

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Regulatory Sunset Act is amended by changing Section 4.24, and by adding Section 4.34 as follows:

(5 ILCS 80/4.24)

Sec. 4.24. Acts and Section repealed on January 1, 2014. The following Acts and Section of an Act are repealed on January 1, 2014:

The Electrologist Licensing Act.

The Illinois Certified Shorthand Reporters Act of 1984.

The Illinois Occupational Therapy Practice Act.

~~The Illinois Public Accounting Act.~~

The Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004.

The Registered Surgical Assistant and Registered Surgical Technologist Title Protection Act.

Section 2.5 of the Illinois Plumbing License Law.

The Veterinary Medicine and Surgery Practice Act of 2004.

(Source: P.A. 97-1139, eff. 12-28-12.)

(5 ILCS 80/4.34 new)

Sec. 4.34. Act repealed on January 1, 2024. The following

Act is repealed on January 1, 2024:

The Illinois Public Accounting Act.

Section 10. The Illinois Public Accounting Act is amended by changing Sections 0.02, 0.03, 1, 2, 2.05, 2.1, 4, 5.2, 7, 8, 9, 9.2, 9.3, 13, 14, 14.1, 14.2, 16, 17, 17.1, 17.2, 20.01, 20.1, 20.2, 20.3, 20.4, 20.5, 20.6, 21, 27, 28, 30, 30.1, 30.2, 30.3, 30.4, 30.5, 30.6, 31, and 32 and by adding Sections 8.05, 14.4, 17.3, 20.7, 20.8, and 30.8 as follows:

(225 ILCS 450/0.02) (from Ch. 111, par. 5500.02)

(Section scheduled to be repealed on January 1, 2014)

Sec. 0.02. Declaration of public policy. It is the policy of this State and the purpose of this Act:

(a) To promote the dependability of information which is used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private, or governmental; and

(b) To protect the public interest by requiring that persons engaged in the practice of public accounting be qualified; that a public authority competent to prescribe and assess the qualifications of public accountants be established; and that

(c) Preparing, auditing or examining financial statements and issuing a report expressing or disclaiming an opinion on

such statements or expressing assurance on such statements be reserved to persons who demonstrate their ability and fitness to observe and apply the standards of the accounting profession; and that the use of accounting titles likely to confuse the public be prohibited.

(Source: P.A. 85-1209.)

(225 ILCS 450/0.03) (from Ch. 111, par. 5500.03)

(Section scheduled to be repealed on January 1, 2014)

Sec. 0.03. Definitions. As used in this Act, unless the context otherwise requires:

"Accountancy activities" means the services as set forth in Section 8.05 of the Act.

"Address of record" means the designated address recorded by the Department in the applicant's, licensee's, or registrant's application file or license file maintained by the Department's licensure maintenance unit. It is the duty of the applicant, licensee, or registrant to inform the Department of any change of address, and those changes must be made either through the Department's website or by directly contacting the Department.

"Certificate" means a certificate issued by the Board or University or similar jurisdictions specifying an individual has successfully passed all sections and requirements of the Uniform Certified Public Accountant Examination. A certificate issued by the Board or University or similar jurisdiction does

not confer the ability to use the CPA title and is not equivalent to a registration or license under this Act.

"Compilation" means providing a service to be performed in accordance with Statements on Standards for Accounting and Review Services that is presented in the form of financial statements or information that is the representation of management or owners without undertaking to express any assurance on the statements.

"CPA" or "C.P.A." means a certified public accountant who holds a license or registration issued by the Department or an individual authorized to use the CPA title under Section 5.2 of this Act.

"CPA firm" means a sole proprietorship, a corporation, registered limited liability partnership, limited liability company, partnership, professional service corporation, or any other form of organization issued a license in accordance with this Act.

"CPA (inactive)" means a licensed certified public accountant who elects to have the Department place his or her license on inactive status pursuant to Section 17.2 of this Act.

"Financial statement" means a structured presentation of historical financial information, including, but not limited to, related notes intended to communicate an entity's economic resources and obligations at a point in time or the changes therein for a period of time in accordance with generally

accepted accounting principles (GAAP) or other comprehensive basis of accounting (OCBOA).

"Other attestation engagements" means an engagement performed in accordance with the Statements on Standards for Attestation Engagements.

~~(a)~~ "Registered Certified Public Accountant" or "registered CPA" means any person who has been issued a registration under this Act as a Registered Certified Public Accountant.

"Report", when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of any financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. "Report" includes any form of language that disclaims an opinion when the form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statements referred to or special competence on the part of the person or firm issuing such language; it includes any other form of language that is conventionally understood to imply such assurance or such

special knowledge or competence.

~~(b)~~ "Licensed Certified Public Accountant" or "licensed CPA" means any person licensed under this Act as a Licensed Certified Public Accountant.

~~(c)~~ "Committee" means the Public Accountant Registration and Licensure Committee appointed by the Secretary ~~Director~~.

~~(d)~~ "Department" means the Department of Financial and Professional Regulation.

~~(e)~~ "~~Director~~" means ~~the Director of Professional Regulation~~.

~~(f)~~ "License", "licensee" and "licensure" refers to the authorization to practice under the provisions of this Act.

~~(g)~~ "Peer review ~~program~~" means a study, appraisal, or review of one or more aspects of a CPA firm's or sole practitioner's compliance with applicable accounting, auditing, and other attestation standards adopted by generally recognized standard-setting bodies ~~the professional work of a firm or sole practitioner in the practice of public accounting to determine the degree of compliance by the firm or sole practitioner with professional standards and practices, conducted by persons who hold current licenses to practice public accounting under the laws of this or another state and who are not affiliated with the firm or sole practitioner being reviewed.~~

"Principal place of business" means the office location designated by the licensee from which the person directs,

controls, and coordinates his or her professional services.

~~(h)~~ "Review committee" means any person or persons conducting, reviewing, administering, or supervising a peer review program.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

~~(i)~~ "University" means the University of Illinois.

~~(j)~~ "Board" means the Board of Examiners established under Section 2.

~~(k)~~ "Registration", "registrant", and "registered" refer to the authorization to hold oneself out as or use the title "Registered Certified Public Accountant" or "Certified Public Accountant", unless the context otherwise requires.

~~(l)~~ "Peer Review Administrator" means an organization designated by the Department that meets the requirements of subsection (f) of Section 16 of this Act and other rules that the Department may adopt.

(Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

(225 ILCS 450/1) (from Ch. 111, par. 5501)

(Section scheduled to be repealed on January 1, 2014)

Sec. 1. No person shall hold himself or herself out to the public in this State in any manner by using the title "Certified Public Accountant", "Licensed Certified Public Accountant", "Registered Certified Public Accountant", "Public Accountant", or use the abbreviation "C.P.A." ~~or~~ "CPA" ~~or~~

"LCPA", "RCPA", "PA", or any words or letters to indicate that the person using the same is a licensed CPA or registered CPA ~~certified public accountant~~, unless he or she has been issued a license or registration by the Department under this Act or is exercising the practice privilege afforded under Section 5.2 of this Act.

(Source: P.A. 95-386, eff. 1-1-08.)

(225 ILCS 450/2) (from Ch. 111, par. 5502)

(Section scheduled to be repealed on January 1, 2014)

Sec. 2. Board of Examiners. The Governor shall appoint a Board of Examiners that shall determine the qualifications of persons applying for certificates and shall make rules for and conduct examinations for determining the qualifications.

The Board shall consist of 11 examiners, including 2 public members. The remainder shall be certified public accountants in this State who have been residents of this State for at least 5 years immediately preceding their appointment, except that one shall be either a certified public accountant of the grade herein described or an attorney licensed and residing in this State and one shall be a certified public accountant who is an active or retired educator residing in this State. The term of office of each examiner shall be 3 years, ~~except that upon the enactment of this amendatory Act of the 93rd General Assembly, those members currently serving on the Board shall continue to serve the duration of their terms, one additional examiner~~

~~shall be appointed for a term of one year, and one additional examiner for a term of 2 years.~~ As the term of each examiner expires, the appointment shall be filled for a term of 3 years from the date of expiration. Any Board member who has served as a member for 6 consecutive years shall not be eligible for reappointment until 2 years after the end of the term in which the sixth consecutive year of service occurred, except that members of the Board serving on the effective date of this Section shall be eligible for appointment to one additional 3-year term. Where the expiration of any member's term shall result in less than 11 members then serving on the Board, the member shall continue to serve until his or her successor is appointed and has qualified. Except as otherwise provided in this Section, no ~~No~~ Board member shall serve more than 2 full consecutive terms. Anyone appointed to the Board shall be ineligible to be appointed to the Illinois Public Accountants Registration and Licensure Committee appointed by the Secretary ~~Director~~. Appointments to fill vacancies shall be made in the same manner as original appointments for the unexpired portion of the vacated term. The membership of the Board shall reasonably reflect representation from the geographic areas in this State. The members of the Board appointed by the Governor shall receive reasonable compensation for their necessary, legitimate, and authorized expenses in accordance with the Governor's Travel Control Board rules and the Travel Regulation Rules. The Governor may

terminate the term of any member of the Board at any time for cause.

Information regarding educational requirements, the application process, the examination, and fees shall be available on the Board's Internet web site as well as in printed documents available from the Board's office.

The Board shall adopt all necessary and reasonable rules and regulations for the effective administration of this Act. Without limiting the foregoing, the Board shall adopt and prescribe rules and regulations for a fair and impartial method of determining the qualifications of applicants for examination and for a fair and impartial method of examination of persons under Section 2 and may establish rules for subjects conditioned and for the transfer of credits from other jurisdictions with respect to subjects passed.

The Board shall make an annual report of its activities to the Governor and the Secretary ~~Director~~. This report shall include a complete operating and financial statement covering its operations during the year, the number of examinations given, the pass/fail ratio for examinations, and any other information deemed appropriate. The Board shall have an audit of its books and accounts every 2 years by the Auditor General. (Source: P.A. 92-457, eff. 7-1-04; 93-629, eff. 12-23-03; 93-683, eff. 7-2-04.)

(Section scheduled to be repealed on January 1, 2014)

Sec. 2.05. Public Accountant Registration and Licensure Committee. The Secretary Director shall appoint a Public Accountant Registration and Licensure Committee consisting of 7 persons, who shall be appointed by and shall serve in an advisory capacity to the Secretary Director. A majority of the ~~Six~~ members must be licensed CPAs ~~public accountants or Licensed Certified Public Accountants~~ in good standing and must be actively engaged in the practice of public accounting in this State. The remaining members must include registered CPAs in good standing in this State and one ~~member must be~~ a member of the public who is not licensed or registered under this Act or a similar Act of another jurisdiction and who has no connection with the accounting or public accounting profession. Four members of the Committee shall constitute a quorum. A quorum is required for all Committee decisions. Members shall serve 4-year terms and until their successors are appointed and qualified. No member shall be reappointed to the Committee for more than 2 full consecutive terms. Appointments to fill vacancies shall be made in the same manner as original appointments for the unexpired portion of the vacated term. ~~The membership of the Committee shall reasonably reflect representation from the geographic areas in this State.~~ The members of the Committee appointed by the Secretary Director shall receive reasonable compensation, as determined by the Department, for the necessary, legitimate, and authorized

expenses approved by the Department. All expenses shall be paid from the Registered Certified Public Accountants' Administration and Disciplinary Fund. The Secretary ~~Director~~ may terminate the appointment of any member for cause. The Secretary ~~Director~~ shall consider the advice and recommendations of the Committee on questions involving standards of professional conduct, discipline, and qualifications of applicants ~~candidates~~ and licensees under this Act.

