 Board by rule. The type of experience now acceptable can be applied  
4 retroactively.

5 An applicant for initial licensure, or initial certification, who  
6 first sat for the exam as a Guam candidate in May 2000 or *prior*, shall  
7 have had two (2) years of experience in the practice of public  
8 accountancy, meeting requirements prescribed by the Board by rule;  
9 or, *if* the applicant's educational qualifications comprise a  
10 baccalaureate degree with an accounting concentration, or  
11 equivalent, as determined by the Board to be appropriate, and not  
12 less than thirty (30) semester hours of additional study in the field of  
13 business or related subjects, then that such applicant shall have had  
14 one (1) year of experience in such practice;

15 An applicant for initial licensure or initial certification who first  
16 sat for the exam as a Guam candidate in November 2000, or *after, but*  
17 *before October 2005,* shall have had one (1) year of experience in the  
18 practice of public accountancy, meeting requirements prescribed by  
19 the Board by rule;

1           An applicant for initial ~~licensure or initial~~ certification and  
2           active licensure, who first sat for the exam as other than a Guam  
3           candidate and did *not* meet ~~Guam's current~~ a one hundred fifty (150)  
4           hour educational requirements at the time of first sitting shall have  
5           had two (2) years of experience in the practice of public accountancy,  
6           meeting requirements prescribed by the Board by rule;

7           An applicant for initial ~~licensure or initial~~ certification and  
8           active licensure who first sat for the exam as other than a Guam  
9           Candidate and did meet ~~Guam's current~~ a one hundred fifty (150)  
10          hour educational requirements at the time of first sitting shall have  
11          had one year of experience in the practice of public accountancy,  
12          meeting requirements prescribed by the Board by rule."

13          **Section 11.** Section 35105(g) of Chapter 35 of Title 22, Guam Code  
14          Annotated is hereby *amended* to read:

15                 “(g) Upon the effective date of this Chapter, any person  
16                 holding a valid certificate issued under *prior* Guam law shall be  
17                 deemed to have met the requirements for certification set out in this  
18                 §35105. Individuals who held certificates issued prior to the effective  
19                 date of this ~~L~~law will be marked ‘inactive’ unless they are issued

1 licenses pursuant to and in accordance with §35106.”

2 **Section 12.** Section 35106(c)(1) of Chapter 35 of Title 22, Guam Code

3 Annotated is hereby *amended* to read:

4 “(c) **Non-substantial equivalency reciprocity.** (1) With  
5 regard to applicants that do not qualify for reciprocity under the  
6 substantial equivalency standard set out in §35122 of this Chapter,  
7 the Board shall issue a license to a holder of a certificate, license, or  
8 permit issued by another state upon a showing that:

9 (A) The applicant passed the uniform CPA  
10 ~~examination required for issuance of the applicant’s~~  
11 ~~certificate with grades that would have been passing~~  
12 ~~grades at the time in Guam;~~

13 (B) The applicant had four (4) years of experience  
14 outside of Guam of the type described in §35105(f) or  
15 meets comparable equivalent requirements prescribed by  
16 the Board by rule, after passing the examination upon  
17 which the applicant’s certificate was based and within the  
18 ten (10) years immediately preceding the application; and

19 (C) If the applicant’s certificate, license, or permit



1 was issued more than four (4) years prior to the  
2 application for issuance of an initial license under this  
3 Section, that the applicant has fulfilled the requirements  
4 of continuing professional education that would have  
5 been applicable under Subsection (d) of this Section.”

6 **Section 13.** Section 35106(d) of Chapter 35 of Title 22, Guam Code  
7 Annotated is hereby *amended* to read:

8 “(d) For renewal of a license under this §35106 each licensee  
9 shall participate in a program of learning designed to maintain  
10 professional competency. Such program of learning must comply  
11 with rules adopted by the Board. The Board may by rule create an  
12 exception to this requirement for certificate holders who do not  
13 perform or offer to perform for the public one (1) or more kinds of  
14 services involving the use of accounting or auditing skills, including  
15 issuance of reports on financial statements, or of one (1) or more  
16 kinds of management advisory, financial advisory or consulting  
17 services, or the preparation of tax returns or the furnishing of advice  
18 on tax matters. Licensees granted such an exception by the Board  
19 must place the word ‘inactive’, or such other indicative wording as

1 the Board may prescribe by rule, adjacent to their CPA title on any  
2 business card, letterhead or any other document or device, with the  
3 exception of their CPA certificate, on which their CPA title appears.”

4 **Section 14.** Section 35106(e) of Chapter 35 of Title 22, Guam Code

5 Annotated is hereby *amended* to read:

6 |           “(e) [Deleted]. ~~For renewal of a license under this §35106, each~~  
7 |           ~~licensee shall participate in a program of learning designed to~~  
8 |           ~~maintain professional competency. Such program of learning must~~  
9 |           ~~comply with rules adopted by the Board. The Board may by rule~~  
10 |           ~~create an exception to this requirement. Licensees granted such an~~  
11 |           ~~exception by the Board must place the word “inactive” adjacent to~~  
12 |           ~~their CPA title on any business card, letterhead, or any other~~  
13 |           ~~document or device with the exception of their CPA certificate on~~  
14 |           ~~which their CPA title appears.”~~

15 |           **Section 15.** Section 35107(d)(4) of Chapter 35 of Title 22, Guam Code

16 Annotated is hereby *amended* to read:

17           “(4) Any individual licensee who signs or authorizes  
18           someone to sign the report on the financial statements on behalf  
19           of the CPA firm shall meet the competency requirement of

1 §35107(d)(3).”

