



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932

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Felix Perez Camacho  
Governor

Kaleo Scott Moylan  
Lieutenant Governor

28 APR 2006

The Honorable Mark Forbes  
Speaker  
Mina' Bente Ocho Na Liheslaturan Guåhan  
155 Hessler Street  
Hagåtña, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 242(EC), "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, AND TO TRANSFER AN APPROPRIATION TO THE GUAM BOARD OF ACCOUNTANCY," which I signed into law on April 26, 2006, as **Public Law 28-118**.

Sinseru yan Magåhet,

FELIX P. CAMACHO  
I Maga'låhen Guåhan  
Governor of Guam

Attachment: copy attached of signed bill

cc: The Honorable Eddie Baza Calvo  
Senator and Legislative Secretary

Office of the Speaker

MARK FORBES

Date: 4/23/06

Time: 4:57 pm

Rec'd by: [Signature]

Print Name: [Signature]

28-06-0817



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Governor of Guam

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cc: The Honorable Eddie Baza Calvo  
Senator and Legislative Secretary

<b>Senator Edward J.B. Calvo</b> SECRETARY OF THE LEGISLATURE ACKNOWLEDGEMENT RECEIPT	
Rcv'd by: <u>Nikole</u>	
Print Name & Initial	
Time: <u>9:06</u>	Date: <u>5/1-06</u>

<b>Senator Edward J.B. Calvo</b> SECRETARY OF THE LEGISLATURE ACKNOWLEDGEMENT RECEIPT	
Rcv'd by: <u>JON</u>	
Print Name & Initial	
Time: <u>5:05 pm</u>	Date: <u>4/28/06</u>

Office of the Speaker

MARK FORBES

Date: 4/28/06

Time: 4:57 pm

Rec'd by: fsp

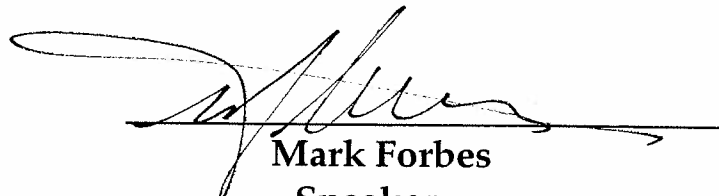
Print Name: MF

28-06-0817

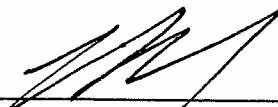
I MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN  
2006 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA' LAHEN GUÅHAN


This is to certify that Substitute Bill No. 242 (EC), "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, AND TO TRANSFER AN APPROPRIATION TO THE GUAM BOARD OF ACCOUNTANCY " was on the 24<sup>th</sup> day of March, 2006, duly and regularly passed.

  
Mark Forbes  
Speaker

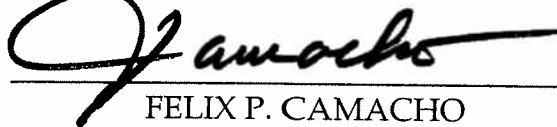
Attested:

  
Edward J.B. Calvo  
Senator and Secretary of the Legislature

-----  
This Act was received by *I Maga'lahen Guåhan* this 17 day of April,  
2006, at 3:20 o'clock P.M.

  
Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:

  
FELIX P. CAMACHO  
*I Maga'lahen Guåhan*

Date: 26 APR 2006

Public Law No. 28-118



**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**  
TWENTY-EIGHTH GUAM LEGISLATURE  
155 Hessler Place, Hagåtña, Guam 96910

**FILE COPY**

April 17, 2006

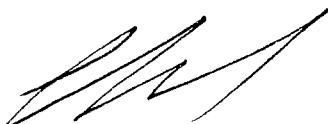
The Honorable Felix P. Camacho  
*I Maga'lahen Guåhan*  
*Ufisinan I Maga'lahi*  
*Hagåtña, Guam 96910*



Dear *Maga'lahi* Camacho:

Transmitted herewith is Substitute Bill No. 242(EC), which was passed by *I Mina'Bente Ocho Na Liheslaturan Guåhan* on March 24, 2006.

Sincerely,

  
EDWARD J.B. CALVO  
Senator and Secretary of the Legislature

Enclosure (1)

IX TRANSMISSION CHECKLIST TO I MAGA'LAHEN GUAHAN  
(Included in File w/ All Bills Transmitted)  
S. BILL NO. 242

- EXHIBITS ATTACHED *no*
- CONFIRM NUMBER OF PAGES *1 to 30*
- CAPTION ON CERTIFICATION MATCHES BILL CAPTION
- ENGROSSED SIGN "\*" REMOVED FROM BILL *yes*
- 15 SENATORS IN SPONSORSHIP OR CONFIRM OTHERWISE *yes*
- CERTIFICATION SIGNED BY SPEAKER & LEGIS. SECRETARY *yes*
- EMERGENCY DECLARATION, if any *none*

Confirmed By:

Dated: 4/17/06

FINAL REVIEW: *Eley & Bocha*

Dated: \_\_\_\_\_

- HAND CARRY BILL IN BLUEBACK (ORIGINAL & COPY)  
TO THE GOVERNOR. (DANNY, [unclear] OR OTHERS )
- ACKNOWLEDGED COPY W/ ORIGINAL BLUEBACK  
PLACED ON CLERK'S DESK. (Same copy given to [unclear])

FILED by: \_\_\_\_\_

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

**Bill No. 242 (EC)**

As substituted by the Committee on  
Finance, Taxation and Commerce  
and amended on the Floor.

