

UAA Exposure Draft Comment Letters – 2016

International Pathways

Global Accountancy Development Institute: Supports the international pathways amendment. The adapted requirements for foreign designations cover all necessary criteria for education, experience, and licensure.

Howard Richardson, CPA: Supports the international pathways amendment. Global capital markets depend on accountants with publicly listed companies often reporting on multiple financial exchanges and national jurisdictions.

Mike Howard, CPA: Does not support the international pathways amendment. While it is desirable to include foreign accountants, it is unfair if the foreign jurisdictions do not reciprocate.

Montana Board of Public Accountants: Supports the unilateral pathway to licensure for foreign credentialed individuals who possess the knowledge, skills, and talent to obtain a U.S. CPA license.

North Dakota State Board of Accountancy: Does not support the international pathways proposal. The Board understands that such an approach would be helpful for foreign credential holders already working within this country by enabling an easier route to reciprocal recognition. However, it also opens that same opportunity to any other holders of the same credential, wherever located, and without any similar reciprocal opportunity for U.S. accountants, creating an unfair advantage.

Pennsylvania Institute of Certified Public Accountants: Supports NASBA and the AICPA's efforts to simplify the international pathways for CPA licensure because it recognizes the global economy and protects the public interest by ensuring that foreign professionals are following professional standards and are bound the same code of ethics.

Robyn Linder, CPA, CMA: Does not support the international pathways amendment because she believes every CPA should have sit for the same exam.

Scott Hoppe, CPA: Supports the international pathways proposal.

Steve Claghorn, CPA: Does not support the international pathways proposal because there is no reciprocity from the foreign jurisdictions. Additionally, any party dealing with a holder of a US CPA license should be able to expect that such a person has completed all legal requirements demanded of a CPA, including passing the U.S. CPA exam.

Texas Society of Certified Public Accountants: Supports the amendments to the international pathways.

Texas State Board of Public Accountancy: Supports the international pathways amendments as proposed. However, the Board's current enabling legislation does not allow it to adopt an equivalent standard to licensing foreign professionals without an amendment to the Texas Public Accountancy Act.

Wyoming Board of Certified Public Accountants: Does not support the international pathways amendment. The changes proposed would provide for unilateral recognition of foreign professionals without the guarantee that U.S. CPA practitioners would receive the same recognition. The Board believes the changes will degrade the value of the U.S. CPA because it is an inherent admission that U.S. CPA practitioners may not meet the highest standards required for the provision of high quality services.

The Board wants to know if there is empirical evidence to support the value of unilateral recognition of foreign professionals. The Board is in favor of providing recognition of foreign professionals when the country they were originally licensed in allows U.S. CPAs to receive the same recognition.

Exam

Pennsylvania Institute of Certified Public Accountants: Supports most of the updates to the Model Rules to reflect the revised CPA Exam. While they support the longer testing windows, they are disappointed to see a reaffirmation of the 18-month testing window to pass all four parts of the Exam. PICPA believes the policies, as they stand, are not taking into consideration current societal trends and challenges such as work/life balance and demographic shifts.

Texas Society of Certified Public Accountants: Supports the amendments to the exam administration.

Texas State Board of Public Accountancy: Has some concerns regarding the Exam amendments. The Board is concerned that the proposed amendments to Rule 5-7 will cause a candidate to not have a full 18 months to take all four parts of the exam because the credit for a passed test section will be calculated from the actual date the candidate took that test section and there is often a one or two-month delay in receiving the score. The proposed amendment requires that candidates would be able to test in no less than two months out of each testing window. Texas candidates currently have a 90-day eligibility period which may occur in parts of two testing sections. While a candidate will be able to test in no less than two months, it is possible that it may not be consecutive months within the same testing window. The Board proposed text changes to accommodate these differences.

[Exposure Draft UAA May 2014 Comments GADI]

AICPA and NASBA have published an exposure draft with amendments to UAA Section 6 Recognition of Foreign Professionals and UAA Model Rules Article 5 Changes for Examination.