2 **Section 16.** Section 35107(i)(3) of Chapter 35 of Title 22, Guam Code  
3 Annotated is hereby *amended* to read:

4 “(3) may require, with respect to peer reviews  
5 contemplated by §35107(i)(2), that they be subject to oversight  
6 by the Board or an oversight body established or sanctioned by  
7 Board rule, which body shall periodically report to the Board  
8 on the effectiveness of the review program under its charge,  
9 and provide to the Board a listing of CPA firms that have  
10 participated in a peer review program that is satisfactory to the  
11 Board; and”

12 **Section 17.** The Title of §35109 of Chapter 35 of Title 22, Guam Code  
13 Annotated is hereby *amended* to read:

14 **“§35109. Enforcement-Grounds for Discipline Against**  
15  **Holders of Certificates, Licenses, Firm Permits to Practice and 22**  
16  **GCA §35122 Practitioners.”**

17 **Section 18.** Section 35109(a) of Chapter 35 of Title 22, Guam Code  
18 Annotated is hereby *amended* to read:

19 “(a) After notice and hearing pursuant to §35111 of this

1 Chapter, the Board may revoke any certificate, licenses, or Firm  
2 Permit to Practice issued under §35105, §35106, or §35107 or  
3 corresponding provisions of prior law, or revoke or limit privileges  
4 under §35122; suspend any such certificate, license or Firm Permit to  
5 Practice or refuse to renew any such certificate, license, or Firm  
6 Permit to Practice for a period of not more than five (5) years;  
7 reprimand, censure, or limit the scope of practice of any licensee;  
8 impose an administrative fine not exceeding Five Thousand Dollars  
9 (\$5,000), or place any licensee on probation, all with or without terms,  
10 conditions, and limitations, for any one (1) or more of the following  
11 reasons:

12 (1) Dishonesty, ~~F~~fraud or deceit in obtaining a  
13 ~~certificate, license, Firm Permit to Practice, or §35122~~ privilege;

14 (2) Cancellation, revocation, suspension, or refusal to  
15 renew a license or privileges under §35122 for disciplinary  
16 reasons in any other state for any cause;

17 (3) Failure, on the part of a ~~holder of a~~ licensee under  
18 §35106 or Firm Permit to Practice under §35107, to maintain  
19 compliance with the requirements for issuance, or renewal of

1 such license or Firm Permit to Practice, or to report changes to  
2 the Board under §35106(g) or §35107(g);

3 (4) Revocation or suspension of the right to practice  
4 before any state or Federal agency;

5 (5) Dishonesty, fraud, deceit or gross negligence in the  
6 performance of services as a licensee or individual granted  
7 privileges under §35122, or in the filing or failure to file one's  
8 own income tax returns, or other required tax filings;

9 (6) Violation of any provision of this Chapter, or rule  
10 promulgated by the Board under this Chapter, or violation of  
11 professional standards;

12 (7) Violation of any rule of professional conduct  
13 promulgated by the Board under §35104(h)(4) of this Chapter;

14 (8) Conviction of a felony, or of any other crime an  
15 element of which is dishonesty, deceit or fraud, under the laws  
16 of the United States, of Guam, or of any other state, *if* the acts  
17 involved would have constituted a crime under the laws of  
18 Guam;

19 (9) Performance of any fraudulent act while holding a

1 certificate, license, Firm Permit to Practice, or §35122 privilege  
2 issued under this Chapter, or prior law;

3 (10) Any conduct reflecting adversely upon the  
4 licensee's fitness to perform services while a licensee, or  
5 individual granted privileges under §35122; ~~and~~

6 (11) Making any false or misleading statement or  
7 verification, in support of an application for a certificate or Firm  
8 Permit to Practice filed by another; ~~and~~.

9 (12) Failure to pay child support as determined by the  
10 Child Support Enforcement Division of the Office of the Attorney  
11 General ~~Office~~ of Guam."

12 **Section 19.** Section 35109(c) of Chapter 35 of Title 22, Guam Code  
13 Annotated is hereby *amended* to read:

14 "(c) In any proceeding in which a remedy provided by  
15 §35109(a) or §35109(b) is imposed, the Board may also require the  
16 respondent licensee to pay the costs of the investigation, the  
17 proceeding and other related costs, fees including reasonable  
18 attorneys fees, incurred by the Board."

19 **Section 20.** A *new* Subsection (1) is hereby *added* to §35111(a) of

1 Chapter 35 of Title 22, Guam Code Annotated to read:

2 “(1) A licensee, a holder of a certificate, or an individual with  
3 privileges under §35122 against whom a complaint has been issued  
4 under this §35111 may waive in writing their right to a hearing before  
5 the Board on such charge(s), thus sustaining such charge(s) and  
6 accepting such penalty as may be imposed by the Board with respect  
7 thereto.”

8 **Section 21.** Section 35112(a) of Chapter 35 of Title 22, Guam Code  
9 Annotated is hereby *amended* to read:

10 “(a) In any case where the Board has suspended or revoked or  
11 refused to renew a certificate, license, a Firm Permit to Practice, or  
12 privileges under §35122 ~~refused to renew a certificate or Firm Permit~~  
13 ~~to Practice,~~ the Board may, upon application in writing by the person  
14 or firm affected and for good cause shown, modify the suspension, or  
15 reissue the certificate, license, or Firm Permit to Practice, or remove  
16 the limitation or revocation of privileges under §35122.”