Introduced by:

Edward J.B. Calvo  
A. R. Unpingco  
Mark Forbes  
F. B. Aguon, Jr.  
J. M.S. Brown  
B. J.F. Cruz  
Mike Cruz  
L. F. Kasperbauer  
R. Klitzkie  
L. A. Leon Guerrero  
J. A. Lujan  
A. B. Palacios  
R. J. Respicio  
Ray Tenorio  
J. T. Won Pat

**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, AND TO TRANSFER AN  
APPROPRIATION TO 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 that the Guam Board of Accountancy (“GBA”) regulates the practice of  
4 public accountancy, as well as the administration of testing, certification and

1 licensure of certified public accountants (“CPAs”) for the purpose of protecting the  
2 welfare of the general public. *I Liheslaturan Guåhan* further finds that most state  
3 boards of accountancy subscribe to regulatory and professional standards  
4 incorporated in the Uniform Accountancy Act (“UAA”), a model code issued and  
5 periodically updated by the National Association of State Boards of Accountancy  
6 (“NASBA”) and the American Institute of Certified Public Accountants  
7 (“AICPA”).

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

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

22 **Section 2.** Section 35103(b) of Chapter 35 of Title 22, Guam Code  
23 Annotated is hereby *amended* to read:

24 “(b) ‘Attest’ means providing the following financial statement  
25 services:

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

1 (2) any review of a financial statement to be performed in  
2 accordance with the Statements on Standards for Accounting and  
3 Review Services ('SSARS'); and

4 (3) any examination of prospective financial information to be  
5 performed in accordance with the Statements on Standards for  
6 Attestation Engagements ('SSAE').

7 The statements on standards specified in this definition shall be  
8 adopted by reference by the Board pursuant to rulemaking and shall be those  
9 developed for general application by recognized national accountancy  
10 organizations such as the AICPA and the PCAOB."

11 **Section 3.** Section 35103(r) of Chapter 35 of Title 22, Guam Code  
12 Annotated is hereby *amended* to read:

13 "(r) 'State' means any state of the United States, the District of  
14 Columbia, Puerto Rico, the United States Virgin Islands, Guam, the  
15 Commonwealth of the Northern Mariana Islands."

16 **Section 4.** A *new* Subsection (t) is *added* to §35103 of Chapter 35 of Title  
17 22, Guam Code Annotated to read:

18 "(t) 'PCAOB' means the Public Company Accounting Oversight  
19 Board."

20 **Section 5.** A *new* Subsection (u) is *added* to §35103 of Chapter 35 of Title  
21 22, Guam Code Annotated to read:

22 "(u) 'Principal place of business' means the office location  
23 designated by the licensee for purposes of substantial equivalency and  
24 reciprocity."

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

27 "(a) There is hereby created the Guam Board of Accountancy, which



1 shall have responsibility for the administration and enforcement of this  
2 Chapter. The Board shall consist of five (5) members appointed by *I*  
3 *Maga'lahi*, all of whom shall be residents of Guam and holders of licenses  
4 currently valid under §35105 of this Chapter. The term of each member of  
5 the Board shall be four (4) years. Vacancies occurring during a term shall be  
6 filled by appointment by *I Maga'lahi* for the unexpired remaining term,  
7 provided that all appointments first occurring after this Act becomes law,  
8 whether due to term expiration or otherwise, shall be for terms of the  
9 following lengths: the first two (2) appointments for two (2) year terms, the  
10 second two (2) appointments for three (3) year terms and a third single  
11 appointment for a four (4) year term, until the Board shall have no more than  
12 two (2) terms expiring in any one (1) year. Thereafter, all appointments shall  
13 be for four (4) year terms. Upon the expiration of a member's term of office,  
14 such member shall continue to serve until a successor shall have been  
15 appointed and takes office. Any member of the Board whose certificate  
16 under §35105 of this Chapter is revoked, or suspended, shall automatically  
17 cease to be a member of the Board. *I Maga'lahi* may, after a hearing  
18 pursuant to the Administration Adjudication Law, remove any member of  
19 the Board for neglect of duty or other cause.”