“Changes proposed this month to the Uniform Accountancy Act (UAA) and the Uniform CPA Examination Model Rules are designed to help holders of qualified foreign designations apply for state licensure as a CPA and support the updated Uniform CPA Examination”.

Comments must be received by September 1, 2016

Representatives of the Global Accountancy Development Institute (GADI) have considered the amendments and welcome the opportunity to comment on the proposal. Our remarks are summarized below.

1. GADI is based at Tilburg University in the Netherlands. Participating experts from the accountancy profession and from academe have participated in international research and development projects that have as common objectives global recognition of qualifications and advancement of the accountancy profession.
2. Increasingly criteria for the recognition of qualifications are based on requirements that are given in the International Education Standards and the principle of substantial equivalence for the comparison of qualifications.
3. We fully agree that candidates for the proposed unilateral pathway to CPA licensure should have a foreign designation that has licensing requirements that are substantially equivalent or higher compared with those in the UAA.
4. Applicants with approved designations would still be required to pass the International Qualification Examination. This is a logical approach and reflects international best practice. The European Union uses the same methodology in its aptitude test for registered auditors from one EU country that want to be recognized in another EU country.
5. In our opinion AICPA and NASBA set an important example for global development by moving from the establishment of bilateral MRAs towards an unilateral approach to recognition based on achieved expertise. It is also important to note that bringing foreign professionals working in the United States under the jurisdiction of the State Boards would strengthen and is indeed needed for public protection.
6. In our view the adapted requirements for foreign designations cover all necessary criteria for education, experience and licensure.
7. We have no additional comments or suggestions for the more detailed amendments in the UAA Section 6 Recognition of Foreign Professionals and UAA Model Rules Article 5 Changes for Examination.

Our overall conclusion is that the amendments in the exposure draft can make an important contribution to the promotion of international mobility of professional accountants and auditors. We will inform the Netherlands Accreditation Agency (CEA) and Royal NBA, the Dutch Professional Organization of Accountants and Auditors, about the initiative of AICPA and NASBA. We trust this information will be relevant for consideration of the recognition of qualified U.S. CPAs in the Netherlands.

Representing GADI,

Prof Dr J.P.J. (Hans) Verkrujssse RE RA, Tilburg University, The Netherlands

Prof Dr Gert H. Karreman, DePaul University, Chicago, USA

GADI Website: www.tilburguniversity.edu/gadi

Julia Morriss

From: Howard Richardson <hrichar55@aol.com>
Sent: Friday, June 24, 2016 10:56 AM
To: uaaexposedrafts; lhaberman@nasba.org; Kenneth Tysiac
Subject: Amendments to UAA Section 6 -- Proposal would clear path to CPA for foreign credential holders

Proposal would clear path to CPA for foreign credential holders

<http://www.journalofaccountancy.com/news/2016/jun/cpa-for-foreign-credential-holders-201614631.html>

Exposure Draft:

Amendments to UAA Section 6 Recognition of Foreign Professionals and UAA Model Rules Article 5 Changes for Examination

As an AICPA member, I support making CPA licensing easier for foreign qualified accountants. In turn this would make it easier for US CPA licensees to qualify for foreign accounting licenses. With the convergence of US GAAP and IFRS accounting standards, accounting standards are becoming more and more similar. Global capital markets depend on accountants with publicly listed companies often reporting on multiple financial exchanges and national jurisdictions. Taxation and mergers and acquisitions have also globalized. Capital flows without impediment between national borders. Labor needs to be able to flow in more fluid fashion to keep up with capital.

September 1, 2016 is the deadline for comments on this Exposure Draft.

Is there a timeline for a decision on this issue and when it will take effect?

Best,

Howard Richardson

Julia Morriss

From: Mike Howard <MikeandDiane1@wowway.com>
Sent: Saturday, July 30, 2016 5:06 PM
To: uaaexposedrafts; lhaberman@nasba.org
Subject: Recognition of Foreign Professionals ED

As an American CPA of over 40 years, I object to the proposed revision striking out the reciprocity requirements presently located in section 6 g 1. Although it is to be considered desirable that foreigners have to be of the same standards as we, still, if foreign jurisdictions do not reciprocate, it is demeaning to American CPAs and, ultimately, insulting to America.