17 **Section 22.** Section 35113(b) of Chapter 35 of Title 22, Guam Code  
18 Annotated is hereby *amended* to read:

19 “(b) Licensees performing attest or compilation services must

1 provide those services in accordance with applicable professional  
2 standards.”

3 **Section 23.** Section 35119 of Chapter 35 of Title 22, Guam Code  
4 Annotated is hereby *amended* to read:

5 | **“§35119. Privity of Contract.”**

6 **Section 24.** Section 35121(c)(2)(D) of Chapter 35 of Title 22, Guam  
7 Code Annotated is hereby *amended* to read:

8 “(D) In no event shall the damages awarded  
9 against or paid by a licensee exceed the amount  
10 determined under (C) or twenty (20) times the total fee  
11 paid, or to be paid, to licensee by plaintiff, whichever is  
12 less. The licensee shall not be jointly liable on any  
13 judgment entered against any other party to the action.”

14 **Section 25.** Section 35122(a)(2) of Chapter 35 of Title 22, Guam Code  
15 Annotated is hereby *amended* to read:

16 “(2) An individual whose principal place of business is  
17 *not* in Guam having a valid certificate or license as a Certified  
18 Public Accountant from any state which the NASBA National  
19 Qualification Appraisal Service has *not* verified to be in



1 substantial equivalence with the CPA licensure requirements of  
2 the AICPA/NASBA Uniform Accountancy Act shall be  
3 presumed to have qualifications substantially equivalent to the  
4 requirements of Guam and shall have all the privileges of  
5 certificate holders and licensees of Guam without the need to  
6 obtain a certificate or license under §35105 or §35106, if such  
7 individual obtains from the NASBA National Qualification  
8 Appraisal Service verification that such individual's CPA  
9 qualifications are substantially equivalent to the CPA licensure  
10 requirements of the AICPA/NASBA Uniform Accountancy  
11 Act. However, such individuals shall file written notice with  
12 the Board, on such form as may be specified by the Board, of  
13 their intent to enter Guam under this provision, shall pay any  
14 fee required, and shall have received written confirmation of  
15 receipt of such notice from the Board prior to practicing as a  
16 CPA."

17 **Section 26.** Section 35122(d) of Chapter 35 of Title 22, Guam Code  
18 Annotated is hereby *amended* to read:

19 "(~~c~~) The provisions of this section only apply to individual

1 licensees. No firm, as defined in §35103(g), shall practice public  
2 accountancy perform services as a certified public accountant in  
3 Guam without a Firm Permit to Practice issued pursuant to §35107.”

4 **Section 27.** A new Subsection (f) of §2102 of Chapter 2 of Title 25,  
5 Guam Administrative Rules is hereby *added* to read:

6 “(f) ‘License’ means any certificate and license issued under  
7 §35106 of this Chapter, or a certificate or individual permit to  
8 practice issued under corresponding provisions of prior law,  
9 with one of the following statuses, as prescribed by the Board  
10 by rule:

11 (1) ‘Active License’ status means a license issued and  
12 timely renewed under §35106 of this Chapter to an  
13 applicant fulfilling all education, examination and  
14 experience requirements of §35105 of this Chapter. An  
15 Active License status entitles the licensee to practice  
16 public accountancy in Guam. Active status licenses issued  
17 after October 1, 2005, will indicate on the face thereof  
18 whether the licensee has fulfilled the attest experience  
19 requirements and is authorized to perform attest services

1           in Guam;

2           (2) 'Inactive License' status means a license issued and  
3           timely renewed under §35106 of this Chapter to an  
4           applicant fulfilling only the education and examination  
5           requirements, but not the experience requirements, of  
6           §35105 of this Chapter. Inactive status licenses may also  
7           be granted by the Board as an exception under §35106(d)  
8           of this Chapter, as prescribed by rule. An Inactive status  
9           licensee is not authorized to and shall *not* practice public  
10           accountancy in Guam. All Inactive status licensees are  
11           granted an exception under 25 GAR §2105(g)(1) to the  
12           CPE renewal requirements of 25 GAR §2105(d)(1) and  
13           must comply with the requirements of 25 GAR §2105(g)  
14           applicable to each Inactive status licensee's exception;

15           (3) 'Retired License' status means any valid, timely  
16           renewed Active status or Inactive status license that a  
17           licensee requests be granted retired status as an exception  
18           by the Board under §35106(d) of this Chapter, as  
19           prescribed by rule. Retired status licensees are granted an

1 exception under 25 GAR §2105(g)(1) to the CPE renewal  
2 requirements of 25 GAR §2105(d)(1) and must comply  
3 with the requirements of 25 GAR §2105(g) applicable to  
4 their exception; and

5 (4) 'Delinquent License' status means any certificate,  
6 license or permit issued under this Act, or under  
7 corresponding provisions of prior law, that is *not* timely  
8 renewed under §35106 or §35107 of this Chapter or as  
9 prescribed by the Board by rule."

10 **Section 28.** Section 2103(d)(1)(B) of Chapter 2 of Title 25, Guam  
11 Administrative Rules is hereby *amended* to read:

12 "(B) NASBA/Prometric/AICPA Fees, Actual  
13 amounts specified in the CBT Services  
14 Agreement between AICPA, NASBA, and  
15 Prometric, as amended from time to time."