(Source: P.A. 93-683, eff. 7-2-04.)

(225 ILCS 450/2.1) (from Ch. 111, par. 5503)

(Section scheduled to be repealed on January 1, 2014)

Sec. 2.1. Administrative Procedure Act. The Illinois Administrative Procedure Act is hereby expressly adopted and incorporated herein as if all of the provisions of that Act were included in this Act, except that the provision of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that provides that at hearings the licensee has the right to show compliance with all lawful requirements for retention, continuation or renewal of the license is specifically excluded. For the purposes of this Act the notice required under Section 10-25 of the Administrative Procedure Act is deemed sufficient when mailed to the licensee's address of record ~~last known address of a party~~.

(Source: P.A. 88-45.)

(225 ILCS 450/4) (from Ch. 111, par. 5505)

(Section scheduled to be repealed on January 1, 2014)

Sec. 4. Transitional language.

(a) The provisions of this Act shall not be construed to invalidate any certificates as certified public accountants issued by the University under "An Act to regulate the profession of public accountants", approved May 15, 1903, as amended, or any certificates as Certified Public Accountants issued by the University or the Board under Section 4 of "An Act to regulate the practice of public accounting and to repeal certain acts therein named", approved July 22, 1943, as amended, which certificates shall be valid and in force as though issued under the provisions of this Act.

(b) Before July 1, 2012, persons who have received a Certified Public Accountant (CPA) Certificate issued by the Board or University ~~of Examiners~~ or holding similar certifications from other jurisdictions with equivalent educational requirements and examination standards may apply to the Department on forms supplied by the Department for and may be granted a registration as a registered CPA ~~Registered Certified Public Accountant~~ from the Department upon payment of the required fee.

(c) Beginning with the 2006 renewal, the Department shall cease to issue a license as a Public Accountant. Any person holding a valid license as a Public Accountant prior to

September 30, 2006 who meets the conditions for renewal of a license under this Act, shall be issued a license as a licensed CPA ~~Licensed Certified Public Accountant~~ under this Act and shall be subject to continued regulation by the Department under this Act. The Department may adopt rules to implement this Section.

(d) The Department shall not issue any new registrations as a registered CPA on or ~~Registered Certified Public Accountant~~ after July 1, 2012. After that date, any applicant for licensure under this Act shall apply for a license as a licensed CPA ~~Licensed Certified Public Accountant~~ and shall meet the requirements set forth in this Act. Any person ~~issued a Certified Public Accountant certificate~~ who has been issued a registration as a registered CPA ~~Registered Certified Public Accountant~~ may renew the registration under the provisions of this Act and that person may continue to renew or restore the registration during his or her lifetime, subject only to the renewal or restoration requirements for the registration under this Act. Such registration shall be subject to the disciplinary provisions of this Act.

(e) (Blank). ~~On and after October 1, 2006, no person shall hold himself or herself out to the public in this State in any manner by using the title "certified public accountant" or use the abbreviation "C.P.A." or "CPA" or any words or letters to indicate that the person using the same is a certified public accountant unless he or she maintains a current registration or~~

~~license issued by the Department or is exercising the practice privilege afforded under Section 5.2 of this Act. It shall be a violation of this Act for an individual to assume or use the title "certified public accountant" or use the abbreviation "C.P.A." or "CPA" or any words or letters to indicate that the person using the same is a certified public accountant in this State unless he or she maintains a current registration or license issued by the Department or is exercising the practice privilege afforded under Section 5.2 of this Act.~~

(Source: P.A. 95-386, eff. 1-1-08; 96-945, eff. 6-25-10.)

(225 ILCS 450/5.2)

(Section scheduled to be repealed on January 1, 2014)

Sec. 5.2. Substantial equivalency.

(a) An individual whose principal place of business is not in this State shall have all the privileges of a person licensed under this Act as a licensed CPA ~~certified public accountant~~ without the need to obtain a license ~~or registration~~ from the Department or to file notice with the Department, if the individual:

(1) holds a valid license as a certified public accountant issued by another state that the National Qualification Appraisal Service of the National Association of State Boards of Accountancy has verified to be in substantial equivalence with the CPA licensure requirements of the Uniform Accountancy Act of the American

Institute of Certified Public Accountants and the National Association of State Boards of Accountancy; or

(2) holds a valid license as a certified public accountant issued by another state and obtains from the National Qualification Appraisal Service of the National Association of State Boards of Accountancy verification that the individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act of the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy; however, any individual who has passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the education requirements of Section 3 of this Act for the purposes of this item (2).

(b) Notwithstanding any other provision of law, an individual who offers or renders professional services under this Section, whether in person or by mail, telephone, or electronic means, shall be granted practice privileges in this State and no notice or other submission must be provided by any such individual.

(c) An individual licensee of another state who is exercising the privilege afforded under this Section and the CPA firm that employs such individual, if any, as a condition of the grant of this privilege, hereby simultaneously consents:

(1) to the personal and subject matter jurisdiction and

disciplinary authority of the Department;

(2) to comply with this Act and the Department's rules adopted under this Act;

(3) that in the event that the license from the state of the individual's principal place of business is no longer valid, the individual shall cease offering or rendering accountancy activities as outlined in paragraphs (1) and (2) of Section 8.05 ~~professional services~~ in this State individually or on behalf of a CPA firm; and

(4) to the appointment of the state board that issued the individual's or the CPA firm's license as the agent upon which process may be served in any action or proceeding by the Department against the individual.

(d) An individual licensee who qualifies for practice privileges under this Section who, for any entity headquartered in this State, performs (i) a financial statement audit or other engagement in accordance with Statements on Auditing Standards; (ii) an examination of prospective financial information in accordance with Statements on Standards for Attestation Engagements; or (iii) an engagement in accordance with Public Company Accounting Oversight Board Auditing Standards may only do so through a CPA firm licensed under this Act.

(Source: P.A. 95-386, eff. 1-1-08.)

(225 ILCS 450/7) (from Ch. 111, par. 5508)

(Section scheduled to be repealed on January 1, 2014)

Sec. 7. Licensure. A holder of a certificate or registration as a certified public accountant issued by the Board or Department shall not be entitled to practice public accounting, as defined in Section 8, in this State until the person has been licensed as a licensed CPA ~~certified public accountant~~ by the Department.

~~The Department may refuse to issue or may suspend the license of any person who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied.~~

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/8) (from Ch. 111, par. 5509)

(Section scheduled to be repealed on January 1, 2014)

Sec. 8. Practicing as a licensed CPA ~~public accountant or licensed certified public accountant~~. Persons, either individually, as members of a partnership or limited liability company, or as officers of a corporation, who sign, affix or associate their names or any trade or assumed names used by them in a profession or business to any report expressing or disclaiming an opinion on a financial statement based on an audit or examination of that statement, or expressing assurance

on a financial statement, shall be deemed to be in practice as licensed CPAs and are performing accountancy activities as outlined in paragraph (1) of subsection (a) of Section 8.05 ~~licensed public accountants or licensed certified public accountants within the meaning and intent of this Act.~~

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/8.05 new)

Sec. 8.05. Accountancy activities.

(a) Accountancy activities are services performed by a CPA, including:

(1) signing, affixing, or associating the names used by a person or CPA firm to any report expressing an assurance on a financial statement or disclaiming an opinion on a financial statement based on an audit or examination of that statement or to express assurance on a financial statement;

(2) other attestation engagements not otherwise defined in paragraph (1); or

(3) offering to perform or performing one or more types of the following services involving the use of professional skills or competencies: accounting, management, financial or consulting services, compilations, internal audit, preparation of tax returns, furnishing advice on tax matters, bookkeeping, or representations of taxpayers; this includes the teaching of any of these areas at the

college or university level.

(b) If offering or performing accountancy activities using the CPA title set forth in paragraphs (1), (2), and (3) of subsection (a) of this Section, then:

(1) the activities identified in paragraph (1) of subsection (a) may only be performed by licensed CPAs;

(2) the activities identified in paragraph (2) of subsection (a) may only be performed by licensed or registered CPAs; and

(3) the activities identified in paragraph (3) of subsection (a) are not restricted to licensed or registered CPAs, subject to the provisions of Section 9.02 of this Act.

(225 ILCS 450/9) (from Ch. 111, par. 5510)

(Section scheduled to be repealed on January 1, 2014)

Sec. 9. Unlicensed practice; violation; civil penalty.

(a) Offering, attempting, or holding oneself out to practice as a licensed CPA or a registered CPA in this State without being licensed or registered under this Act or qualifying for the practice privilege set forth in Section 5.2 of this Act is prohibited. ~~No person shall practice in this State or hold himself or herself out as being able to practice in this State as a licensed certified public accountant, unless he or she is licensed in accordance with the provisions of this Act or is exercising the practice privilege afforded under~~

~~Section 5.2 of this Act. Any person who is the holder of a license as a public accountant heretofore issued, under any prior Act licensing or registering public accountants in this State, valid on the effective date of this amendatory Act shall be deemed to be licensed under this Act shall be subject to the same rights and obligations as persons originally licensed under this Act.~~

(b) The use of the title "certified public accountant", "Licensed Certified Public Accountant", "Registered Certified Public Accountant", "public accountant", or abbreviation "C.P.A." or any similar terms that may be misleading to the public indicating that an individual or the members of a firm are licensed or registered CPAs is prohibited unless (1) the individual or members are holders of an effective unrevoked license or registration or qualify for the practice privilege under Section 5.2 of this Act and (2) the firm is licensed as a CPA firm by the Department and is performing accounting activities as outlined in Section 8.05.

(c) In addition to any other penalty provided by law, any individual or person violating subsection (a) or (b) of this Section shall pay a civil penalty to the Department in an amount not to exceed \$10,000 for each offense as determined by the Department. The civil penalty shall be assessed by the Department after a hearing is held in accordance with the provisions set forth in this Act regarding the provision of a hearing for the discipline of a licensee.

(d) The Department has the authority and power to investigate any and all alleged improper use of the certified public accountant title or CPA designation and any unlicensed activity.

(e) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner as any judgment from any court of record.

(Source: P.A. 95-386, eff. 1-1-08.)

(225 ILCS 450/9.2) (from Ch. 111, par. 5510.2)

(Section scheduled to be repealed on January 1, 2014)

Sec. 9.2. Powers and duties of the Department.

(a) The Department shall exercise the powers and duties prescribed by "The Civil Administrative Code of Illinois" for the administration of licensing acts and shall exercise such other powers and duties invested by this Act.

(b) The Secretary ~~Director~~ may promulgate rules consistent with the provisions of this Act for the administration and enforcement of the provisions of this Act for which the Department is responsible and for the payment of fees connected therewith and may prescribe forms which shall be issued in connection therewith. The rules shall include standards and criteria for licensure and professional conduct and discipline.