L. Michael Howard CPA
656 Colony Dr
Westerville, OH 43081
614-890-4760



Board of Public Accountants

August 9, 2016

J Coalter Baker, CPA
Chair, NASBA UAA Committee
150 4th Ave N
Nashville TN 37219-2417

Deborah D Lambert
Chair, AICPA UAA Committee
1211 Avenue of the Americas
New York NY 10036-8775

RE: International Path to Licensure Exposure Draft Comments

Mr. Baker and Ms. Lambert,

The Montana Board of Public Accountants has reviewed the June 1, 2016 exposure draft addressing changes to the UAA Section 6, Recognition of Foreign Professionals, and UAA Model Rules Article 5, Changes for Examination.

As the regulatory body for CPAs in Montana, the Board is responsible to ensure that competent practitioners are licensed by the State to serve the consumers of Montana. After much discussion and careful consideration, the Board voted to support the UAA amendments that would lead to a unilateral path to licensure for foreign credentialed individuals who possess the knowledge, skills, and talent to obtain a US CPA license.

The Board appreciates the opportunity to comment on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Vuckovich".

Dan Vuckovich, CPA
Chair



NORTH DAKOTA STATE BOARD OF ACCOUNTANCY

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North Dakota RESPONSE TO UAA EXPOSURE DRAFT

1-WAY RECIPROCITY

We do not support the proposal to recognize foreign credentials in a unilateral manner.

We understand that such an approach would be helpful for foreign credential holders already working within this country, by enabling an easier route to reciprocal recognition than is now available.

However, it would also open that same opportunity to any other holders of the same credential, wherever located, and without any similar reciprocal opportunity for U.S. accountants. It creates an unfair advantage, with no similar opportunity for our licensees.

We are not convinced that a unilateral privilege would serve as to motivate foreign jurisdictions to ease their entry rules.

A handwritten signature in black ink, appearing to read "Mike Schmitz".

*Mike Schmitz, CPA
NDSBA President*

July 27, 2016



Aug. 31, 2016

Deborah Lambert
Chair, AICPA UAA Committee
220 Leigh Farm Road
Durham, NC 27707

J. Coalter Baker
Chair, NASBA UAA Committee
150 4th Ave. N #700
Nashville, TN 37219

Dear Ms. Lambert & Mr. Baker:

The Pennsylvania Institute of Certified Public Accountants (PICPA) appreciates the opportunity to comment on the proposed changes to the Uniform Accountancy Act. The PICPA is an association of more than 22,000 members working to improve the CPA profession and better serve the public interest. Founded in 1897, the PICPA is the second-oldest and fourth-largest state CPA organization in the United States.

The PICPA supports NASBA's and the AICPA's efforts to simplify the international pathway for CPA licensure. Use of the International Qualifications Appraisal Board (IQAB) to evaluate foreign credential holders and the requirement to pass the International Qualifications Examination (IQEX) recognizes the global economy. It also will protect the public interest by ensuring that foreign professionals are following professional standards and are bound by the CPA code of ethics.

We also support most of the updates to the Model Rules to reflect the revised CPA Exam being launched in April 2017. We were very pleased when the announcement was made earlier this year that the exam testing windows were going to be longer, as this suggestion had been included in our previous comment letters. Lengthening the testing windows creates more opportunities for candidates to schedule to sit for the exam. Adding time in June and September in particular will be very beneficial to new graduates who could start and potentially finish the exam process immediately after graduation.

We were disappointed, however, to see a reaffirmation of the 18-month window to pass all four parts of the CPA Exam and the continued inability to retake a failed part in the same testing window. Extending the window in which a candidate needs to pass all four parts of the exam to 24 months and allowing them to retake failed parts in the same window could provide extra time for those who have demanding workloads and/or need time to repeat taking parts of the exam as needed. We feel the policies, as they stand, are not taking into consideration current societal trends and challenges such as work/life balance expectations and demographic shifts that are impacting the success of exam candidates. As we stated in a previous letter to the AICPA, the exam should be rigorous but the process to take the exam should not be.