16 **Section 29.** A new Subsection (D) of §2103(d)(1) of Chapter 2 of Title  
17 25, Guam Administrative Rules is hereby *added* to read:

18 "(D) Application for Expiration Extensions (for  
19 Notice to Schedule, Conditional Credits, etc.),

1 Twenty-five Dollars (\$25.00)/application.”

2 **Section 30.** Section 2103(d)(2)(A)(iv) of Chapter 2 of Title 25, Guam  
3 Administrative Rules is hereby *amended* to read:

4 “(iv) Substantial Equivalency, per 22 GCA,  
5 §35122, Two ~~One-Hundred-Fifty~~ Dollars  
6 (\$200~~150~~.00).”

7 **Section 31.** Section 2103(d)(2)(B) of Chapter 2 of Title 25, Guam  
8 Administrative Rules is hereby *amended* to read:

9 “(B) Renewal (annually).

10 (i) Active, per 22 GCA, §35105(f), Seventy-  
11 Five Dollars (\$75.00).

12 (ii) Inactive, per 22 GCA, §35105(~~f~~g),  
13 Seventy-Five Dollars (\$75.00).

14 (iii) Foreign, per 22 GCA, §35106(h),  
15 Seventy-Five Dollars (\$75.00).

16 (iv) Substantial Equivalency, per 22 GCA,  
17 §35122, One Hundred Fifty Dollars  
18 (\$150.00).

19 (v) Retired, per 22 GCA, §35106(d),

1 Seventy-Five Dollars (\$75.00)."

2 **Section 32.** Section 2103(d)(2)(C)(iv) of Chapter 2 of Title 25, Guam  
3 Administrative Rules is hereby *amended* to read:

4 "(iv) Substantial Equivalency, per 22 GCA,  
5 §35122, Two ~~One~~ Hundred Fifty Dollars  
6 (\$2~~1~~50.00)."

7 **Section 33.** Section 2103(d)(4) of Chapter 2 of Title 25, Guam  
8 Administrative Rules is hereby *amended* to read:

9 "(4) Delinquency fee for late filing of any required CPE  
10 forms, or License or Permit renewal application  
11 forms, Certification, licensee, or Firm Permit to  
12 Practice Renewal applications received after April  
13 30, Two Dollars (\$2.00)/day (minimum Fifty  
14 Dollars (\$50.00) per form"

15 **Section 34.** Section 2103(e) of Chapter 2 of Title 25, Guam  
16 Administrative Rules is hereby *amended* to read:

17 "(e) Obligation of all holders of certificates, ~~licensees~~ licenses  
18 and Firm Permits to Practice, to notify the Board of changes of  
19 address and changes of employment.

1 All holders of certificates, ~~licensees~~ licenses and Firm Permits to  
2 Practice shall notify the Board in writing within thirty (30) days of  
3 any change of address and, in the case of holders of certificates and,  
4 ~~licensees~~ licenses, any change of employment.”

5 **Section 35.** Section 2103(f) of Chapter 2 of Title 25, Guam  
6 Administrative Rules is hereby *amended* to read:

7 “(f) **Communications.** Holders of certificates, ~~licensees~~  
8 licenses and Firm Permits to Practice shall respond in writing to any  
9 communication from the Board requesting a response, within thirty  
10 (30) days of the mailing of such communication by registered or  
11 certified mail, to the last address furnished to the Board by the  
12 holders of certificates, licenses and Firm Permits to Practice.”

13 **Section 36.** Section 2104(a)(8) of Chapter 2 of Title 25, Guam  
14 Administrative Rules is hereby *amended* to read:

15 “(8) The accounting and business concentration or  
16 equivalent contemplated by 22 GCA, §35105(e) as a 150 hour  
17 requirement shall consist of the semester hours specified in 25  
18 GAR, §2104(b) below. No more than six (6) hours will be  
19 recognized for internships or life experience.”

1           **Section 37.** Section 2104(a)(9) of Chapter 2 of Title 25, Guam  
2 Administrative Rules is hereby *amended* to read:

3                   “(9) The accounting and business concentration or  
4 equivalent contemplated by 22 GCA, §35105(c~~d~~) shall consist of  
5 the semester hours specified in 25 GAR, §2104(k) below. No  
6 more than six (6) hours will be recognized for internships or life  
7 experience.”

8           **Section 38.** Section 2104(b) of Chapter 2 of Title 25, Guam  
9 Administrative Rules is hereby *amended* to read:

10                   “(b) **Certification Education Requirement.** For purposes of  
11 certification per 22 GCA, §35105(e), an applicant will be deemed to  
12 have met a 150 hour ~~the~~ education requirement if the applicant has  
13 met any one (1) of the following four (4) conditions:”

14           **Section 39.** Section 2104(b)(3)(B) of Chapter 2 of Title 25, Guam  
15 Administrative Rules is hereby *amended* to read:

16                   “(B) At least twenty four (24) ~~thirty six (36)~~  
17 semester hours in business courses (which shall include  
18 six (6) semester hours in economics, three (3) semester  
19 hours in business law, three (3) semester hours in finance



1 and can include accounting courses beyond the  
2 elementary level in excess of those included to meet the  
3 twenty-four (24) semester hour requirement at the upper  
4 division level or graduate level)."