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

22 “(b) Good moral character for purposes of this §35105 means  
23 the propensity to provide professional services in a fair, honest, and open  
24 manner and a lack of a history of dishonest or felonious acts. The Board may  
25 refuse to grant a certificate or license on the ground of failure to satisfy this  
26 requirement only *if* there is a substantial connection between the lack of  
27 good moral character of the applicant and the professional responsibilities of

1 a licensee and *if* the finding by the Board of lack of good moral character is  
2 supported by clear and convincing evidence. When an applicant is found to  
3 be unqualified for a certificate or license because of a lack of good moral  
4 character, the Board shall furnish the applicant a statement containing the  
5 findings of the Board, a complete record of the evidence upon which the  
6 determination was based, and a notice of the applicant's right of appeal."

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

9 "(c) The education requirement for a certificate shall be at least a  
10 college education including a baccalaureate, or higher degree, conferred by a  
11 college or university acceptable to the Board, the total educational program  
12 to include an accounting concentration, or equivalent, as determined by  
13 Board rule to be appropriate."

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

16 "(2) Notwithstanding Title 22 GCA §35105(c), the educational  
17 requirement, which must be met *before* an applicant is qualified to take the  
18 examination prescribed in Subsection (d)(1), shall be the completion of a  
19 baccalaureate degree, or its equivalent, conferred by a college or university  
20 acceptable to the Board, with an accounting and business concentration, or  
21 equivalent, as determined by Board rule to be appropriate, within one  
22 hundred fifty (150) days following the examination. No credit for the  
23 examination shall be granted if the education requirement is not completed  
24 within such time."

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

27 "(f) An applicant for initial issuance of a certificate and inactive

1 license under this §35105 shall show that the applicant has met the education  
2 and examination requirements as defined herein and as prescribed by the  
3 Board by rule.

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

23 An applicant for initial licensure, or initial certification, who first sat  
24 for the exam as a Guam candidate in May 2000 or *prior*, shall have had two  
25 (2) years of experience in the practice of public accountancy, meeting  
26 requirements prescribed by the Board by rule; or, *if* the applicant's  
27 educational qualifications comprise a baccalaureate degree with an

1 accounting concentration, or equivalent, as determined by the Board to be  
2 appropriate, and not less than thirty (30) semester hours of additional study  
3 in the field of business or related subjects, then that applicant shall have had  
4 one (1) year of experience in such practice.

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

9 An applicant for initial certification and active licensure who first sat  
10 for the exam as other than a Guam candidate and did *not* meet a one hundred  
11 fifty (150) hour educational requirement at the time of first sitting shall have  
12 had two (2) years of experience in the practice of public accountancy,  
13 meeting requirements prescribed by the Board by rule.

14 An applicant for initial certification and active licensure who first sat  
15 for the exam as other than a Guam candidate and did meet a one hundred  
16 fifty (150) hour educational requirement at the time of first sitting shall have  
17 had one (1) year of experience in the practice of public accountancy,  
18 meeting requirements prescribed by the Board by rule.”

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

21 “(g) Upon the effective date of this Chapter, any person holding a  
22 valid certificate issued under *prior* Guam law shall be deemed to have met  
23 the requirements for certification set out in this §35105. Individuals who  
24 held certificates issued prior to the effective date of this law will be marked  
25 ‘inactive’ unless they are issued licenses pursuant to and in accordance with  
26 §35106.”

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

1 Annotated is hereby *amended* to read:

2 “(c) Non-substantial equivalency reciprocity.

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

7 (A) The applicant passed the uniform CPA  
8 examination;

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

15 (C) If the applicant’s certificate, license, or permit was  
16 issued more than four (4) years prior to the application for  
17 issuance of an initial license under this Section, that the  
18 applicant has fulfilled the requirements of continuing  
19 professional education that would have been applicable under  
20 Subsection (d) of this Section.”

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

23 “(d) For renewal of a license under this §35106 each licensee shall  
24 participate in a program of learning designed to maintain professional  
25 competency. Such program of learning must comply with rules adopted by  
26 the Board. The Board may by rule create an exception to this requirement  
27 for certificate holders who do not perform or offer to perform for the public

1 one (1) or more kinds of services involving the use of accounting or auditing  
2 skills, including issuance of reports on financial statements, or of one (1) or  
3 more kinds of management advisory, financial advisory or consulting  
4 services, or the preparation of tax returns or the furnishing of advice on tax  
5 matters. Licensees granted such an exception by the Board must place the  
6 word ‘inactive’, or such other indicative wording as the Board may prescribe  
7 by rule, adjacent to their CPA title on any business card, letterhead or any  
8 other document or device, with the exception of their CPA certificate, on  
9 which their CPA title appears.”

10 **Section 14.** Section 35106(e) of Chapter 35 of Title 22, Guam Code  
11 Annotated is hereby *repealed*.