(c) The Department may solicit the advice and expert knowledge of the Committee or the Board on any matter relating to the administration and enforcement of this Act.

The Department may, in its discretion, employ or use the legal services of outside counsel and the investigative services of outside personnel to assist the Department, and the Department is authorized to pay for such services from the Registered Certified Public Accountants' Administration and Disciplinary Fund.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/9.3)

(Section scheduled to be repealed on January 1, 2014)

Sec. 9.3. Sharing of information. Notwithstanding any other provision of this Act, for the purpose of carrying out their respective duties and responsibilities under this Act and to effectuate the purpose of this Act, both the Board ~~of Examiners~~ and the Department ~~of Financial and Professional Regulation~~ are authorized and directed to share information with each other regarding those individuals and entities licensed or certified or applying for licensure or certification under this Act.

(Source: P.A. 94-779, eff. 5-19-06.)

(225 ILCS 450/13) (from Ch. 111, par. 5514)

(Section scheduled to be repealed on January 1, 2014)

Sec. 13. Application for licensure.

(a) A person or CPA firm that wishes to perform accountancy activities, ~~partnership, limited liability company, or corporation desiring to practice public accounting~~ in this State, as defined in paragraph (1) of subsection (a) of Section 8.05 of this Act, or use the CPA title shall make application to the Department ~~for licensure as a licensed certified public accountant~~ and shall pay the fee required by rule.

Applicants have 3 years from the date of application to complete the application process. If the process has not been completed in 3 years, the application shall be denied, the fee forfeited and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(b) Any CPA firm, ~~whether organized as a partnership, limited liability company, corporation, or other entity,~~ that (i) has an office in this State that uses the title "CPA" or "CPA firm"; (ii) has an office in this State that performs accountancy activities ~~public accounting services,~~ as defined in paragraph (1) of subsection (a) of Section 8.05 ~~of this Act;~~ or (iii) does not have an office in this State, but performs ~~attest~~ services, as set forth in subsection (d) of Section 5.2 of this Act, for a client that is headquartered ~~has its home office~~ in this State must hold a license as a CPA firm issued under this Act.

(c) A CPA firm that does not have an office in this State may perform a review of a financial statement in accordance

with the Statements on Standards for Accounting and Review Services for a client with its headquarters ~~home office~~ in this State and may use the title "CPA" or "CPA firm" without obtaining a license as a CPA firm under this Act, only if the firm (i) performs such services through individuals with practice privileges under Section 5.2 of this Act; (ii) satisfies any peer review requirements in those states in which the individuals with practice privileges under Section 5.2 have their principal place of business; and (iii) meets the qualifications set forth in paragraph (1) of Section 14.4 ~~item (2) of subsection (b) of Section 14~~ of this Act.

(d) A CPA firm that is not subject to the requirements of subsection (b) or (c) of this Section may perform professional services that are not regulated under subsection (b) or (c) of this Section while using the title "CPA" or "CPA firm" in this State without obtaining a license as a CPA firm under this Act if the firm (i) performs such services through individuals with practice privileges under Section 5.2 of this Act and (ii) may lawfully perform such services in the state where those individuals with practice privileges under Section 5.2 of this Act have their principal place of business.

(Source: P.A. 95-386, eff. 1-1-08.)

(225 ILCS 450/14) (from Ch. 111, par. 5515)

(Section scheduled to be repealed on January 1, 2014)

Sec. 14. Qualifications for licensure as a licensed CPA.

The Department may license as licensed CPAs individuals meeting the following requirements ~~licensed certified public accountants the following:~~

(a) All persons who have received certificates as certified public accountants from the Board or who hereafter received ~~receive~~ registrations as registered CPAs ~~certified public accountants~~ from the Department who have had at least one year of full-time experience, or its equivalent, providing any type of service or advice involving the use of accounting, audit attest, management advisory, financial advisory, tax, ~~or~~ consulting skills, or other attestation engagements which may be gained through employment in government, industry, academia, or public practice.

(a-5) If the applicant's certificate as a certified public accountant from the Board or the applicant's registration as a registered CPA ~~certified public accountant~~ from the Department was issued more than 4 years prior to the application for a license as a licensed CPA under this Section, the applicant shall submit any evidence the Department may require showing the applicant has completed not less than 90 hours of continuing professional education acceptable to the Department within the 3 years immediately preceding the date of application.

(b) (Blank). ~~All partnerships, limited liability companies, or corporations, or other entities engaged in the practice of public accounting in this State and meeting the~~

~~following requirements:~~

~~(1) (Blank).~~

~~(2) A majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, belongs to persons licensed in some state, and the partners, officers, shareholders, members, or managers whose principal place of business is in this State and who practice public accounting in this State, as defined in Section 8 of this Act, hold a valid license issued by this State. An individual exercising the practice privilege afforded under Section 5.2 who performs services for which a firm license is required under subsection (d) of Section 5.2 shall not be required to obtain an individual license under this Act.~~

~~(3) It shall be lawful for a nonprofit cooperative association engaged in rendering an auditing and accounting service to its members only, to continue to render that service provided that the rendering of auditing and accounting service by the cooperative association shall at all times be under the control and supervision of licensed certified public accountants.~~

~~(4) The Department may adopt rules and regulations as necessary to provide for the practice of public accounting by business entities that may be otherwise authorized by law to conduct business in Illinois.~~

(Source: P.A. 95-386, eff. 1-1-08.)

(225 ILCS 450/14.1)

(Section scheduled to be repealed on January 1, 2014)

Sec. 14.1. Foreign accountants. The Department may ~~shall~~ issue a license as a licensed CPA to a holder of a foreign designation, granted in a foreign country ~~entitling the holder thereof to engage in the practice of public accounting,~~ provided that:

(a) the applicant is the holder of a certificate as a certified public accountant from the Board or a registration as a registered CPA ~~certified public accountant~~ from the Department issued under this Act;

(b) (Blank) ~~the foreign authority that granted the designation makes similar provision to allow a person who holds a valid license issued by this State to obtain a foreign authority's comparable designation;~~

(c) the foreign designation (i) was duly issued by a foreign authority that regulates the practice of public accounting and the foreign designation has not expired or been revoked or suspended; (ii) entitles the holder to issue reports upon financial statements; and (iii) was issued upon the basis of educational, examination, and experience requirements established by the foreign authority or by law; and

(d) the applicant (i) received the designation based on

standards substantially equivalent to those in effect in this State at the time the foreign designation was granted; and (ii) completed an experience requirement, substantially equivalent to the requirement set out in Section 14, in the jurisdiction that granted the foreign designation ~~or has completed 5 years of experience in the practice of public accounting in this State,~~ or meets equivalent requirements prescribed by the Department by rule, within the 10 years immediately preceding the application.

Applicants have 3 years from the date of application to complete the application process. If the process has not been completed in 3 years, the application shall be denied, the fee shall be forfeited, and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(Source: P.A. 95-331, eff. 8-21-07.)

(225 ILCS 450/14.2)

(Section scheduled to be repealed on January 1, 2014)

Sec. 14.2. Licensure by endorsement.

(a) The Department shall issue a license as a licensed CPA ~~certified public accountant~~ to any applicant who holds a current, valid, and unrevoked license ~~certificate~~ as a certified public accountant issued from another state ~~by the Board of Examiners or similar certification from another jurisdiction~~ with equivalent educational requirements and

examination standards, applies to the Department on forms supplied by the Department, and pays the required fee, provided:

(1) the individual applicant is determined by the Department to possess qualifications substantially equivalent to this State's current licensing requirements;

(2) at the time the applicant received his or her ~~current valid and unrevoked license or permit~~, the applicant possessed qualifications substantially equivalent to the qualifications for licensure then in effect in this State; or

(3) the applicant has, after passing the examination upon which his or her license ~~or other permit~~ to practice was based, not less than 4 years of experience as outlined in Section 14 of this Act ~~in the practice of public accounting~~ within the 10 years immediately before the application.

(b) In determining the substantial equivalency of any state's requirements to Illinois' requirements, the Department may rely on the determinations of the National Qualification Appraisal Service of the National Association of State Boards of Accountancy or such other qualification appraisal service as it deems appropriate.

(c) Applicants have 3 years from the date of application to complete the application process. If the process has not been completed in 3 years, the application shall be denied, the fee

shall be forfeited, and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/14.4 new)

Sec. 14.4. Qualifications for licensure as a CPA firm. The Department may license as licensed CPA firms individuals or entities meeting the following requirements:

(1) A majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or belongs to persons licensed or registered in some state. All partners, officers, shareholders, or members, whose principal place of business is in this State and who have overall responsibility for accountancy activities in this State, as defined in paragraph (1) of subsection (a) of Section 8.05 of this Act, must hold a valid license as a licensed CPA issued by this State. An individual exercising the practice privilege afforded under Section 5.2 who performs services for which a firm license is required under subsection (d) of Section 5.2 shall not be required to obtain an individual license under this Act.

(2) All owners of the CPA firm, whether licensed as a licensed CPA or not, shall be active participants in the CPA firm or its affiliated entities and shall comply with the rules adopted under this Act.

(3) It shall be lawful for a nonprofit cooperative association engaged in rendering an auditing and accounting service to its members only to continue to render that service provided that the rendering of auditing and accounting service by the cooperative association shall at all times be under the control and supervision of licensed CPAs.

(4) An individual who supervises services for which a license is required under paragraph (1) of subsection (a) of Section 8.05 of this Act, who signs or authorizes another to sign any report for which a license is required under paragraph (1) of subsection (a) of Section 8.05 of this Act, or who supervises services for which a CPA firm license is required under subsection (d) of Section 5.2 of this Act shall hold a valid, active licensed CPA license from this State or another state considered to be substantially equivalent under paragraph (1) of subsection (a) of Section 5.2.

(5) The CPA firm shall designate to the Department in writing an individual licensed as a licensed CPA under this Act or, in the case of a firm that must have a CPA firm license pursuant to subsection (b) of Section 13 of this Act, a licensee of another state who meets the requirements set out in paragraph (1) or (2) of subsection (a) of Section 5.2 of this Act, who shall be responsible for the proper licensure of the CPA firm.

(225 ILCS 450/16) (from Ch. 111, par. 5517)

(Section scheduled to be repealed on January 1, 2014)

Sec. 16. Expiration and renewal of licenses; renewal of registration; continuing education.

(a) The expiration date and renewal period for each license or registration issued under this Act shall be set by rule.

(b) Every holder of a license or registration under this Act may renew such license or registration before the expiration date upon payment of the required renewal fee as set by rule.

(c) Every application for renewal of a license by a licensed CPA ~~certified public accountant~~ who has been licensed under this Act for 3 years or more shall be accompanied or supported by any evidence the Department shall prescribe, in satisfaction of completing, each 3 years, not less than 120 hours of continuing professional education as prescribed by Department rules ~~programs in subjects given by continuing education sponsors registered by the Department upon recommendation of the Committee~~. Of the 120 hours, not less than 4 hours shall be courses covering the subject of professional ethics. All continuing education sponsors applying to the Department for registration shall be required to submit an initial nonrefundable application fee set by Department rule. Each registered continuing education sponsor shall be required to pay an annual renewal fee set by

Department rule. Publicly supported colleges, universities, and governmental agencies located in Illinois are exempt from payment of any fees required for continuing education sponsor registration. Failure by a continuing education sponsor to be licensed or pay the fees prescribed in this Act, or to comply with the rules and regulations established by the Department under this Section regarding requirements for continuing education courses or sponsors, shall constitute grounds for revocation or denial of renewal of the sponsor's registration.