5 **Section 40.** Section 2104(b)(4)(B) of Chapter 2 of Title 25, Guam  
6 Administrative Rules is hereby *amended* to read:

7 "(B) At least twenty four (24) ~~thirty six (36)~~  
8 semester hours in business courses (which shall include 6  
9 semester hours in economics, three (3) semester hours in  
10 business law, three (3) semester hours in finance and can  
11 include accounting courses beyond the elementary level  
12 in excess of those included to meet the twenty-four (24)  
13 semester hour requirement at the upper division level or  
14 graduate level)."

15 **Section 41.** Section 2104(g)(2) of Chapter 2 of Title 25, Guam  
16 Administrative Rules is hereby *amended* to read:

17 "(2) Upon the implementation of a computer-based  
18 examination, a Candidate may take the required Test Sections  
19 individually and in any order. Credit for any Test Section(s)

1 passed shall be valid ~~for~~ through the end of the eighteenth  
2 (18<sup>th</sup>) months ~~from~~ after the actual ~~date~~ month the Candidate  
3 took that Test Section, without having to attain a minimum  
4 score on any failed Test Section(s) and without regard to  
5 whether the Candidate has taken other Test Sections.”

6 **Section 42.** Section 2104(g)(2)(A) of Chapter 2 of Title 25, Guam  
7 Administrative Rules is hereby *amended* to read:

8 “(A) Candidates must pass all four (4) Test Sections  
9 of the Uniform CPA Examination within a rolling  
10 eighteen (18)-month period, which begins in the month  
11 ~~on the date that~~ the first Test Section(s) passed is taken.”

12 **Section 43.** Section 2104(g)(6) of Chapter 2 of Title 25, Guam  
13 Administrative Rules is hereby *amended* to read:

14 “(6) A Candidate shall be deemed to have passed the  
15 Uniform CPA Examination once the Candidate holds at the  
16 same time valid credit for passing each of the four (4) Test  
17 Sections of the examination. For purposes of this section, credit  
18 for passing a Test Section of the computer-based examination is  
19 valid from the actual month ~~date~~ of the Testing Event for that

1 Test Section, regardless of the date the Candidate actually  
2 receives notice of the passing grade.”

3 **Section 44.** Section 2104(k) of Chapter 2 of Title 25, Guam  
4 Administrative Rules is hereby *amended* to read:

5 “(k) **Examination Education requirement.** For purposes of  
6 qualifying to take the exam per 22 GCA, §35105(~~cd~~)(2), an applicant  
7 will be deemed to have met the education requirement *if* the  
8 applicant has met any one (1) of the following four (4) conditions:”

9 **Section 45.** Section 2103(k)(3)(B) of Chapter 2 of Title 25, Guam  
10 Administrative Rules is hereby *amended* to read:

11 “(B) completed at least twenty four (24) ~~thirty-six~~  
12 ~~(36)~~ semester hours in business courses (which shall  
13 include six (6) semester hours in economics, three (3)  
14 semester hours in business law, three (3) semester hours  
15 in finance and can include accounting courses beyond the  
16 elementary level in excess of those included to meet the  
17 twenty-four (24) semester hour requirement at the upper  
18 division level or graduate level).”

19 **Section 46.** Section 2104(k)(4)(B) of Chapter 2 of Title 25, Guam

1 Administrative Rules is hereby *amended* to read:

2                   “(B) completed at least twenty four (24) ~~thirty-six~~  
3                   ~~(36)~~ semester hours in business courses (which shall  
4                   include six (6) semester hours in economics, three (3)  
5                   semester hours in business law, three (3) semester hours  
6                   in finance and can include accounting courses beyond the  
7                   elementary level in excess of those included to meet the  
8                   twenty-four (24) semester hour requirement at the upper  
9                   division level or graduate level).”

10           **Section 47.** The Title of §2105 of Chapter 2 of Title 25, Guam  
11 Administrative Rules is hereby *amended* to read:

12                   “**§2105. Issuance of Certificates and Licenses, Renewal of**  
13                   **Licenses ~~Certificates and Registrations~~, Continuing Professional**  
14                   **Education, and Reciprocity.”**

15           **Section 48.** Chapter 25 of the Guam Administrative Rules, Section  
16 2105(a)(1) is hereby *amended* to read:

17                   “(1) Applications for initial certificates and licenses, and  
18                   for renewal of licenses pursuant to the Act shall be made on a  
19                   form provided by the Board. Applications for renewal of

1 licenses are due annually no later than June 30<sup>th</sup>, shall be filed  
2 no later than sixty (60) days prior to the expiration date set by  
3 these rules. Applications will not be considered filed until the  
4 applicable fee prescribed in the Rules is received. *If* an  
5 application for renewal is filed late, it shall also be accompanied  
6 by the delinquency fee prescribed in the Rules.

7 Applications for renewal of licenses shall be accompanied  
8 by evidence satisfactory to the Board that the applicant has  
9 complied with the continuing professional education  
10 requirements under 22 GCA, §35106 and of these Rules. During  
11 each three (3) year renewal period after January 1, 2004, at least  
12 six (6) ~~two (2)~~ hours of ethics continuing professional education  
13 shall be required.

14 Failure to meet the license renewal requirements by the  
15 deadlines set forth in these rules will result in the license  
16 reverting to a delinquent status. Any delinquent license that is  
17 not renewed to an active, inactive or retired status within three  
18 (3) years will be cancelled.