12 **Section 15.** Section 35107(d)(4) of Chapter 35 of Title 22, Guam Code  
13 Annotated is hereby *amended* to read:

14 “(4) Any individual licensee who signs or authorizes someone  
15 to sign the report on the financial statements on behalf of the CPA  
16 firm shall meet the competency requirement of §35107(d)(3).”

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

19 “(3) may require, with respect to peer reviews contemplated  
20 by §35107(i)(2), that they be subject to oversight by the Board or an  
21 oversight body established or sanctioned by Board rule, which body  
22 shall periodically report to the Board on the effectiveness of the  
23 review program under its charge, and provide to the Board a listing of  
24 CPA firms that have participated in a peer review program that is  
25 satisfactory to the Board; and”

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

1                   **“§35109. Enforcement and Grounds for Discipline.”**

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

4           “(a) After notice and hearing pursuant to §35111 of this Chapter, the  
5 Board may revoke any certificate, licenses, or Firm Permit to Practice issued  
6 under §35105, §35106, or §35107 or corresponding provisions of prior law,  
7 or revoke or limit privileges under §35122; suspend any such certificate,  
8 license or Firm Permit to Practice or refuse to renew any such certificate,  
9 license, or Firm Permit to Practice for a period of not more than five (5)  
10 years; reprimand, censure, or limit the scope of practice of any licensee;  
11 impose an administrative fine not exceeding Five Thousand Dollars  
12 (\$5,000), or place any licensee on probation, all with or without terms,  
13 conditions, and limitations, for any one (1) or more of the following reasons:

14                   (1) Dishonesty, fraud or deceit in obtaining a license;

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

18                   (3) Failure, on the part of a licensee under §35106 or Firm  
19 Permit to Practice under §35107, to maintain compliance with the  
20 requirements for issuance, or renewal of such license or Firm Permit  
21 to Practice, or to report changes to the Board under §35106(g) or  
22 §35107(g);

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

25                   (5) Dishonesty, fraud, deceit or gross negligence in the  
26 performance of services as a licensee or individual granted privileges  
27 under §35122, or in the filing or failure to file one’s own income tax

1 returns, or other required tax filings;

2 (6) Violation of any provision of this Chapter, or rule  
3 promulgated by the Board under this Chapter, or violation of  
4 professional standards;

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

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

11 (9) Performance of any fraudulent act while holding a  
12 certificate, license, Firm Permit to Practice, or §35122 privilege issued  
13 under this Chapter, or prior law;

14 (10) Any conduct reflecting adversely upon the licensee's  
15 fitness to perform services while a licensee, or individual granted  
16 privileges under §35122;

17 (11) Making any false or misleading statement or verification,  
18 in support of an application for a certificate or Firm Permit to  
19 Practice filed by another; and

20 (12) Failure to pay child support as determined by the Child  
21 Support Enforcement Division of the Office of the Attorney General  
22 of Guam.”

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

25 “(c) In any proceeding in which a sanction provided by §35109(a)  
26 or §35109(b) is imposed, the Board may also require the respondent licensee  
27 to pay the costs of the investigation, the proceeding and other related costs,



1 including reasonable attorneys fees, incurred by the Board.”

2 **Section 20.** A *new* Subsection (1) is hereby *added* to §35111 of Chapter 35  
3 of Title 22, Guam Code Annotated to read:

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

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

11 “(a) In any case where the Board has suspended or revoked or refused  
12 to renew a certificate, license, a Firm Permit to Practice, or privileges under  
13 §35122, the Board may, upon application in writing by the person or firm  
14 affected and for good cause shown, modify the suspension, or reissue the  
15 certificate, license, or Firm Permit to Practice, or remove the limitation or  
16 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  
20 provide those services in accordance with applicable professional  
21 standards.”

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

24 “§35119. **Privity of Contract.**”

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

27 “(D) In no event shall the damages awarded against or

1           paid by a licensee exceed the amount determined under (C) or  
2           twenty (20) times the total fee paid, or to be paid, to licensee by  
3           plaintiff, whichever is less. The licensee shall not be jointly  
4           liable on any judgment entered against any other party to the  
5           action.”

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

8           “(2) An individual whose principal place of business is *not* in  
9           Guam having a valid certificate or license as a Certified Public  
10          Accountant from any state which the NASBA National Qualification  
11          Appraisal Service has *not* verified to be in substantial equivalence  
12          with the CPA licensure requirements of the AICPA/NASBA Uniform  
13          Accountancy Act shall be presumed to have qualifications  
14          substantially equivalent to the requirements of Guam and shall have  
15          all the privileges of certificate holders and licensees of Guam without  
16          the need to obtain a certificate or license under §35105 or §35106, if  
17          such individual obtains from the NASBA National Qualification  
18          Appraisal Service verification that such individual’s CPA  
19          qualifications are substantially equivalent to the CPA licensure  
20          requirements of the AICPA/NASBA Uniform Accountancy Act.  
21          However, such individuals shall file written notice with the Board, on  
22          such form as may be specified by the Board, of their intent to enter  
23          Guam under this provision, shall pay any fee required, and shall have  
24          received written confirmation of receipt of such notice from the Board  
25          prior to practicing as a CPA.”