(d) Licensed CPAs ~~Certified Public Accountants~~ are exempt from the continuing professional education requirement for the first renewal period following the original issuance of the license.

~~Notwithstanding the provisions of subsection (c), the Department may accept courses and sponsors approved by other states, by the American Institute of Certified Public Accountants, by other state CPA societies, or by national accrediting organizations such as the National Association of State Boards of Accountancy.~~

Failure by an applicant for renewal of a license as a licensed CPA ~~certified public accountant~~ to furnish the evidence shall constitute grounds for disciplinary action, unless the Department in its discretion shall determine the failure to have been due to reasonable cause. The Department, in its discretion, may renew a license despite failure to furnish evidence of satisfaction of requirements of continuing

education upon condition that the applicant follow a particular program or schedule of continuing education. In issuing rules and individual orders in respect of requirements of continuing education, the Department in its discretion may, among other things, use and rely upon guidelines and pronouncements of recognized educational and professional associations; may prescribe rules for the content, duration, and organization of courses; shall take into account the accessibility to applicants of such continuing education as it may require, and any impediments to interstate practice of public accounting that may result from differences in requirements in other states; and may provide for relaxation or suspension of requirements in regard to applicants who certify that they do not intend to engage in the performance of accountancy activities ~~practice of public accounting~~, and for instances of individual hardship.

The Department shall establish by rule a means for the verification of completion of the continuing education required by this Section. This verification may be accomplished through audits of records maintained by licensees; by requiring the filing of continuing education certificates with the Department; or by other means established by the Department.

The Department may establish, by rule, guidelines for acceptance of continuing education on behalf of licensed CPAs ~~certified public accountants~~ taking continuing education courses in other jurisdictions.

(e) For renewals on and after July 1, 2012, as a condition for granting a renewal license to CPA firms and sole practitioners who perform accountancy activities outlined in paragraph (1) of subsection (a) of Section 8.05 ~~provide services requiring a license~~ under this Act, the Department shall require that the CPA firm or sole practitioner satisfactorily complete a peer review during the immediately preceding 3-year period, accepted by a Peer Review Administrator in accordance with established standards for performing and reporting on peer reviews, unless the CPA firm or sole practitioner is exempted under the provisions of subsection (i) of this Section. A CPA firm or sole practitioner shall, at the request of the Department, submit to the Department a letter from the Peer Review Administrator stating the date on which the peer review was satisfactorily completed.

A new CPA firm or sole practitioner ~~not subject to subsection (1) of this Section~~ shall not be required to comply with the peer review requirements for the first license renewal. A CPA firm or sole practitioner shall undergo its first peer review during the first full renewal cycle after it is granted its initial license.

The requirements of this subsection (e) shall not apply to any person providing services requiring a license under this Act to the extent that such services are provided in the capacity of an employee of the Office of the Auditor General or to a nonprofit cooperative association engaged in the rendering

of licensed service to its members only under paragraph (3) of Section 14.4 ~~subsection (b) of Section 14~~ of this Act or any of its employees to the extent that such services are provided in the capacity of an employee of the association.

(f) The Department shall approve only Peer Review Administrators that the Department finds comply with established standards for performing and reporting on peer reviews. The Department may adopt rules establishing guidelines for peer reviews, which shall do all of the following:

(1) Require that a peer review be conducted by a reviewer that is independent of the CPA firm reviewed and approved by the Peer Review Administrator under established standards.

(2) Other than in the peer review process, prohibit the use or public disclosure of information obtained by the reviewer, the Peer Review Administrator, or the Department during or in connection with the peer review process. The requirement that information not be publicly disclosed shall not apply to a hearing before the Department that the CPA firm or sole practitioner requests be public or to the information described in paragraph (3) of subsection (i) of this Section.

(g) If a CPA firm or sole practitioner fails to satisfactorily complete a peer review as required by subsection (e) of this Section or does not comply with any remedial

actions determined necessary by the Peer Review Administrator, the Peer Review Administrator shall notify the Department of the failure and shall submit a record with specific references to the rule, statutory provision, professional standards, or other applicable authority upon which the Peer Review Administrator made its determination and the specific actions taken or failed to be taken by the licensee that in the opinion of the Peer Review Administrator constitutes a failure to comply. The Department may at its discretion or shall upon submission of a written application by the CPA firm or sole practitioner hold a hearing under Section 20.1 of this Act to determine whether the CPA firm or sole practitioner has complied with subsection (e) of this Section. The hearing shall be confidential and shall not be open to the public unless requested by the CPA firm or sole practitioner.

(h) The CPA firm or sole practitioner reviewed shall pay for any peer review performed. The Peer Review Administrator may charge a fee to each firm and sole practitioner sufficient to cover costs of administering the peer review program.

(i) A CPA firm or sole practitioner shall not be required to comply with the peer review requirements ~~be exempt from the requirement to undergo a peer review~~ if:

(1) Within 3 years before the date of application for renewal licensure, the sole practitioner or CPA firm has undergone a peer review conducted in another state or foreign jurisdiction that meets the requirements of

paragraphs (1) and (2) of subsection (f) of this Section. The sole practitioner or CPA firm shall, at the request of the Department, submit to the Department a letter from the organization administering the most recent peer review stating the date on which the peer review was completed; or

(2) Within 2 years before the date of application for renewal licensure, the ~~The~~ sole practitioner or CPA firm satisfies all of the following conditions:

(A) has not accepted or performed any accountancy activities outlined in paragraph (1) of subsection (a) of Section 8.05 of this Act; and ~~during the preceding 2 years, the firm or sole practitioner has not accepted or performed any services requiring a license under this Act;~~

(B) the firm or sole practitioner agrees to notify the Peer Review Administrator ~~Department~~ within 30 days of accepting an engagement for services requiring a license under this Act and to undergo a peer review within 18 months after the end of the period covered by the engagement; or

(3) For reasons of personal health, military service, or other good cause, the Department determines that the sole practitioner or firm is entitled to an exemption, which may be granted for a period of time not to exceed 12 months.

(j) If a peer review report indicates that a CPA firm or

sole practitioner complies with the appropriate professional standards and practices set forth in the rules of the Department and no further remedial action is required, the Peer Review Administrator shall, after issuance of the final letter of acceptance, destroy all working papers and documents related to the peer review, other than report-related documents and documents evidencing completion of remedial actions, if any, in accordance with rules established by the Department.

(k) (Blank).

(Source: P.A. 96-945, eff. 6-25-10.)

(225 ILCS 450/17) (from Ch. 111, par. 5518)

(Section scheduled to be repealed on January 1, 2014)

Sec. 17. Fees; returned checks; fines. The fees for the administration and enforcement of this Act, including, but not limited to, original licensure, registration, renewal, and restoration fees, shall be set by the Department by rule. The fees shall be nonrefundable. Each person, partnership, limited liability company, and corporation, to which a license or registration is issued, shall pay a fee to be established by the Department which allows the Department to pay all costs and expenses incident to the administration of this Act. Interim licenses shall be at full rates.

~~The Department, by rule, shall establish fees to be paid for certification of records, and copies of this Act and the rules issued for administration of this Act.~~

Any person who delivers a check or other payment to the Department that is returned to the Department unpaid by the financial institution upon which it is drawn shall pay to the Department, in addition to the amount already owed to the Department, a fine of \$50. The fines imposed by this Section are in addition to any other discipline provided under this Act for unlicensed practice or practice on a nonrenewed license or registration. The Department shall notify the person that payment of fees and fines shall be paid to the Department by certified check or money order within 30 calendar days of the notification. If, after the expiration of 30 days from the date of the notification, the person has failed to submit the necessary remittance, the Department shall automatically terminate the license or registration or deny the application, without hearing. If, after termination or denial, the person seeks a license or registration, he or she shall apply to the Department for restoration or issuance of the license or registration and pay all fees and fines due to the Department. The Department may establish a fee for the processing of an application for restoration of a license or registration to pay all expenses of processing this application. The Department may waive the fines due under this Section in individual cases where the Department finds that the fines would be unreasonable or unnecessarily burdensome.

(Source: P.A. 92-146, eff. 1-1-02; 92-457, eff. 7-1-04; 92-651, eff. 7-11-02; 93-683, eff. 7-2-04.)

(225 ILCS 450/17.1) (from Ch. 111, par. 5518.1)

(Section scheduled to be repealed on January 1, 2014)

Sec. 17.1. Restoration.

(a) Any registered CPA ~~certified public accountant~~ who has permitted his or her registration to expire or who has had his or her registration on inactive status may have his or her registration restored by making application to the Department and filing proof acceptable to the Department as defined by rule of his or her fitness to have his or her registration restored, which may include sworn evidence certifying to active practice in another jurisdiction satisfactory to the Department and by paying the required restoration fee.

(b) Any licensed CPA ~~certified public accountant~~ who has permitted his or her license to expire or who has had his or her license on inactive status may have his or her license restored by making application to the Department and filing proof acceptable to the Department as defined by rule of his or her fitness to have his or her license restored, including sworn evidence certifying to active practice in another jurisdiction satisfactory to the Department and by paying the required restoration fee and by submitting proof of the required continuing education.

(c) If the licensed CPA ~~certified public accountant~~ or registered CPA ~~certified public accountant~~ has not maintained an active practice in another jurisdiction satisfactory to the

Department, the Department shall determine, by an evaluation program established by rule, fitness to resume active status and may require the applicant to complete a period of supervised experience.

Any licensed CPA ~~However, any licensed certified public accountant~~ or registered CPA ~~certified public accountant~~ whose license or registration expired while he or she was (1) in Federal Service on active duty with the Armed Forces of the United States, or the State Militia called into service or training, or (2) in training or education under the supervision of the United States preliminary to induction into the military service, may have his or her license or registration renewed reinstated or restored without paying any lapsed renewal and restoration fees if within 2 years after honorable termination of such service, training or education except under conditions other than honorable, he or she furnished the Department with satisfactory evidence to the effect that he or she has been so engaged and that his or her service, training, or education has been so terminated.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/17.2) (from Ch. 111, par. 5518.2)

(Section scheduled to be repealed on January 1, 2014)

Sec. 17.2. Inactive status.

(a) Any licensed or registered CPA with an active, unencumbered license or registration ~~licensed certified public~~

~~accountant or Registered Certified Public Accountant~~ who notifies the Department in writing on forms prescribed by the Department, may elect to place his or her license or registration on an inactive status and shall, subject to rules of the Department, be excused from payment of renewal fees and completion of continuing education hours until he or she notifies the Department in writing of his or her desire to resume active status.