19 Applications for initial certificates, and licenses, and for

1 renewal of licenses ~~and registrations~~ pursuant to the Act shall  
2 be cleared by the Director of the Department of Revenue and  
3 Taxation for tax purposes.”

4 **Section 49.** Section 2105(b) of Chapter 2 of Title 25, Guam  
5 Administrative Rules is hereby *amended* to read:

6 “(b) **Experience required for initial certificate and active**  
7 **license.** The experience required to be demonstrated for  
8 issuance of an initial certificate and active status license  
9 pursuant to 22 GCA, §35105 shall have been obtained within  
10 the five (5) years prior to the date of application and shall meet  
11 the requirements of this Rule.”

12 **Section 50.** Section 2105(b)(2) of Chapter 2 of Title 25, Guam  
13 Administrative Rules is hereby *amended* to read:

14 “(2) The applicant shall have their experience verified to  
15 the Board by an active status licensee as defined in the Act or  
16 from another state. Acceptable experience shall include  
17 employment in industry, government, academia or public  
18 practice. The Board shall look at such factors as the complexity  
19 and diversity of the work. Applicant’s experience shall have

1 been performed in accordance with applicable professional  
2 standards. Experience in public accounting shall be completed  
3 under the supervision or in the employ of a person licensed or  
4 otherwise having comparable authority under the laws of any  
5 state or country to engage in the practice of public accountancy.  
6 Experience in academia, private or governmental accounting or  
7 auditing shall be completed under the supervision of an  
8 individual actively licensed by a state to engage in the practice  
9 of public accountancy. Experience in attest services shall be  
10 comprised of at least 1000 hours of direct experience in  
11 providing attest services under the direct supervision of an  
12 individual licensed or otherwise having comparable authority  
13 under the laws of any state or country to engage in the practice  
14 of public accountancy and provide attest services.”

15 **Section 51.** Section 2105(d) of Chapter 2 of Title 25, Guam  
16 Administrative Rules is hereby *amended* to read:

17 **“(d) Continuing professional education requirements for**  
18 **renewal of the license ~~or registration~~.** The following requirements  
19 of continuing professional education apply to the renewal of licenses

1 and registrations pursuant to 22 GCA §35106.”

2 **Section 52.** Section 2105(d)(1) of Chapter 2 of Title 25, Guam  
3 Administrative Rules is hereby *amended* to read:

4 “(1) An applicant seeking renewal of an active status  
5 ~~license, or registration~~, shall show that the applicant has  
6 completed no less than one hundred twenty (120) hours of  
7 continuing professional education, complying with these Rules  
8 during the three (3)-year period preceding renewal, with a  
9 minimum of twenty (20) hours in each year. An applicant  
10 seeking renewal of an active license ~~or registration~~ shall  
11 demonstrate participation in a program of learning, meeting the  
12 standards set forth in the Statement on Standards for  
13 Continuing Professional Education (CPE) Programs jointly  
14 approved by NASBA and AICPA.”

15 **Section 53.** Section 2105(d)(2) of Chapter 2 of Title 25, Guam  
16 Administrative Rules is hereby *amended* to read:

17 “(2) An applicant whose license, ~~or registration~~, has  
18 become delinquent~~lapsed~~ shall complete no less than one  
19 hundred twenty (120) hours of CPE complying with these Rules



1 during the three (3)- year period preceding the date of  
2 reapplication. An applicant whose license ~~or registration~~ has  
3 become delinquent ~~lapsed~~ shall be required to identify and  
4 complete a program of learning designed to demonstrate the  
5 currency of the licensee's competencies directly related to his or  
6 her area of service."

7 **Section 54.** Section 2103(d)(1)(B) of Chapter 2 of Title 25, Guam  
8 Administrative Rules is hereby *amended* to read:

9 "(3) An active status licensee granted an exception from  
10 the competency requirement by the Board may discontinue use  
11 of the word 'inactive' in association with their CPA title upon  
12 showing that they have completed no less than one hundred  
13 twenty (120) hours of continuing professional education  
14 complying with these Rules during the three (3)-year period  
15 preceding their request to discontinue use of the word  
16 'inactive'."

17 **Section 55.** Section 2105(d)(4) of Chapter 2 of Title 25, Guam  
18 Administrative Rules is hereby *amended* to read:

19 "(4) An applicant seeking renewal of an active status

1 license ~~or registration~~ shall show that the applicant has  
2 completed no less than one hundred twenty (120) hours of  
3 continuing professional education, including at least thirty (30)  
4 hours of CPE in accounting and auditing subjects, no more than  
5 thirty (30) hours of CPE in personal development subjects, and  
6 no less than six (6)~~two (2)~~ hours of ethics continuing  
7 professional education during the three (3)-year period  
8 preceding renewal.”

9 | **Section 56.** Section 2105(f) of Chapter 2 of Title 25, Guam  
10 Administrative Rules is hereby *amended* to read:

11 “(f) **Continuing professional education records.**

12 (1) Applicants for renewal of active status licenses ~~or~~  
13 ~~registrations~~ pursuant to this Act shall file ~~with their~~  
14 ~~applications~~ a signed CPE Report form provided by the Board,  
15 including a statement indicating they have met the  
16 requirements for participation in a program of continuous  
17 learning as set forth by the Board or contained in the Statement  
18 on Standards for Continuing Professional Education (CPE)  
19 Programs jointly approved by the NASBA and the AICPA.