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

1           “(d) The provisions of this section only apply to individual  
2 licensees. No firm, as defined in §35103(g), shall practice public  
3 accountancy in Guam without a Firm Permit to Practice issued pursuant to  
4 §35107.”

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

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

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

20           (2) ‘Inactive License’ status means a license issued and timely  
21 renewed under §35106 of this Chapter to an applicant fulfilling  
22 only the education and examination requirements, but not the  
23 experience requirements, of §35105 of this Chapter. Inactive  
24 status licenses may also be granted by the Board as an  
25 exception under §35106(d) of this Chapter, as prescribed by  
26 rule. An Inactive status licensee is not authorized to and shall  
27 *not* practice public accountancy in Guam. All Inactive status

1 licensees are granted an exception under 25 GAR §2105(g)(1)  
2 to the CPE renewal requirements of 25 GAR §2105(d)(1) and  
3 must comply with the requirements of 25 GAR §2105(g)  
4 applicable to each Inactive status licensee’s exception;

5 (3) ‘Retired License’ status means any valid, timely renewed  
6 Active status or Inactive status license that a licensee requests  
7 be granted retired status as an exception by the Board under  
8 §35106(d) of this Chapter, as prescribed by rule. Retired status  
9 licensees are granted an exception under 25 GAR §2105(g)(1)  
10 to the CPE renewal requirements of 25 GAR §2105(d)(1) and  
11 must comply with the requirements of 25 GAR §2105(g)  
12 applicable to their exception; and

13 (4) ‘Delinquent License’ status means any certificate, license or  
14 permit issued under this Act, or under corresponding provisions  
15 of prior law, that is *not* timely renewed under §35106 or  
16 §35107 of this Chapter or as prescribed by the Board by rule.”

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

19 “(B) NASBA/Prometric/AICPA Fees, Actual amounts specified in  
20 the CBT Services Agreement between AICPA, NASBA, and Prometric, as  
21 amended from time to time.”

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

24 “(D) Application for Expiration Extensions (for Notice to Schedule,  
25 Conditional Credits, etc.), Twenty-five Dollars (\$25.00)/application.”

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

1                   “(iv) Substantial Equivalency, per 22 GCA §35122, Two  
2                   Hundred Dollars (\$200.00).”

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

5                   “(B) Renewal (annually).

6                   (i) Active, per 22 GCA §35105(f), Seventy-Five Dollars  
7                   (\$75.00).

8                   (ii) Inactive, per 22 GCA §35105(f), Seventy-Five Dollars  
9                   (\$75.00).

10                  (iii) Foreign, per 22 GCA §35106(h), Seventy-Five Dollars  
11                  (\$75.00).

12                  (iv) Substantial Equivalency, per 22 GCA §35122, One  
13                  Hundred Fifty Dollars (\$150.00).

14                  (v) Retired, per 22 GCA §35106(d), Seventy-Five Dollars  
15                  (\$75.00).”

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

18                  “(iv) Substantial Equivalency, per 22 GCA, §35122, Two Hundred  
19                  Fifty Dollars (\$250.00).”

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

22                  “(4) Delinquency fee for late filing of any required CPE forms, or  
23                  License or Permit renewal application forms, Fifty Dollars (\$50.00) per form.”

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

26                  “(e) Obligation of all holders of certificates, licenses and Firm  
27                  Permits to Practice, to notify the Board of changes of address and changes of

1 employment.

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

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

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

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

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

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

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

27 **Section 38.** The first paragraph of Section 2104(b) of Chapter 2 of Title 25,

1 Guam Administrative Rules is hereby *amended* to read:

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

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

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

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

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

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

24 “(2) Upon the implementation of a computer-based examination, a  
25 Candidate may take the required Test Sections individually and in any order.  
26 Credit for any Test Section(s) passed shall be valid through the end of the  
27 eighteenth (18<sup>th</sup>) month after the actual month the Candidate took that Test

1 Section, without having to attain a minimum score on any failed Test  
2 Section(s) and without regard to whether the Candidate has taken other Test  
3 Sections.”