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Thank you again for the opportunity to provide our comments on the changes to the Uniform Accountancy Act. Feel free to contact me at (215) 972-6181 or Meg Killian, vice president of member relations, at (215) 972-6186 with any questions regarding our comments.

Sincerely,

A handwritten signature in black ink that reads "Michael D. Colgan". The signature is written in a cursive style with a large, stylized initial "M".

Michael D. Colgan, CAE
CEO and Executive Director

Julia Morriss

From: robyn@lindercpas.com
Sent: Wednesday, August 03, 2016 5:23 PM
To: uaaexposedrafts
Subject: giving foreign accountants cpa path

I didn't know the AICPA was now run by Obama supporters. Maybe we can change the wording to American Institute of Politically Correct Accountants. Then we can all get a free membership in the organization founded by Obama American Institute of Politically Correct Idiots. The AICPA can add to the free everything to illegal immigrants by offering easy to get CPA certificates to foreigners. If an immigrant or foreigner learns to speak and read English, has the legitimate college degree to be allowed to sit for the CPA exam taken by all American citizens, and can pass that exam; then and only then should he get a CPA certificate. What has gotten into the minds of people in leadership positions who all try to make everything easier for outsiders to get than our own American citizens. If they have to do what we have to do then they deserve it and they should not be permitted to get the certificate by any other means. Robyn Linder CPA, CMA and member of AICPA and WICPA

Julia Morriss

From: Scott Hoppe <scott@hoppetax.com>
Sent: Wednesday, August 03, 2016 4:58 PM
To: uaaexposedrafts; lhaberman@nasba.org
Subject: Path to CPA for Foreign Accountants - COMMENTS

I have read through the exposure draft. I believe and 100% support the foreign accountants path to CPA. I see NO reason why a Chartered Accountant from Britain cannot be a CPA in the USA.

Requiring a practicing Chartered Accountant, who does not have our education requirements (which deserves its own conversation), to be barred from sitting for the CPA exam nonsense.

I look forward to expanding very qualified individuals to join our CPA community.

Please contact me directly for further comments, if needed.

Scott D. Hoppe, CPA
(415) 684-8040 | HoppeTax.com | /HAWP-ee/

Currently I'm reading [Deep Work](#) by Cal Newport (2016). More books [HERE](#).

Our emails often contain confidential information (but never information with the purpose of tax avoidance) that is only meant for the intended recipient. We would feel terrible if this email went to the wrong person and need your help to correct it promptly. Please let me know of the error and delete the email. As always, leave everything and everyone better than you found them.

Julia Morriss

From: Steve Claghorn <claghorn@mindspring.com>
Sent: Thursday, June 16, 2016 12:40 PM
To: uaaexposedrafts
Subject: Proposal (to) clear a path to CPA licensure for foreign credential holders
Importance: High

To whom it may concern,

I read the published summary of the proposal "designed to help holders of qualified foreign designations apply for state licensure as a CPA..." with great alarm and concern.

Any party dealing with a holder of a US CPA license should be able to expect that such a person has completed all legal requirements demanded of a CPA including the passing of the US CPA exam. To allow a party to carry this license without meeting that basic standard represents nothing more than a cheapening of our time honored profession. Please do not, under any circumstance, allow this to happen.

If a further slap in the face were needed it is that the proposal represents a "unilateral pathway to CPA licensure" with absolutely no quid pro quo from the foreign body. It would seem that our standard setters are poor negotiators.

Please put a stop to this very harmful proposal.