(b) Any licensed CPA ~~licensed certified public accountant~~ requesting restoration from inactive status shall be required to pay the current renewal fee, shall be required to submit proof of the required continuing education, and shall be required to comply with any requirements established by rule ~~restore his license, as provided in this Act.~~

(c) Any registered CPA ~~Registered Certified Public Accountant~~ requesting restoration from inactive status shall be required to pay the current renewal fee and shall be required to comply with any requirements established by rule.

(d) Any licensed CPA or registered CPA ~~licensed certified public accountant~~ whose license is in an inactive status shall not perform accountancy activities outlined in Section 8.05 of this Act ~~practice public accounting in this State of Illinois.~~

(e) Any licensed CPA or registered CPA ~~Registered Certified Public Accountant~~ whose license or registration is in an inactive status shall not in any manner hold himself or herself out to the public as a CPA, except in accordance with

subsection (f) of this Section C.P.A. or R.C.P.A.

(f) Any licensed CPA whose license is in inactive status may use the title "CPA (inactive)" if:

(1) he or she is not performing accountancy activities outlined in Section 8.05; or

(2) he or she is performing governance functions on a non-profit volunteer board using his or her accountancy skills and competencies and complies with the following requirements:

(A) he or she discloses to the non-profit volunteer board and respective committees that his or her license is on inactive status; and

(B) he or she is not serving as an audit committee financial expert as defined in Section 407 of the federal Sarbanes-Oxley Act of 2002.

~~The Department may, in its discretion, license as a licensed certified public accountant, on payment of the required fee, an applicant who is a licensed certified public accountant licensed under the laws of another jurisdiction if the requirements for licensure of licensed certified public accountants in the jurisdiction in which the applicant was licensed were, at the date of his licensure, substantially equivalent to the requirements in force in this State on that date.~~

~~Applicants have 3 years from the date of application to complete the application process. If the process has not been~~

~~completed in 3 years, the application shall be denied, the fee forfeited and the applicant must reapply and meet the requirements in effect at the time of reapplication.~~

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/17.3 new)

Sec. 17.3. Restoration of license from discipline. At any time after the successful completion of a term of indefinite probation, suspension, or revocation of a license or registration, the Department may restore the license or registration to active status, unless, after an investigation and a hearing, the Secretary determines that restoration is not in the public interest. No person or entity whose license, certificate, or authority has been revoked as authorized in this Act may apply for restoration of that license, certification, or authority until such time as provided for in the Civil Administrative Code of Illinois.

(225 ILCS 450/20.01) (from Ch. 111, par. 5521.01)

(Section scheduled to be repealed on January 1, 2014)

Sec. 20.01. Grounds for discipline; license or registration.

(a) The Department may refuse to issue or renew, or may revoke, suspend, or reprimand any registration or registrant, any license or licensee, place a licensee or registrant on probation for a period of time subject to any conditions the

Department may specify including requiring the licensee or registrant to attend continuing education courses or to work under the supervision of another licensee or registrant, impose a fine not to exceed \$10,000 ~~\$5,000~~ for each violation, restrict the authorized scope of practice, ~~or~~ require a licensee or registrant to undergo a peer review program, assess costs as provided for under Section 20.4, or take other disciplinary or non-disciplinary action for any one or more of the following:

(1) Violation of any provision of this Act or rule adopted by the Department under this Act or violation of professional standards.

(2) Dishonesty, fraud, or deceit in obtaining, reinstating, or restoring a license or registration ~~Attempting to procure a license or registration to practice under this Act by bribery or fraudulent misrepresentations.~~

(3) Cancellation, revocation, suspension, denial of licensure or registration, or refusal to renew a license or privileges under Section 5.2 for disciplinary reasons in any other U.S. jurisdiction, unit of government, or government agency for any cause ~~Having a license to practice public accounting or registration revoked, suspended, or otherwise acted against, including the denial of licensure or registration, by the licensing or registering authority of another state, territory, or~~

~~country, including but not limited to the District of Columbia, or any United States territory. No disciplinary action shall be taken in Illinois if the action taken in another jurisdiction was based upon failure to meet the continuing professional education requirements of that jurisdiction and the applicable Illinois continuing professional education requirements are met.~~

~~(4) Failure, on the part of a licensee under Section 13 or registrant under Section 16, to maintain compliance with the requirements for issuance or renewal of a license or registration or to report changes to the Department Being convicted or found guilty, regardless of adjudication, of a crime in any jurisdiction which directly relates to the practice of public accounting or the ability to practice public accounting or as a Registered Certified Public Accountant.~~

~~(5) Revocation or suspension of the right to practice by or before any state or federal regulatory authority or by the Public Company Accounting Oversight Board Making or filing a report or record which the registrant or licensee knows to be false, willfully failing to file a report or record required by state or federal law, willfully impeding or obstructing the filing, or inducing another person to impede or obstruct the filing. The reports or records shall include only those that are signed in the capacity of a licensed certified public accountant or a registered~~

~~certified public accountant.~~

(6) Dishonesty, fraud, deceit, or gross negligence in the performance of services as a licensee or registrant or individual granted privileges under Section 5.2 ~~Conviction in this or another State or the District of Columbia, or any United States Territory, of any crime that is punishable by one year or more in prison or conviction of a crime in a federal court that is punishable by one year or more in prison.~~

(7) Conviction by plea of guilty or nolo contendere, finding of guilt, jury verdict, or entry of judgment or sentencing, including, but not limited to, convictions, preceding sentences of supervision, conditional discharge, or first offender probation, under the laws of any jurisdiction of the United States that is (i) a felony or (ii) a misdemeanor, an essential element of which is dishonesty, or that is directly related to the practice of public accounting ~~Proof that the licensee or registrant is guilty of fraud or deceit, or of gross negligence, incompetency, or misconduct, in the practice of public accounting.~~

(8) Performance of any fraudulent act while holding a license or privilege issued under this Act or prior law ~~Violation of any rule adopted under this Act.~~

(9) Practicing on a revoked, suspended, or inactive license or registration.

(10) Making or filing a report or record that the registrant or licensee knows to be false, willfully failing to file a report or record required by State or federal law, willfully impeding or obstructing the filing or inducing another person to impede or obstruct only those that are signed in the capacity of a licensed CPA or a registered CPA ~~Suspension or revocation of the right to practice before any state or federal agency.~~

~~(11) Conviction of any crime under the laws of the United States or any state or territory of the United States that is a felony or misdemeanor and has dishonesty as an essential element, or of any crime that is directly related to the practice of the profession.~~

~~(12) Making any misrepresentation for the purpose of obtaining a license, or registration or material misstatement in furnishing information to the Department.~~

(11) ~~(13)~~ Aiding or assisting another person in violating any provision of this Act or rules promulgated hereunder.

(12) ~~(14)~~ Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public.

(13) ~~(15)~~ Habitual or excessive use or abuse of drugs, ~~addiction to~~ alcohol, narcotics, stimulants, or any other substance ~~chemical agent or drug~~ that results in the inability to practice with reasonable skill, judgment, or

safety.

(14) ~~(16)~~ Directly or indirectly giving to or receiving from any person, firm, corporation, partnership, or association any fee, commission, rebate, or other form of compensation for any professional service not actually rendered.

(15) ~~(17)~~ Physical illness ~~or mental disability~~, including, but not limited to, deterioration through the aging process or loss of motor skill ~~abilities and skills~~ that results in the licensee or registrant's inability to practice under this Act ~~the profession~~ with reasonable judgment, skill, or safety.

(16) ~~(18)~~ Solicitation of professional services by using false or misleading advertising.

(17) Any conduct reflecting adversely upon the licensee's fitness to perform services while a licensee or individual granted privileges under Section 5.2 ~~(19)~~ ~~Failure to file a return, or pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue or any successor agency or the Internal Revenue Service or any successor agency.~~

(18) ~~(20)~~ Practicing or attempting to practice under a name other than the full name as shown on the license or registration or any other legally authorized name.

(19) ~~(21)~~ A finding by the Department that a licensee or registrant has not complied with a provision of any lawful order issued by the Department.

(20) ~~(22)~~ Making a false statement to the Department regarding compliance with continuing professional education or peer review requirements.

(21) ~~(23)~~ Failing to make a substantive response to a request for information by the Department within 30 days of the request.

(b) (Blank).

(b-5) All fines or costs imposed under this Section shall be paid within 60 days after the effective date of the order imposing the fine or costs or in accordance with the terms set forth in the order imposing the fine or cost.

(c) In cases where the Department of Healthcare and Family Services has previously determined a licensee or a potential licensee is more than 30 days delinquent in the payment of child support and has subsequently certified the delinquency to the Department, the Department may refuse to issue or renew or may revoke or suspend that person's license or may take other disciplinary or non-disciplinary action against that person based solely upon the certification of delinquency made by the Department of Healthcare and Family Services in accordance with item (5) of subsection (a) of Section 2105-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois. In rendering an order, the Department shall take

~~into consideration the facts and circumstances involving the type of acts or omissions in subsection (a) including, but not limited to:~~

~~(1) the extent to which public confidence in the public accounting profession was, might have been, or may be injured;~~

~~(2) the degree of trust and dependence among the involved parties;~~

~~(3) the character and degree of financial or economic harm which did or might have resulted; and~~

~~(4) the intent or mental state of the person charged at the time of the acts or omissions.~~

(d) The Department may refuse to issue or may suspend without hearing, as provided for in the Code of Civil Procedure, the license or registration of any person who fails to file a return, to pay a tax, penalty, or interest shown in a filed return, or to pay any final assessment of tax, penalty, or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of any such tax Act are satisfied in accordance with subsection (g) of Section 2105-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois ~~The Department shall reissue the license or registration upon a showing that the disciplined licensee or registrant has complied with all of the terms and conditions set forth in the final order.~~

(e) The Department shall deny any application for a license, registration, or renewal, without hearing, to any person who has defaulted on an educational loan guaranteed by the Illinois Student Assistance Commission; however, the Department may issue a license, registration, or renewal if the person in default has established a satisfactory repayment record as determined by the Illinois Student Assistance Commission.