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

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

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

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

18 **Section 44.** The first paragraph of Section 2104(k) of Chapter 2 of Title 25,  
19 Guam Administrative Rules is hereby *amended* to read:

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

24 **Section 45.** Section 2104(k)(3)(B) of Chapter 2 of Title 25, Guam  
25 Administrative Rules is hereby *amended* to read:

26 “(B) completed at least twenty four (24) semester hours in business  
27 courses (which shall include six (6) semester hours in economics, three (3)



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

5 **Section 46.** Section 2104(k)(4)(B) of Chapter 2 of Title 25, Guam  
6 Administrative Rules is hereby *amended* to read:

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

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

15 “**§2105. Issuance of Certificates and Licenses, Renewal of**  
16 **Licenses, Continuing Professional Education, and Reciprocity.**”

17 **Section 48.** Chapter 25 of the Guam Administrative Rules, Section  
18 2105(a)(1) is hereby *amended* to read:

19 “(1) Applications for initial certificates and licenses, and for  
20 renewal of licenses pursuant to the Act shall be made on a form  
21 provided by the Board. Applications for renewal of licenses are due  
22 annually no later than June 30<sup>th</sup>. Applications will not be considered  
23 filed until the applicable fee prescribed in the Rules is received. *If* an  
24 application for renewal is filed late, it shall also be accompanied by  
25 the delinquency fee prescribed in the Rules.

26 Applications for renewal of licenses shall be accompanied by  
27 evidence satisfactory to the Board that the applicant has complied

1 with the continuing professional education requirements under 22  
2 GCA §35106 and of these Rules. During each three (3) year renewal  
3 period after January 1, 2004, at least six (6) hours of ethics continuing  
4 professional education shall be required.

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

10 Applications for initial certificates and licenses, and for renewal  
11 of licenses pursuant to the Act shall be cleared by the Director of the  
12 Department of Revenue and Taxation for tax purposes.”

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

15 “(b) **Experience required for initial certificate and active license.**  
16 The experience required to be demonstrated for issuance of an initial  
17 certificate and active status license pursuant to 22 GCA §35105 shall  
18 have been obtained within the five (5) years prior to the date of  
19 application and shall meet the requirements of this Rule.”

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

22 “(2) The applicant shall have their experience verified to the Board  
23 by an active status licensee as defined in the Act or from another state.  
24 Acceptable experience shall include employment in industry, government,  
25 academia or public practice. The Board shall look at such factors as the  
26 complexity and diversity of the work. The applicant’s experience shall have  
27 been performed in accordance with applicable professional standards.

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

12 **Section 51.** The first paragraph of Section 2105(d) of Chapter 2 of Title 25,  
13 Guam Administrative Rules is hereby *amended* to read:

14 “(d) **Continuing professional education requirements for**  
15 **renewal of the license.** The following requirements of continuing  
16 professional education apply to the renewal of licenses pursuant to 22 GCA  
17 §35106:”

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

20 “(1) An applicant seeking renewal of an active status license, shall  
21 show that the applicant has completed no less than one hundred twenty (120)  
22 hours of continuing professional education, complying with these Rules  
23 during the three (3)-year period preceding renewal, with a minimum of  
24 twenty (20) hours in each year. An applicant seeking renewal of an active  
25 license shall demonstrate participation in a program of learning, meeting the  
26 standards set forth in the Statement on Standards for Continuing  
27 Professional Education (CPE) Programs jointly approved by NASBA and

1 AICPA.”

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

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

11 **Section 54.** Section 2105(d)(3) of Chapter 2 of Title 25, Guam  
12 Administrative Rules is hereby *amended* to read:

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

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

21 “(4) An applicant seeking renewal of an active status license—shall  
22 show that the applicant has completed no less than one hundred twenty (120)  
23 hours of continuing professional education, including at least thirty (30)  
24 hours of CPE in accounting and auditing subjects, no more than thirty (30)  
25 hours of CPE in personal development subjects, and no less than six (6)  
26 hours of ethics continuing professional education during the three (3)-year  
27 period preceding renewal.”

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

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

4           (1)   Applicants for renewal of active status licenses pursuant  
5 to this Act shall file a signed CPE Report form provided by the Board,  
6 including a statement indicating they have met the requirements for  
7 participation in a program of continuous learning as set forth by the  
8 Board or contained in the Statement on Standards for Continuing  
9 Professional Education (CPE) Programs jointly approved by the  
10 NASBA and the AICPA. Applicants’ CPE Reports are due annually  
11 no later than January 15<sup>th</sup>, covering the three (3)-year period ending  
12 the preceding December 31<sup>st</sup>. Any CPE reporting form received after  
13 January 15<sup>th</sup>, but on or before June 30<sup>th</sup> will be assessed the  
14 delinquency fee for late filing. Applicants who do not meet the  
15 requirements by December 31<sup>st</sup> will be granted an automatic extension  
16 until June 1<sup>st</sup> provided the applicant completes an additional sixteen  
17 (16) hours (one hundred thirty-six (136) hours total) of CPE in  
18 accounting and auditing subjects. Applicants utilizing this automatic  
19 extension must ensure the Board receives all required information,  
20 forms and fees by June 1<sup>st</sup>. Responsibility for documenting the  
21 acceptability of the program and the validity of the credits rests with  
22 the applicant who should retain such documentation for a period of  
23 five (5) years following completion of each learning activity.