Sincerely,

Stephen L. Claghorn, CPA

August 4, 2016

American Institute of Certified Public Accountants
1211 Avenue of the Americas, New York, NY 10036-8775
Via email to uaaexposuredrafts@aicpa.org

National Association of State Boards of Accountancy
150 4th Avenue North
Nashville, TN 37219-2417
Via email to lhaberman@nasba.org

RE: Response to UAA Exposure Draft: Amendments to UAA Section 6 Recognition
Of Foreign Professionals and UAA Model Rules Article 5 Changes for Examination

Dear AICPA & NASBA Representatives:

The Texas Society of Certified Public Accountants (TSCPA) is a nonprofit voluntary professional organization representing 27,000 members. One of the expressed goals of TSCPA is to speak on behalf of its members when such action is in the best interest of its constituency and serves the cause of CPAs in Texas, as well as the public interest. TSCPA has established a Legislative Advisory Committee (LAC) to represent those interests on matters related to state legislation, especially those matters that deal with the Public Accountancy Act or other state laws affecting CPAs in Texas. LAC is charged to review bills and legislative proposals which have relevance to the accounting profession.

LAC has been authorized by TSCPA's Board of Directors to submit comments on such matters to pertinent parties. The views expressed herein have not been approved by the Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policies of TSCPA.

LAC has reviewed the subject exposure draft and is in general agreement with the proposed changes in the UAA and the rules. The changes will improve international credentialing and the administration of the CPA examination.

Sincerely,

Leroy Bolt, CPA
Chair, Legislative Advisory Committee
Texas Society of Certified Public Accountants



July 27, 2016

Deborah D. Lambert
Chair AICPA UAA Committee
1211 Avenue of the Americas
New York, NY 10036-8775

J. Coalter Baker
Chair NASBA UAA Committee
150 4th Avenue, North
Nashville, TN 37219-2417

(Transmitted Electronically)

Dear Ms. Lambert and Mr. Baker:

This agency's Board has reviewed the Exposure Draft dated June 1, 2016 proposing amendments to Section 6 of the Uniform Accountancy Act (UAA) concerning the licensing of Foreign Professionals and very much appreciates the opportunity to comment on the proposal.

The Board believes the proposal is well presented and an excellent approach to facilitating the licensing of Foreign Professionals. The Board therefore offers its support to the amendments as proposed.

Please recognize, however, that this agency's current enabling legislation does not allow it to adopt an equivalent standard to licensing foreign professionals without an amendment to the Texas Public Accountancy Act.

We hope this is helpful to you and that you will not hesitate to contact me should you have any questions regarding the Board's comment on the Exposure Draft.

Very truly yours,

William Treacy
Executive Director



State of Wyoming Board of Certified Public Accountants

MATTHEW H. MEAD, GOVERNOR

T. CHRIS MUIRHEAD, CPA
RAULAND J. WEBER, CPA
STEVEN R. LAIRD, PUBLIC MEMBER

DEAN W. MCKEE, CPA
ROXANNE P. OSTLUND, CPA
PAMELA IVEY, EXECUTIVE DIRECTOR

August 24, 2016

Ms. Deborah D. Lambert, Chair AICPA UAA Committee

Mr. J. Coalter Baker, Chair NASBA UAA Committee

Delivered via email: uaaexposedrafts@aicpa.org and lhaberman@nasba.org

Re: Amendment to UAA Section 6 Recognition of Foreign Professionals

Dear Ms. Lambert and Mr. Baker,

The Wyoming Board of Certified Public Accountants (Board), during its meeting on August 17, 2016, took action to issue a response to the amendment to UAA Section 6 pertaining to Recognition of Foreign Professionals.

The concept of unilateral recognition of foreign professionals for licensure strikes a very negative chord with respect to the equity, just treatment and recognition of the skills of U.S. CPAs. The changes proposed to the UAA would provide for unilateral recognition of foreign professionals without the guarantee that U.S. CPA practitioners would receive the same recognition; and this Board is not in favor of such a change.

The proposed changes to the UAA with respect to recognition of foreign professionals will serve to degrade the value of the U.S. CPA because of an inherent admission in the proposal that U.S. CPA practitioners may not meet the highest standards required for the provision of high quality services. The U.S. CPA is an important credential that assures the public that the services provided are of the highest quality. Weakening the value of this respected credential would be very detrimental.