1           Applicants' CPE Reports are due annually no later than January  
2           15<sup>th</sup>, covering the three (3)-year period ending the preceding  
3           December 31<sup>st</sup>. Any CPE reporting form received after January  
4           15<sup>th</sup>, but on or before June 30<sup>th</sup> will be assessed the delinquency  
5           fee for late filing. Applicants who do not meet the requirements  
6           by December 31<sup>st</sup> will be granted an automatic extension until  
7           June 1<sup>st</sup> provided the applicant completes an additional 16  
8           hours (136 hours total) of CPE in accounting and auditing  
9           subjects. Applicants utilizing this automatic extension must  
10           ensure the Board receives all required information, forms and  
11           fees by June 1<sup>st</sup>. Responsibility for documenting the  
12           acceptability of the program and the validity of the credits rests  
13           with the applicant who should retain such documentation for a  
14           period of five (5) years following completion of each learning  
15           activity.

16           (2) The Board will verify, on a test basis, information  
17           submitted by applicants for renewal of licenses ~~or registrations~~.  
18           In cases where the Board determines that the requirement is not  
19           met, the Board may grant an additional period of time in which

1 the deficiencies can be cured. Fraudulent reporting is a basis  
2 for disciplinary action.”

3 **Section 57.** Section 2105(g)(3) of Chapter 2 of Title 25, Guam  
4 Administrative Rules is hereby *amended* to read:

5 “(3) Licensees granted such an exception by the Board  
6 must place the word ‘inactive’ adjacent to their CPA title on  
7 any business card, letterhead or any other document or device,  
8 with the exception of their CPA certificate, on which their CPA  
9 title appears, unless such exception was granted as a result of  
10 licensee’s request for retired status, in which event the licensee  
11 must substitute the word ‘retired’ for the word ‘inactive’.”

12 **Section 58.** Section 2105(h) of Chapter 2 of Title 25, Guam  
13 Administrative Rules is hereby *amended* to read:

14 “(h) **Interstate practicereciprocity.** If the substantial  
15 equivalency standard set out in 22 GCA, §35122 is not applicable, the  
16 Board:

17 (1) shall issue a certificate to the holder of a certificate issued  
18 by another state provided that the applicant: establishes a principal  
19 place of business in Guam, and

1           (a1) Has successfully completed the CPA examination.  
2           Successful completion of the examination means that the  
3           applicant passed the examination in accordance with the rules  
4           of the other state at the time it granted the applicant's initial  
5           certificate.

6           (b2) Has, in addition to meeting the requirements of  
7           Subsection (a1) satisfied the requirements set out in 22 GCA  
8           §35106(c)(1)(B).

9           (c3) Has experience of the type required under this Act  
10          and these Rules for issuance of the initial certificate.

11          (d4) Has met the CPE requirement pursuant to 22 GCA,  
12          §35106 (c)(1)(C) if applicable.

13          (2) may authorize the individual that maintains a principal  
14          place of business outside of Guam to exercise practice privileges in  
15          Guam if such individual:

16                (a) Has an active CPA license in good standing issued by  
17                another state; as provided within 22 GCA §35103 (r);

18                (b) Has met the 4 in 10 experience requirement set out in  
19                22 GCA §35106(c)(1)(b) of the Act;

1                   (c) Provides Nnotice to the Board in the same manner and  
2                   on comparable forms as required for substantially  
3                   equivalent practitioners under 22 GCA §35122 of the Act  
4                   and rules; and

5                   (d) Consents to each of the terms and conditions  
6                   pertaining to the use of practice privileges as set out in 22  
7                   GCA §35122(a)(3) of the Act and rules.”

8                   **Section 59.** Section 2106(a)(1) of Chapter 2 of Title 25, Guam  
9 Administrative Rules is hereby *amended* to read:

10                   “(1) Applications by firms for initial issuance and for  
11 renewal of permits pursuant to 22 GCA, §35107 shall be made  
12 ~~annually~~ on a form provided by the Board, ~~and, in the case of a~~  
13 Applications for renewal of permits are due annually no later  
14 than ~~shall be filed no earlier than four (4) months and no later~~  
15 ~~than two (2) months prior to June 30<sup>th</sup> of each year.~~  
16 Applications will not be considered filed until the applicable  
17 fee and all required documents prescribed in these Rules are  
18 received by the Board. *If* an application for permit renewal is  
19 filed late, it shall also be accompanied by the delinquency fee

1           prescribed in these Rules.

2           **Section 60.** Section 210(a)(2) of Chapter 2 of Title 25, Guam  
3 Administrative Rules is hereby *amended* to read:

4           “(2) A sole proprietor may apply simultaneously for an  
5           individual license or a renewal of an individual ~~registration or a~~  
6           license and a Firm Permit to Practice and will pay only the fee  
7           for the individual license or renewal thereof ~~registration.~~”

8           **Section 61.** Section 2106(c)(6) of Chapter 2 of Title 25, Guam  
9 Administrative Rules is hereby *amended* to read:

10           “(6) In gathering information about the professional  
11           work of licensees, the Board may make use of investigators,  
12           either paid or unpaid, who are *not* members of the Board.  
13           Except for investigation of non-technical matters, all  
14           investigators and consultants hired by the Board who  
15           undertake the investigation of Guam CPAs shall be active  
16           certified public accountants with a minimum of five (5) years of  
17           active licensure in the area of public accountancy. Non-  
18           technical matters are matters not encompassing the technical  
19           proficiency of a licensee in the practice of public accountancy.”