24           (2)   The Board will verify, on a test basis, information  
25 submitted by applicants for renewal of licenses. In cases where the  
26 Board determines that the requirement is not met, the Board may grant  
27 an additional period of time in which the deficiencies can be cured.

1 Fraudulent reporting is a basis for disciplinary action.”

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

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

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

12 “(h) **Interstate practice.** *If* the substantial equivalency standard set  
13 out in 22 GCA §35122 is not applicable, the Board:

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

17 (a) Has successfully completed the CPA examination.  
18 Successful completion of the examination means that the applicant  
19 passed the examination in accordance with the rules of the other state  
20 at the time it granted the applicant’s initial certificate.

21 (b) Has, in addition to meeting the requirements of  
22 Subsection (a) satisfied the requirements set out in 22 GCA  
23 §35106(c)(1)(B).

24 (c) Has experience of the type required under this Act and  
25 these Rules for issuance of the initial certificate.

26 (d) Has met the CPE requirement pursuant to 22 GCA  
27 §35106 (c)(1)(C) if applicable.

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

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

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

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

11 (d) Consents to each of the terms and conditions pertaining to  
12 the use of practice privileges as set out in 22 GCA §35122(a)(3)  
13 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 renewal  
17 of permits pursuant to 22 GCA §35107 shall be made on a form provided by  
18 the Board. Applications for renewal of permits are due annually no later  
19 than. Applications will not be considered filed until the applicable fee and  
20 all required documents prescribed in these Rules are received by the Board.  
21 *If* an application for permit renewal is filed late, it shall also be accompanied  
22 by the delinquency fee prescribed in these Rules.”

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

25 “(2) A sole proprietor may apply simultaneously for an individual  
26 license or a renewal of an individual license and a Firm Permit to Practice  
27 and will pay only the fee for the individual license or renewal thereof.”

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

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

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

13           “(2) The Board, or a Peer Review Oversight Committee  
14 appointed by the Board, shall monitor such equivalent programs to  
15 determine that the programs meet the requirements set out in this Act  
16 and these Rules.”

17           **Section 63.** Section 2106(f) of Chapter 2 of Title 25, Guam Administrative  
18 Rules is hereby *added* to read:

19           “(f) **Documentation and Retention.** Licensees and CPA firms  
20 shall comply with all professional standards applicable to particular  
21 engagements, including, but not limited to, standards adopted by recognized  
22 standards setting bodies such as the Public Company Accounting Oversight  
23 Board (PCAOB), the Comptroller General of the United States, and the  
24 Auditing Standards Board. Accordingly, the retention period for Attest  
25 Documentation shall be seven (7) years and shall be measured from the  
26 report date. Any Attest Documentation involved in a pending investigation  
27 or 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.** The first paragraph of Section 2107(a) of Chapter 2 of Title  
4 25, Guam Administrative Rules is hereby *amended* to read:

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

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

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

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

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

20 “(C) Presenting as one’s own a certificate or license issued to  
21 another;”

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

24 “(b) **Return of certificate, license, or Firm Permit to Practice.**

25 Any licensee whose certificate, license or Firm Permit to Practice issued by  
26 the Board is subsequently suspended or revoked shall promptly return such  
27 certificate, license, or Firm Permit to Practice to the Board.”

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

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

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

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

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

18           “(3) In considering an application under §2110(a), the Board  
19 may consider all activities of the applicant since the disciplinary penalty  
20 from which relief is sought was imposed, the offense for which the applicant  
21 was disciplined, the applicant’s activities during the time the certificate,  
22 license, privileges under 22 GCA §35122 or permit was in good standing,  
23 the applicant’s rehabilitative efforts, restitution to damaged parties in the  
24 matter for which the penalty was imposed, and the applicant’s general  
25 reputation for truth and professional probity.”

26           **Section 71.** Sections 27 through 70 of this law are considered part of the  
27 Guam Administrative Rules and may be amended through the Administrative

1 Adjudication Act process.

2           **Section 72. Transfer of Appropriation to the Guam Board of**  
3 **Accountancy.** The balance of the appropriation contained within Section 22 of  
4 Chapter III of Public Law 28-68 is hereby transferred to the Guam Board of  
5 Accountancy. The Department of Revenue and Taxation and the Department of  
6 Administration shall reconcile the account prior to the transfer of funds.

7           **Section 73. Severability.** *If* any provision of this law or its application to  
8 any person or circumstance is found to be invalid or contrary to law, such  
9 invalidity shall *not* affect other provisions or applications of this law which can be  
10 given effect without the invalid provisions or application, and to this end the  
11 provisions of this law are severable.