(f) The determination by a court that a licensee or registrant is subject to involuntary admission or judicial admission as provided in the Mental Health and Developmental Disabilities Code will result in the automatic suspension of his or her license or registration. The licensee or registrant shall be responsible for notifying the Department of the determination by the court that the licensee or registrant is subject to involuntary admission or judicial admission as provided in the Mental Health and Developmental Disabilities Code. The suspension shall end only upon a finding by a court that the patient is no longer subject to involuntary admission or judicial admission, the issuance of an order so finding and discharging the patient, and the filing of a petition for restoration demonstrating fitness to practice ~~The licensee or registrant shall also notify the Department upon discharge so that a determination may be made under item (17) of subsection (a) whether the licensee or registrant may resume practice.~~

(g) In enforcing this Section, the Department, upon a

showing of a possible violation, may compel, any licensee or registrant or any individual who has applied for licensure under this Act, to submit to a mental or physical examination and evaluation, or both, which may include a substance abuse or sexual offender evaluation, at the expense of the Department. The Department shall specifically designate the examining physician licensed to practice medicine in all of its branches or, if applicable, the multidisciplinary team involved in providing the mental or physical examination and evaluation, or both. The multidisciplinary team shall be led by a physician licensed to practice medicine in all of its branches and may consist of one or more or a combination of physicians licensed to practice medicine in all of its branches, licensed chiropractic physicians, licensed clinical psychologists, licensed clinical social workers, licensed clinical professional counselors, and other professional and administrative staff. Any examining physician or member of the multidisciplinary team may require any person ordered to submit to an examination and evaluation under this Section to submit to any additional supplemental testing deemed necessary to complete any examination or evaluation process, including, but not limited to, blood testing, urinalysis, psychological testing, or neuropsychological testing. The Department may order the examining physician or any member of the multidisciplinary team to provide to the Department any and all records, including business records, that relate to the

examination and evaluation, including any supplemental testing performed. The Department may order the examining physician or any member of the multidisciplinary team to present testimony concerning this examination and evaluation of the licensee, registrant, or applicant, including testimony concerning any supplemental testing or documents relating to the examination and evaluation. No information, report, record, or other documents in any way related to the examination and evaluation shall be excluded by reason of any common law or statutory privilege relating to communication between the licensee, registrant, or applicant and the examining physician or any member of the multidisciplinary team. No authorization is necessary from the individual ordered to undergo an evaluation and examination for the examining physician or any member of the multidisciplinary team to provide information, reports, records, or other documents or to provide any testimony regarding the examination and evaluation.

The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of the examination. Failure of any individual to submit to mental or physical examination and evaluation, or both, when directed, shall result in an automatic suspension, without hearing, until such time as the individual submits to the examination. If the Department finds a licensee, registrant, or applicant unable to practice because of the reasons set forth in this Section, the Department shall require

such licensee, registrant, or applicant to submit to care, counseling, or treatment by physicians approved or designated by the Department, as a condition for continued, reinstated, or renewed licensure to practice.

When the Secretary immediately suspends a license or registration under this Section, a hearing upon such person's license or registration must be convened by the Department within 15 days after such suspension and completed without appreciable delay. The Department shall have the authority to review the subject's record of treatment and counseling regarding the impairment, to the extent permitted by applicable federal statutes and regulations safeguarding the confidentiality of medical records.

Individuals licensed or registered under this Act, affected under this Section, shall be afforded an opportunity to demonstrate to the Department that they can resume practice in compliance with acceptable and prevailing standards under the provisions of their license or registration.

(Source: P.A. 93-629, eff. 12-23-03; 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

(225 ILCS 450/20.1) (from Ch. 111, par. 5522)

(Section scheduled to be repealed on January 1, 2014)

Sec. 20.1. Investigations; notice; hearing.

(a) The Department may, ~~upon its own motion, and shall,~~ upon the verified complaint in writing of any person setting

~~forth facts which, if proved, would constitute grounds for disciplinary action as set forth in Section 20.01, investigate the actions of an applicant, any person, or entity holding or claiming to hold a license.~~

(b) The Department shall, before revoking, suspending, placing on probation, reprimanding, or taking any other disciplinary or non-disciplinary action under Section 20.01 of this Act, at least 30 days before the date set for the hearing, (i) notify the accused in writing of the charges made and the time and place for the hearing on the charges, (ii) direct him or her to file a written answer to the charges with the Department under oath within 20 days after the service on him or her of the notice, and (iii) inform the accused that, if he or she fails to answer, default shall be taken against him or her or that his or her license or registration may be suspended, revoked, placed on probationary status, or other disciplinary action taken with regard to the licensee, including limiting the scope, nature, or extent of his or her practice, as the Department may consider proper. The Department may refer complaints and investigations to a disciplinary body of the accounting profession for technical assistance. The results of an investigation and recommendations of the disciplinary body may be considered by the Department, but shall not be considered determinative and the Department shall not in any way be obligated to take any action or be bound by the results of the accounting profession's disciplinary

~~proceedings. The Department, before taking disciplinary action, shall afford the concerned party or parties an opportunity to request a hearing and if so requested shall set a time and place for a hearing of the complaint.~~

(c) With respect to determinations by a Peer Review Administrator duly appointed by the Department under subsection (f) of Section 16 of this Act that a licensee has failed to satisfactorily complete a peer review as required under subsection (e) of Section 16, the Department may consider the Peer Review Administrator's findings of fact as prima facie evidence, and upon request by a licensee for a hearing the Department shall review the record presented and hear arguments by the licensee or the licensee's counsel but need not conduct a trial or hearing de novo or accept additional evidence.

(d) At the time and place fixed in the notice, the Department shall proceed to hear the charges and the parties or their counsel shall be accorded ample opportunity to present any pertinent statements, testimony, evidence, and arguments. The Department may continue the hearing from time to time.

(e) In case the person, after receiving the notice, fails to file an answer, his or her license or registration may, in the discretion of the Department, be suspended, revoked, placed on probationary status, or the Department may take whatever disciplinary action considered proper, including limiting the scope, nature, or extent of the person's practice or the imposition of a fine, without a hearing, if the act or acts

charged constitute sufficient grounds for that action under this Act. The written notice may be served by registered or certified mail to the licensee or registrant's address of record. ~~The Department shall notify the applicant or the licensed or registered person or entity of any charges made and the date and place of the hearing of those charges by mailing notice thereof to that person or entity by registered or certified mail to the place last specified by the accused person or entity in the last notification to the Department, at least 30 days prior to the date set for the hearing or by serving a written notice by delivery of the notice to the accused person or entity at least 15 days prior to the date set for the hearing, and shall direct the applicant or licensee or registrant to file a written answer to the Department under oath within 20 days after the service of the notice and inform the applicant or licensee or registrant that failure to file an answer will result in default being taken against the applicant or licensee or registrant and that the license or registration may be suspended, revoked, placed on probationary status, or other disciplinary action may be taken, including limiting the scope, nature or extent of practice, as the Director may deem proper. In case the person fails to file an answer after receiving notice, his or her license or registration may, in the discretion of the Department, be suspended, revoked, or placed on probationary status, or the Department may take whatever disciplinary action deemed proper, including limiting~~

~~the scope, nature, or extent of the person's practice or the imposition of a fine, without a hearing, if the act or acts charged constitute sufficient grounds for such action under this Act. The Department shall afford the accused person or entity an opportunity to be heard in person or by counsel at the hearing. At the conclusion of the hearing the Committee shall present to the Director a written report setting forth its finding of facts, conclusions of law, and recommendations. The report shall contain a finding whether or not the accused person violated this Act or failed to comply with the conditions required in this Act. If the Director disagrees in any regard with the report, he or she may issue an order in contravention of the report. The Director shall provide a written explanation to the Committee of any such deviations and shall specify with particularity the reasons for the deviations.~~

~~The finding is not admissible in evidence against the person in a criminal prosecution brought for the violation of this Act, but the hearing and findings are not a bar to a criminal prosecution brought for the violation of this Act.~~

(Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

(225 ILCS 450/20.2) (from Ch. 111, par. 5523)

(Section scheduled to be repealed on January 1, 2014)

Sec. 20.2. Subpoenas; depositions; oaths.

(a) The Department may subpoena and bring before it ~~at any~~

~~hearing~~ any person ~~to in this State and~~ take the oral or written testimony or compel the production of any books, papers, records, or any other documents that the Secretary or his or her designee deems relevant or material to any investigation or hearing conducted by the Department ~~either orally or by deposition, or both,~~ with the same fees and mileage ~~and in the same manner as prescribed by law in judicial proceedings~~ in civil cases in circuit courts of this State and in the same manner as prescribed by this Act and its rules.

(b) The Secretary ~~Director,~~ any member of the Committee designated by the Secretary ~~Director,~~ a certified shorthand reporter, or any hearing officer appointed may administer oaths ~~to witnesses~~ at any hearing which the Department conducts. Notwithstanding any statute or Department rule to the contrary, all requests for testimony, production of documents, or records shall be in accordance with this Act ~~is authorized by law to conduct or any other oaths required or authorized in any Act administered by the Department.~~

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/20.3) (from Ch. 111, par. 5524)

(Section scheduled to be repealed on January 1, 2014)

Sec. 20.3. Required testimony. Any circuit court in the State of Illinois, upon the application of the licensee, registrant ~~accused person, partnership or corporation, of the complainant~~ or of the Department, may, by order duly entered,

require the attendance and testimony of witnesses and the production of relevant documents, books, files, records, and papers before the Department at any hearing relative to a disciplinary action and the court may compel obedience to the order by proceedings for contempt.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/20.4) (from Ch. 111, par. 5525)

(Section scheduled to be repealed on January 1, 2014)

Sec. 20.4. Record of proceedings.

(a) The Department, at its expense, shall provide a stenographer to take down the testimony and preserve a record of all proceedings at formal ~~disciplinary~~ hearings. The Department shall furnish a transcript of that record to any person interested in that hearing upon payment of the reasonable cost established by the Department.

(b) Any registrant or licensee who is found to have violated this Act or who fails to appear for a hearing to refuse to issue, restore, or renew a license or to discipline a license may be required by the Department to pay for the costs of the proceeding. These costs are limited to costs for court reporters, transcripts, and witness attendance and mileage fees. All costs imposed under this Section shall be paid within 60 days after the effective date of the order imposing the fine.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/20.5) (from Ch. 111, par. 5526)

(Section scheduled to be repealed on January 1, 2014)

Sec. 20.5. Rehearing; surrender of license.

(a) In any hearing to refuse to issue, restore, or renew a license or to discipline a licensee or registrant ~~disciplinary proceeding,~~ a copy of the Committee's report shall be served upon the respondent by the Department, either personally or as provided in this Act for the service of the notice of hearing. Within 20 days after such service, the respondent may present to the Department a motion in writing for a rehearing, which motion shall specify the particular grounds therefor. If no motion for rehearing is filed, then upon the expiration of the time specified for filing such a motion, or if a motion or rehearing is denied, then upon such denial the Secretary ~~Director~~ may enter an order in accordance with recommendations of the Committee except as provided in Section 20.7 ~~20.6~~. If the respondent shall order from the reporting service, and pay for a transcript of the record within the time for filing a motion for rehearing, the 20 day period within which such a motion may be filed shall commence upon the delivery of the transcript to the respondent.

(b) Whenever the Secretary believes ~~Director is satisfied~~ that substantial justice has not been done in the disciplinary proceeding, the Secretary ~~Director~~ may order a rehearing by the same or different ~~Committee or designated~~ hearing officer. ~~The~~

~~Director shall provide a written explanation to the Committee of any deviation from the recommendations of the Committee and shall specify with particularity the reasons for the deviation.~~

(c) Upon the suspension or revocation of a registration or license ~~of a registrant or licensee~~, the registrant or licensee shall be required to surrender to the Department the registration or license issued by the Department, and upon failure or refusal so to do, the Department may seize it.