1           **Section 62.** Section 2106(d)(2) of Chapter 2 of Title 25, Guam  
2 Administrative Rules is hereby *amended* to read:

3                   “(2) The Board, or a A Peer Review Oversight  
4                   Committee ~~shall be appointed by the Board, shall to~~ monitor  
5                   such the equivalent programs to determine and report to the  
6                   ~~Board~~ that the programs meet the requirements set out in this  
7                   Act and these Rules.”

8           **Section 63.** Section 2106(f) of Chapter 2 of Title 25, Guam  
9 Administrative Rules is hereby *amended* to read:

10                   “(f) Documentation and Retention. Licensees and CPA  
11                   firms shall comply with all professional standards applicable to  
12                   particular engagements, including but not limited to standards  
13                   adopted by recognized standards setting bodies such as the Public  
14                   Company Accounting Oversight Board (PCAOB), the Comptroller  
15                   General of the United States, and the Auditing Standards Board.  
16                   Accordingly, the retention period for Attest Documentation shall be  
17                   seven (7) years and shall be measured from the report date. Any  
18                   Attest Documentation involved in a pending investigation or  
19                   disciplinary action shall not be destroyed until the licensee has been



1 notified in writing of the closure of such investigation or disciplinary  
2 proceeding.”

3 **Section 64.** Section 2107(a) of Chapter 2 of Title 25, Guam  
4 Administrative Rules is hereby *amended* to read:

5 “(a) **Grounds for enforcement actions against licensees.**

6 The grounds for revocation and suspension of certificates,  
7 ~~registrations~~ and licenses, and other disciplinary action against  
8 licensees and individuals with privileges under 22 GCA, §35122, are  
9 set out in 22 GCA, §35109 in both specific and general terms. The  
10 general terms of that provision of the Act include the following  
11 particular grounds for such disciplinary action:”

12 **Section 65.** Section 2107(a)(1) of Chapter 2 of Title 25, Guam  
13 Administrative Rules is hereby *amended* to read:

14 “(1) Fraud or deceit in obtaining a certificate,  
15 ~~registration~~ or license, within the meaning of 22 GCA, §35109,  
16 includes the submission to the Board of any knowingly false or  
17 forged evidence in, or in support of, an application for a  
18 certificate, ~~registration~~ or license, and cheating on an  
19 examination as defined in these Rules.”

1           **Section 66.** Section 2107(a)(4)(C) of Chapter 2 of Title 25, Guam  
2 Administrative Rules is hereby *amended* to read:

3                           “(C) Presenting as one’s own a certificate,  
4                           ~~registration~~ or license issued to another;”

5           **Section 67.** Section 2107(b) of Chapter 2 of Title 25, Guam  
6 Administrative Rules is hereby *amended* to read:

7                           “(b) **Return of certificate, ~~registration,~~ license, or Firm**  
8           **Permit to Practice.** Any licensee whose certificate, license or Firm  
9 Permit to Practice issued by the Board is subsequently suspended or  
10 revoked shall promptly return such certificate, ~~registration,~~ license, or  
11 Firm Permit to Practice to the Board.”

12           **Section 68.** Section 2110(a)(1) of Chapter 2 of Title 25, Guam  
13 Administrative Rules is hereby *amended* to read:

14                           “(1) A person whose certificate, or license, ~~or~~  
15                           ~~registration~~ has been revoked or suspended or an individual  
16 whose privileges under 22 GCA, §35122 have been revoked or  
17 limited, or a firm whose Permit to Practice has been revoked or  
18 suspended or a person or firm that has been put on probation  
19 pursuant to 22 GCA, §35109 may apply to the Board for

1 modification of the suspension, revocation or probation after  
2 completion of all requirements contained in the Board's original  
3 order."

4 **Section 69.** Section 2110(b)(2) of Chapter 2 of Title 25, Guam  
5 Administrative Rules is hereby *amended* to read:

6 "(2) The Board may impose appropriate terms and  
7 conditions for reinstatement of a certificate, license, ~~registration,~~  
8 Firm Permit to Practice or privileges under 22 GCA, §35122 or  
9 modification of a suspension, revocation or probation."

10 **Section 70.** Section 2110(b)(3) of Chapter 2 of Title 25, Guam  
11 Administrative Rules is hereby *amended* to read:

12 "(3) In considering an application under §2110(a), the  
13 Board may consider all activities of the applicant since the  
14 disciplinary penalty from which relief is sought was imposed,  
15 the offense for which the applicant was disciplined, the  
16 applicant's activities during the time the certificate, license,  
17 ~~registration,~~ privileges under 22, GCA §35122 or permit was in  
18 good standing, the applicant's rehabilitative efforts, restitution  
19 to damaged parties in the matter for which the penalty was

1 imposed, and the applicant's general reputation for truth and  
2 professional probity."

3 **Section 71.** Sections 27 through 70 of this law are considered part of  
4 the Guam Administrative Rules and may be amended through the  
5 Administrative Adjudication process.

6 **Section 72.** *If* any provision of this law or its application to any  
7 person or circumstance is found to be invalid or contrary to law, such  
8 invalidity shall *not* affect other provisions or applications of this law which  
9 can be given effect without the invalid provisions or application, and to  
10 this end the provisions of this law are severable.