# I MINA' BENTE OCHO NA LIHESLATURAN GUAHAN

2006 (SECOND) Regular Session

*6 w/o engrasment*

Date: 3/24/06

## VOTING SHEET

S Bill No. 242 (EC)  
 Resolution No. \_\_\_\_\_  
 Question: \_\_\_\_\_

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M.S.	✓				
CALVO, Edward J.B.	✓				
CRUZ, Benjamin J.F.	✓				
CRUZ, Michael (Dr.)	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
KLITZKIE, Robert	✓				
LEON GUERRERO, Lourdes A.	✓				
LUJAN, Jesse A.	✓				
PALACIOS, Adolpho B.	✓				
RESPICIO, Rory J.					✓
TENORIO, Ray	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

14    0    0    0    1

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
 Clerk of the Legislature

\* 3 Passes = No vote  
 EA = Excused Absence



MINA BENTE OCHO NA LIHESLATURAN GUÅHAN  
TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
SECRETARY OF THE LEGISLATURE

Chairman  
COMMITTEE ON FINANCE, TAXATION & COMMERCE

OFFICE OF FINANCE AND BUDGET

E-Mail address: [senatorcalvo@hotsheet.com](mailto:senatorcalvo@hotsheet.com)  
155 Hessler Street Hagåtña, Guam 96910

Telephone: (671) 475-8801  
Facsimile: (671) 475-8805

March 01, 2006

The Honorable Mark Forbes  
Speaker  
*Mina Bente Ocho na Liheslaturan Guåhan*  
155 Hessler Street  
Hagåtña, Guam 96910

*Håfa adai*, Mr. Speaker:

The Committee on Finance, Taxation, and Commerce, to which **Bill No. 242 (EC): "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 Administrative Rules and Regulations of the Guam Board of Accountancy"**, was referred, wishes to report its findings and recommendations TO PASS Bill No. 242 (EC), *as substituted by the Committee*.

The voting record for Bill No. 242 (EC) is as follows:

TO PASS

6

NOT TO PASS

0

TO REPORT OUT

0

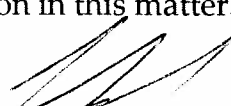
ABSTAIN

0

TO PLACE IN INACTIVE FILE

0

Copies of the Committee Report and other pertinent documents are attached. Thank you for your attention in this matter. *Si Yu'os Ma'åse!*

  
**Senator Edward J.B. Calvo**  
Chairman



MINA' BEN OCHO NA LIHESLATURAN GUÅHAN  
TWENTY-EIGHTH GUAM LEGISLATURE

**Senator Edward J.B. Calvo**  
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Facsimile: (671) 475-8805

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March 01, 2006

**MEMORANDUM**

To: Committee Members

From: Chairman, Committee on Finance, Taxation, and Commerce

Subject: Committee report on Bill 242 (EC) *as substituted by the Committee on Finance, Taxation, and Commerce*

This memorandum is accompanied by the following:


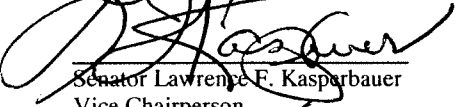
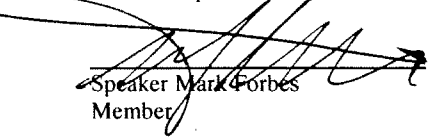
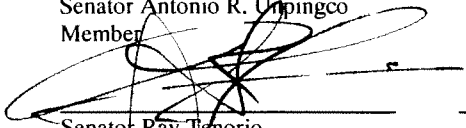

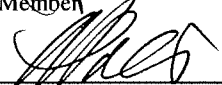
1. Committee voting sheet
2. Public Hearing sign-in sheet
3. Notice of Public Hearing
4. Testimonies submitted

Please take the appropriate action on the attached voting sheet. Your attention and cooperation in this matter is greatly appreciated. Should there be any questions regarding this matter, please feel free to contact my office at 475-8801.

**Senator Edward J.B. Calvo**  
Chairman

**Committee Voting Sheet**  
**Committee on Finance, Taxation, and Commerce**  
**Office of Finance and Budget**  
*Sinadot Edward J.B. Calvo, Ge'Hilo'*

**Bill No. 242 (EC):** "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 Administrative Rules And Regulations Of the Guam Board of Accountancy and to Transfer Appropriation to the Guam Board of Accountancy", as substituted by the Committee.

Committee Members	To Pass	Not to Pass	Report Out	Abstain	Inactive File
 Senator Edward J.B. Calvo Chairperson	✓				
 Senator Lawrence F. Kasperbauer Vice Chairperson	X				
 Speaker Mark Forbes Member	✓				
_____ Senator Antonio R. Umpingco Member					
 Senator Ray Tenorio Member	✓				
 Senator Jesse A. Lujan Member	4/9/06				
 Senator Adolpho B. Palacios Member	✓ 3/9				
_____ Senator Frank B. Aguon, Jr. Member					

11:5  
EPM

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

Bill No. 242(EL)

Introduced by:

Edward J.B. Calvo *EBC*  
A.R. Unpingco  
Mark Forbes *[Signature]*

**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(de)(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. Privityaey 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 (\$200150.00)."

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 (\$2150.00)."

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~~) 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