~~The Department may exchange information relating to proceedings resulting in disciplinary action against licensees or registrants with the regulatory bodies of other states, or with other public authorities or private organizations or with federal authorities having regulatory interest in such matter.~~

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/20.6) (from Ch. 111, par. 5526.6)

(Section scheduled to be repealed on January 1, 2014)

Sec. 20.6. Hearing officer. Notwithstanding the provisions of Section 20.2 of this Act, the Secretary ~~Director~~ shall have the authority to appoint any attorney duly licensed to practice law in the State of Illinois to serve as the hearing officer in any disciplinary action. ~~The Director shall notify the Committee of such appointment.~~

The hearing officer shall have full authority to conduct the hearing. The hearing officer shall report his findings of fact, conclusions of law and recommendations to the Committee

~~and the Secretary. Director. The Committee shall have 60 days after receiving the report to review the report of the hearing officer and present its findings of fact, conclusions of law, and recommendations to the Director. If the Committee fails to present its report within the 60 day period, the Director shall issue an order based on the report of the hearing officer. If the Director disagrees in any regard with the report of the Committee or hearing officer, he or she may issue an order in contravention thereof. The Director shall provide a written explanation to the Committee of any such deviations and shall specify with particularity the reasons for said action in the final order.~~

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/20.7 new)

Sec. 20.7. Findings and recommendations.

(a) The Committee shall review the report of the hearing officer and present its findings of fact, conclusions of law, and recommendations to the Secretary. The report of the findings and recommendations of the Committee shall be the basis for the Secretary's order for refusing to issue, restore, or renew a license or registration, or otherwise discipline a licensee or registrant.

(b) If the Secretary disagrees in any regard with the report of the Committee or hearing officer, he or she may issue an order contrary to the report.

(c) The findings are not admissible in evidence against the person in a criminal prosecution brought for the violation of this Act, but the hearing and findings are not a bar to a criminal prosecution brought for the violation of this Act.

(225 ILCS 450/20.8 new)

Sec. 20.8. Summary suspension. The Secretary may summarily suspend the license or registration without a hearing, simultaneously with the institution of proceedings for a hearing under Section 20.1 of this Act, if the Secretary finds the evidence indicates that continuation in practice would constitute an imminent danger to the public. In the event that the Secretary summarily suspends a license without a hearing, a hearing by the Department shall be held within 30 days after the suspension has occurred and shall be concluded as expeditiously as possible.

(225 ILCS 450/21) (from Ch. 111, par. 5527)

(Section scheduled to be repealed on January 1, 2014)

Sec. 21. Administrative ~~Judicial~~ review; certification ~~cost~~ of record; order as prima facie proof.

(a) All final administrative decisions of the Department hereunder shall be subject to judicial review pursuant to the provisions of the Administrative Review Law, and all amendments and modifications thereof, and the rules adopted pursuant thereto. The term "administrative decision" is defined as in

Section 3-101 of the Code of Civil Procedure.

Proceedings for judicial review shall be commenced in the Circuit Court of the county in which the party applying for review resides; provided, that if such party is not a resident of this State, the venue shall be in Sangamon, Champaign, or Cook County.

(b) The Department shall not be required to certify any record to the court or file any answer in court or otherwise appear in any court in a judicial review proceeding, unless and until the Department has received from the plaintiff ~~there is filed in the court with the complaint a receipt from the Department acknowledging~~ payment of the costs of furnishing and certifying the record, which costs shall be established by the Department. Exhibits shall be certified without cost. Failure on the part of the plaintiff to file such receipt in court shall be grounds for dismissal of the action.

(c) An order of disciplinary action or a certified copy thereof, over the seal of the Department and purporting to be signed by the Secretary ~~Director~~ or authorized agent of the Secretary ~~Director~~, shall be prima facie proof, subject to being rebutted, that:

(1) the signature is the genuine signature of the Secretary ~~Director~~ or authorized agent of the Secretary ~~Director~~;

(2) the Secretary ~~Director~~ or authorized agent of the Secretary ~~Director~~ is duly appointed and qualified; and

(3) the Committee and the members thereof are qualified to act.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/27) (from Ch. 111, par. 5533)

(Section scheduled to be repealed on January 1, 2014)

Sec. 27. Confidentiality of licensee's and registrant's records. A licensed or registered CPA ~~certified public accountant~~ shall not be required by any court to divulge information or evidence which has been obtained by him in his confidential capacity as a licensed or registered CPA ~~certified public accountant~~. This Section shall not apply to any investigation or hearing undertaken pursuant to this Act.

(Source: P.A. 94-779, eff. 5-19-06.)

(225 ILCS 450/28) (from Ch. 111, par. 5534)

(Section scheduled to be repealed on January 1, 2014)

Sec. 28. Criminal penalties ~~Penalties~~. Each of the following acts perpetrated in the State of Illinois is a Class A ~~B~~ misdemeanor.

(a) The practice of accountancy activities as defined in paragraph (1) of subsection (a) of Section 8.05 without an active CPA license ~~public accounting insofar as it consists in rendering service as described in Section 8, without licensure,~~ in violation of the provisions of this Act;

(b) The obtaining or attempting to obtain licensure as a licensed CPA ~~certified public accountant~~ or registration as a registered CPA ~~certified public accountant~~ by fraud;

(c) The use of the title "Certified Public Accountant", "public accountant", or the abbreviation "C.P.A.", "RCPA", "LCPA", "PA" or use of any similar words or letters indicating the user is a certified public accountant, or the title "Registered Certified Public Accountant", ~~the~~ abbreviation ~~"R.C.P.A."~~, any similar words or letters indicating the user is a certified public accountant or a registered certified public accountant by any person in ~~contravention of this Act;~~

(c-5) (Blank); ~~The use of the title "Certified Public Accountant" or "Licensed Certified Public Accountant" or the abbreviation "C.P.A." or "L.C.P.A." or any similar words or letters indicating the user is a certified public accountant by any person in contravention with this Act;~~

(d) The use of the title "Certified Public Accountant", "public accountant", or the abbreviation "C.P.A.", "RCPA", "LCPA", "PA" or any similar words or letters indicating that the members are certified public accountants, by any partnership, limited liability company, corporation, or other entity in violation of this Act ~~unless all members thereof personally engaged in the practice of public accounting in this State are licensed as licensed certified public accountants by the Department, and are holders of an~~

~~effective unrevoked license, and the partnership, limited liability company, corporation, or other entity is licensed as licensed certified public accountants by the Board with an effective unrevoked license;~~

(e) The unauthorized practice in the performance of accountancy activities as defined in Section 8.05 and in violation of this Act ~~The use of the title "Licensed Certified Public Accountant", or the abbreviation "L.C.P.A." or any similar words or letters indicating such person is a licensed certified public accountant, by any person not licensed as a licensed certified public accountant by the Department, and holding an effective unrevoked license; provided nothing in this Act shall prohibit the use of the title "Accountant" or "Bookkeeper" by any person;~~

(f) (Blank); ~~The use of the title "Licensed Certified Public Accountants", "Public Accountants" or the abbreviation "P.A.'s" or any similar words or letters indicating that the members are public accountants by any partnership, limited liability company, corporation, or other entity unless all members thereof personally engaged in the practice of public accounting in this State are licensed as licensed certified public accountants by the Department and are holders of effective unrevoked licenses, and the partnership is licensed as a public accounting firm by the Department with an effective~~

~~unrevoked license;~~

(g) Making false statements to the Department regarding compliance with continuing professional education or peer review requirements;

(h) (Blank). ~~The use of the title "Certified Public Accountant" or the abbreviation "C.P.A." or any similar words or letters indicating that the members are certified public accountants, by any partnership unless all members thereof personally engaged in the practice of public accounting in this State have received certificates as certified public accountants from the Board, are licensed as public accountants by the Department, and are holders of an effective unrevoked license, and the partnership is licensed as public accountants by the Department with an effective unrevoked license.~~

~~This Section does not prohibit a firm partnership, limited liability company, corporation, or other entity who does not practice public accounting as set forth in Section 8 of this Act and whose members residing in Illinois are registered with the Department from using the title "Certified Public Accountant" or the abbreviation "C.P.A." or "CPA" or similar words or letters indicating that the members are certified public accountants.~~

(Source: P.A. 95-331, eff. 8-21-07.)

(225 ILCS 450/30) (from Ch. 111, par. 5535)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30. Injunctions; cease and desist.

(a) If any person or entity violates any provision of this Act, the Secretary may, ~~The practice of public accounting, as described in Section 8 of this Act, by any person in violation of this Act is hereby declared to be inimical to the public welfare and to be a public nuisance. An action to perpetually enjoin from such unlawful practice any person who has been or is engaged therein may be maintained~~ in the name of the people of the State of Illinois by the Attorney General of the State of Illinois or ~~, by~~ the State's Attorney of any county in which the violation is alleged to have occurred, petition for an order enjoining the violation or for an order enforcing compliance with this Act. Upon the filing of a verified petition in court, the court may issue a temporary restraining order, without notice or bond, and may preliminarily and permanently enjoin the violation. If it is established that the person has violated or is violating the injunction, the court may punish the offender for contempt of court ~~action is brought, by the Department or by any resident citizen.~~ The injunction proceeding shall be in addition to and not in lieu of any penalties or other remedies provided by this Act. No injunction shall issue under this section against any person for any act exempted under Section 11 of this Act.

(b) If any person shall practice as a licensed CPA ~~certified public accountant~~ or a registered CPA ~~certified~~

~~public accountant~~ or hold himself or herself out as a licensed CPA ~~certified public accountant~~ or registered CPA ~~certified public accountant~~ without being licensed or registered under the provision of this Act then any licensed CPA ~~certified public accountant~~ or registered CPA ~~certified public accountant~~, any interested party, or any person injured thereby may, in addition to the Department, petition for relief as provided in subsection (a) of this Section.

(c) Whenever in the opinion of the Department any person violates any provision of this Act, the Department may issue a rule to show cause why an order to cease and desist should not be entered against him. The rule shall clearly set forth the grounds relied upon by the Department and shall provide a period of 7 days from the date of the rule to file an answer to the satisfaction of the Department. Failure to answer to the satisfaction of the Department shall cause an order to cease and desist to be issued forthwith.

(Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

(225 ILCS 450/30.1) (from Ch. 111, par. 5535.1)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30.1. Liability. No person, partnership, corporation, or other entity licensed or authorized to practice under this Act or any of its employees, partners, members, officers or shareholders shall be liable to persons not in privity of contract with such person, partnership, corporation, or other

entity for civil damages resulting from acts, omissions, decisions or other conduct in connection with professional services performed by such person, partnership, corporation, or other entity, except for:

(1) such acts, omissions, decisions or conduct that constitute fraud or intentional misrepresentations, or

(2) such other acts, omissions, decisions or conduct, if such person, partnership or corporation was aware that a primary intent of the client was for the professional services to benefit or influence the particular person bringing the action; provided, however, for the purposes of this subparagraph (2), if such person, partnership, corporation, or other entity (i) identifies in writing to the client those persons who are intended to rely on the services, and (ii) sends a copy of such writing or similar statement to those persons identified in the writing or statement, then such person, partnership, corporation, or other entity or any of its employees, partners, members, officers or shareholders may be held liable only to such persons intended to so rely, in addition to those persons in privity of contract with such person, partnership, corporation, or other entity.

(Source: P.A. 92-457, eff. 7-1-04.)