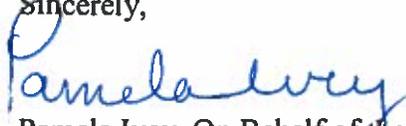
Has this issue been studied? Is there empirical evidence to support the value of unilateral recognition of foreign professionals that treats U.S. CPAs inequitably? In a time when there is pressure on the value and perception of the U.S. CPA credential, why would the UAA Committee, composed of AICPA and NASBA members, agree to such a change with respect to foreign professionals?

Our Board is very much in favor of providing recognition of foreign professionals when the country they were originally licensed in allows U.S. CPAs to receive the same recognition.

There is a statement in the Exposure Draft that, *"It is anticipated that other countries will want to similarly move to recognition of qualified U.S. CPAs as the European Union and other areas of the world require more frequent rotation of auditors and firms make it clear to regulators that the ability to provide high quality talent should not be limited by geographic barriers."* Despite the logic of this prediction, there is no guarantee that foreign jurisdictions would open similar pathways to U.S. CPAs.

This Board urges the UAA Committee to reconsider the proposed changes to the UAA Section 6 pertaining to Recognition of Foreign Professionals.

Sincerely,



Pamela Ivey, On Behalf of the Wyoming Board of Certified Public Accountants
Executive Director

Copy: Members, Wyoming Board of Certified Public Accountants
File



Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

July 26, 2016

J. Coalter Baker, CPA
Chair NASBA UAA Committee
NASBA
150 4th Avenue
North Nashville, TN 37219-2417

Dear Mr. Baker:

The Texas State Board of Public Accountancy appreciates the opportunity to comment on the June 1, 2016, Exposure Draft of amendments to the *UAA Model Rules and Article 5 Changes for Examination*. The Qualifications Committee and the Board considered the proposed amendments and how they would impact Texas CPA exam applicants. The Board raises the following concerns based upon that review.

The proposed amendments to *Rule 5-7 – Retake and granting of credit requirements*, indicate that credit for any test section passed shall be valid for a period of eighteen (18) months and be calculated from the actual date the candidate took that test section. The Board calculates the eighteen (18) months from the date the exam scores are received and validated by the Board. If credit is awarded on the date that testing occurred and there is a one or two month delay in receiving the score, the candidate will not have a full 18 months.

The rule also defines the testing window as equal to a calendar quarter. The proposed amendment requires that candidates would be able to test in no less than two (2) months out of each testing window. Texas candidates currently have a 90-day eligibility period which may occur in parts of two testing windows. While a candidate will be able to test in no less than two months, it is possible that it may not be consecutive months within the same testing window.

Based upon the above discussion we offer the following amendments to *Rule 5-7 – Retake and granting of credit requirements*

- (a) A candidate may take the required test sections individually and in any order. Credit for any test section(s) passed shall be valid for a period of eighteen (18) months and be calculated from the date credit is awarded by the board of accountancy or its designee, without having to attain a minimum score on any

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failed test section(s) and without regard to whether the candidate has taken other test sections.

- (1) Candidates must pass all test sections of the examination within a rolling eighteen- (18) month period, which begins on the date that the first test section credit is awarded by the board of accountancy or its designee.
 - (2) Candidates cannot retake a failed test section(s) in the same testing window. A testing window is equal to a calendar quarter (Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec). ~~Candidates will be able to test no less than two (2) months out of each testing window.~~
 - (3) No changes.
- (b) No changes.
- (c) A candidate shall be deemed to have passed the examination once the candidate holds at the same time valid credit for passing each of the test sections of the examination. For purposes of this section, credit for passing a test section of the examination is valid from the date credit is awarded by the board of accountancy or its designee.
- (d) No changes.

The Board appreciates your consideration of its comments. Please feel free to contact me at 512-305-7801 if additional information or clarification is needed.

Best regards,
Texas State Board of Public Accountancy



William Treacy
Executive Director

Cc: TSBPA Board Members
TSBPA Qualifications Committee Members

Deborah D. Lambert
Chair AICPA UAA Committee