(225 ILCS 450/30.2) (from Ch. 111, par. 5535.2)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30.2. Contributory fault. Except in causes of action

based on actual fraud or intentional misrepresentation, the principles of liability set forth in Sections 2-1115.05, 2-1116, and 2-1117 of the Code of Civil Procedure shall apply to all claims for civil damages brought against any person, partnership, corporation, or any other entity registered ~~certified~~, licensed, or practicing under this Act, or any of its employees, partners, members, officers, or shareholders that are alleged to result from acts, omissions, decisions, or other conduct in connection with professional services.

This Section applies to causes of action accruing on or after the effective date of this amendatory Act of 1992. This amendatory Act of 1995 applies to causes of action accruing on or after its effective date.

(Source: P.A. 95-386, eff. 1-1-08.)

(225 ILCS 450/30.3)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30.3. Confidentiality of peer review records.

(a) The proceedings, records, and work papers of a review committee shall be privileged and shall not be subject to discovery, subpoena, or other means of legal process or introduction into evidence in any civil action, arbitration, or administrative proceeding and no member of a review committee or person involved in a peer review program shall be required or permitted to testify in any civil action, arbitration, or administrative proceeding regarding any matters produced,

presented, disclosed, or discussed during or in connection with the peer review process, or regarding any findings, recommendations, evaluations, opinions, or other actions of those committees, or any member of a committee.

(b) Information, documents, or records that are otherwise publicly available are not to be construed as immune from discovery or use in any civil action, arbitration, or administrative proceeding merely because they were presented or considered in connection with a peer review. Subsection (a) shall not be construed to protect materials prepared in connection with a particular engagement merely because they happen to subsequently be presented or considered as part of a peer review; nor does the privilege apply to disputes between review committees and persons or CPA firms subject to a peer review arising from the performance of a review.

(Source: P.A. 88-36.)

(225 ILCS 450/30.4)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30.4. Prohibited practice.

(a) No licensed CPA ~~public accountant, licensed certified public accountant,~~ or CPA ~~public accounting~~ firm may provide contemporaneously with an audit those non-auditing services referenced in subsection (g) of Section 10A of the federal Securities Exchange Act of 1934, as amended, to a company, excluding a not-for-profit organization, that (1) is not

required to file periodic information, documents, and reports pursuant to the Securities Exchange Act of 1934 and (2) during the previous fiscal year, had annual revenues exceeding \$50,000,000 or more than 500 employees.

(b) (1) A licensed CPA ~~public accountant, licensed certified public accountant,~~ or CPA ~~public accounting~~ firm is exempted from the prohibition in subsection (a) of this Section 30.4 if:

(A) the licensed CPA ~~public accountant, licensed certified public accountant,~~ or CPA ~~public accounting~~ firm presents written notice of the contemporaneous provision of auditing and non-auditing services to the company prior to the commencement of the contemporaneous provision of the services; and

(B) the president or chief executive officer of the company to which the contemporaneous auditing and non-auditing services are to be provided subsequently signs an acknowledgement that the company is aware of and agrees to the contemporaneous provision of the auditing and non-auditing services.

(2) A licensed CPA ~~public accountant, licensed certified public accountant,~~ or CPA ~~public accounting~~ firm waives the exemption provided for in paragraph (1) of this subsection (b) if the licensed CPA ~~public accountant, certified public accountant,~~ or CPA ~~public accounting~~ firm engages in criminal activity or willful or wanton

negligence regarding the provision of contemporaneous auditing and non-auditing services to the company.

(c) A violation of this Section shall subject a licensed CPA ~~public accountant, licensed certified public accountant,~~ or CPA ~~public accounting~~ firm to the provisions of Section 20.01 of this Act.

(d) Nothing in this Section shall be construed to authorize or permit the provision of any services by a licensed CPA ~~public accountant, licensed certified public accountant,~~ or CPA ~~public accounting~~ firm that would result in a lack of independence under applicable ethics standards of the accounting profession.

(Source: P.A. 93-683, eff. 7-2-04.)

(225 ILCS 450/30.5)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30.5. Improper influence on the conduct of audits.

(a) It shall be unlawful for any officer or director of a company that is not required to file periodic information, documents, and reports pursuant to the federal Securities Exchange Act of 1934, or any other person acting under the direction thereof, to take any action to fraudulently influence, coerce, manipulate, or mislead any licensed CPA ~~licensed public accountant or licensed certified public accountant~~ engaged in the performance of an audit of the financial statements of that company for the purpose of

rendering the financial statements being audited materially misleading.

(b) A person who, ~~with the intent to deceive,~~ violates this Section is guilty of a Class 4 felony.

(Source: P.A. 93-683, eff. 7-2-04.)

(225 ILCS 450/30.6)

(Section scheduled to be repealed on January 1, 2014)

Sec. 30.6. Misleading behavior by licensees ~~certified public accountants~~.

(a) It shall be unlawful for any licensee ~~licensed public accountant or licensed certified public accountant~~ to intentionally mislead a company that is not required to file periodic information, documents, and reports pursuant to the federal Securities Exchange Act of 1934 by falsifying records it creates as part of an audit of the company.

(b) A person who ~~knowingly~~ violates this Section is guilty of a Class 4 felony.

(Source: P.A. 93-683, eff. 7-2-04.)

(225 ILCS 450/30.8 new)

Sec. 30.8. Confidentiality. All information collected by the Department in the course of an examination or investigation of a licensee, registrant, or applicant, including, but not limited to, any complaint against a licensee or registrant filed with the Department and information collected to

investigate any such complaint, shall be maintained for the confidential use of the Department and shall not be disclosed. The Department shall not disclose the information to anyone other than law enforcement officials, regulatory agencies that have an appropriate regulatory interest as determined by the Secretary, or a party presenting a lawful subpoena to the Department. Information and documents disclosed to a federal, State, county, or local law enforcement agency shall not be disclosed by the agency for any purpose to any other agency or person. A formal complaint filed against a licensee or registrant by the Department or any other issued by the Department against a licensee, registrant, or applicant shall be a public record, except as otherwise prohibited by law.

(225 ILCS 450/31) (from Ch. 111, par. 5536)

(Section scheduled to be repealed on January 1, 2014)

Sec. 31. Home rule. Public Policy. The regulation, licensing, and registration of accountants and CPA firms are exclusive powers and functions of the State. A home rule may not regulate or license accountants or CPA firms. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution. It is declared to be the public policy of this State, pursuant to paragraphs (h) and (i) of Section 6 of Article VII of the Illinois Constitution of 1970, that any power or function set forth in this Act to be exercised by the

~~State is an exclusive State power or function. Such power of function shall not be exercised concurrently, either directly or indirectly, by any unit of local government, including home rule units, except as otherwise provided in this Act.~~

(Source: P.A. 78-1219.)

(225 ILCS 450/32) (from Ch. 111, par. 5537)

(Section scheduled to be repealed on January 1, 2014)

Sec. 32. Fund. All moneys received by the Department of Professional Regulation under this Act shall be deposited into the Registered Certified Public Accountants' Administration and Disciplinary Fund, which is hereby created as a special fund in the State Treasury. The funds in the account shall be used by the Department, as appropriated, exclusively for expenses of the Department ~~of Professional Regulation~~, or the ~~Public Accountants' Registration~~ Committee, in the administration of this Act.

Moneys in the Registered Certified Public Accountants' Administration and Disciplinary Fund may be invested and reinvested, with all earnings received from the investments to be deposited into the Registered Certified Public Accountants' Administration and Disciplinary Fund.

Moneys from the Fund may also be used for direct and allocable indirect costs related to the public purposes of the Department of Professional Regulation. Moneys in the Fund may be transferred to the Professions Indirect Cost Fund as

Public Act 098-0254

HB2726 Enrolled

LRB098 10780 MGM 41198 b

authorized by Section 2105-300 of the Department of Professional Regulation Law (20 ILCS 2105/2105-300).

(Source: P.A. 92-457, eff. 8-21-01; 93-683, eff. 7-2-04.)

(225 ILCS 450/5 rep.)

(225 ILCS 450/9.01 rep.)

(225 ILCS 450/9.02 rep.)

(225 ILCS 450/14.3 rep.)

(225 ILCS 450/19 rep.)

Section 15. The Illinois Public Accounting Act is amended by repealing Sections 5, 9.01, 9.02, 14.3, and 19.

Section 99. Effective date. This Act takes effect upon becoming law.

INDEX

Statutes amended in order of appearance

5 ILCS 80/4.24	
5 ILCS 80/4.34 new	
225 ILCS 450/0.02	from Ch. 111, par. 5500.02
225 ILCS 450/0.03	from Ch. 111, par. 5500.03
225 ILCS 450/1	from Ch. 111, par. 5501
225 ILCS 450/2	from Ch. 111, par. 5502
225 ILCS 450/2.05	
225 ILCS 450/2.1	from Ch. 111, par. 5503
225 ILCS 450/4	from Ch. 111, par. 5505
225 ILCS 450/5.2	
225 ILCS 450/7	from Ch. 111, par. 5508
225 ILCS 450/8	from Ch. 111, par. 5509
225 ILCS 450/8.05 new	
225 ILCS 450/9	from Ch. 111, par. 5510
225 ILCS 450/9.2	from Ch. 111, par. 5510.2
225 ILCS 450/9.3	
225 ILCS 450/13	from Ch. 111, par. 5514
225 ILCS 450/14	from Ch. 111, par. 5515
225 ILCS 450/14.1	
225 ILCS 450/14.2	
225 ILCS 450/14.4 new	
225 ILCS 450/16	from Ch. 111, par. 5517
225 ILCS 450/17	from Ch. 111, par. 5518

225 ILCS 450/17.1	from Ch. 111, par. 5518.1
225 ILCS 450/17.2	from Ch. 111, par. 5518.2
225 ILCS 450/17.3 new	
225 ILCS 450/20.01	from Ch. 111, par. 5521.01
225 ILCS 450/20.1	from Ch. 111, par. 5522
225 ILCS 450/20.2	from Ch. 111, par. 5523
225 ILCS 450/20.3	from Ch. 111, par. 5524
225 ILCS 450/20.4	from Ch. 111, par. 5525
225 ILCS 450/20.5	from Ch. 111, par. 5526
225 ILCS 450/20.6	from Ch. 111, par. 5526.6
225 ILCS 450/20.7 new	
225 ILCS 450/20.8 new	
225 ILCS 450/21	from Ch. 111, par. 5527
225 ILCS 450/27	from Ch. 111, par. 5533
225 ILCS 450/28	from Ch. 111, par. 5534
225 ILCS 450/30	from Ch. 111, par. 5535
225 ILCS 450/30.1	from Ch. 111, par. 5535.1
225 ILCS 450/30.2	from Ch. 111, par. 5535.2
225 ILCS 450/30.3	
225 ILCS 450/30.4	
225 ILCS 450/30.5	
225 ILCS 450/30.6	
225 ILCS 450/30.8 new	
225 ILCS 450/31	from Ch. 111, par. 5536
225 ILCS 450/32	from Ch. 111, par. 5537
225 ILCS 450/5 rep.	

Public Act 098-0254

HB2726 Enrolled

LRB098 10780 MGM 41198 b

225 ILCS 450/9.01 rep.

225 ILCS 450/9.02 rep.

225 ILCS 450/14.3 rep.

225 ILCS 450/19 rep.