

CHAPTER 9  
RECIPROCITY AND SUBSTANTIAL EQUIVALENCY

**193A—9.1(542) Iowa CPA certificate required.** A person who holds a certificate or license to practice as a CPA in another state or a substantially equivalent designation from a foreign jurisdiction may apply to the board for an Iowa CPA certificate and must do so if the person plans to establish the person's principal place of business as a CPA in Iowa.

[ARC 7715B, IAB 4/22/09, effective 7/1/09]

**193A—9.2(542) Application forms.** Application forms may be obtained from the board office or on the board Web site. An applicant shall attest that all information provided on the form is true and accurate. An application may be denied based on a false statement of material fact. A nonrefundable fee shall be charged each applicant as provided in 193A—Chapter 12.

[ARC 7715B, IAB 4/22/09, effective 7/1/09]

**193A—9.3(542) Background and character.**

**9.3(1)** An applicant for a CPA certificate under this chapter shall disclose on the application all background and character information requested by the board including, but not limited to:

- a. All states or foreign jurisdictions in which the applicant has applied for or holds a CPA certificate or license, or a substantially equivalent designation from a foreign country;
- b. Any past denial, revocation, suspension, or refusal to renew a CPA certificate, license or permit to practice, or voluntary surrender of a CPA certificate, license or permit to resolve or avoid disciplinary action, or similar actions concerning a substantially equivalent foreign designation;
- c. Any other form of discipline imposed against the holder of a CPA certificate, license or permit, or a substantially equivalent foreign designation;
- d. The conviction of any felony or any crime described in Iowa Code section 542.5(2);
- e. The revocation of a professional license of any kind in this or any other jurisdiction; and
- f. Such additional information as the board may require to determine if grounds exist to deny certification under 193A—subrule 3.1(2).

**9.3(2)** The board may deny an application based on prior discipline imposed against the holder of a CPA certificate, license or permit, or a substantially equivalent foreign designation, or on any of the grounds listed in 193A—subrule 3.1(2).

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**193A—9.4(542) Verification of state licensure.** An applicant holding a CPA certificate or license from another state or states shall submit verification that the applicant's CPA certificate or license is valid and in good standing in the state in which the applicant's principal place of business is located. An applicant applying for a CPA certificate under the substantial equivalency provisions of Iowa Code section 542.19(1) "a" and paragraph 9.5(1) "a" may attach a letter of good standing to the application. Such letter of good standing shall be prepared by the state in which the applicant's principal place of business is located and shall be dated within six months of the date of the application. To expedite the application process, the board will accept verification from another state's board by facsimile or E-mail. The board reserves the right to request an original verification document directly from another state board.

[ARC 7715B, IAB 4/22/09, effective 7/1/09]

**193A—9.5(542) Qualifications for a CPA certificate.**

**9.5(1)** A person who holds in good standing a valid CPA certificate or license from another state shall be deemed qualified for an Iowa CPA certificate if the person satisfies one of the following three conditions:

- a. *Substantially equivalent state.* The licensing standards on education, examination and experience of the state which issued the applicant's CPA certificate or license were, at the time of licensure, comparable or superior to the education, examination and experience requirements of Iowa Code chapter 542 in effect at the time the application is filed in Iowa. The board may accept

the determination of substantial equivalency made by the National Association of State Boards of Accountancy or may make an independent determination of substantial equivalency.

*b. Individual substantial equivalency.* The applicant's individual qualifications on education, examination and experience are comparable or superior to the education, examination and experience requirements of Iowa Code chapter 542 in effect at the time the application is filed in Iowa.

*c. "Four-in-ten rule."* The applicant satisfies all of the following:

(1) The applicant passed the examination required for issuance of the applicant's certificate or license with grades that would have been passing grades at the time in this state.

(2) The applicant has had at least four years of experience within the ten years immediately preceding the application which occurred after the applicant passed the examination upon which the CPA certificate or license was based and which in the board's opinion is substantially equivalent to that required by Iowa Code section 542.5(12).

(3) If the applicant's CPA certificate or license was issued more than four years prior to the filing of the application in this state, the applicant has fulfilled the continuing professional education requirements described in Iowa Code section 542.6(3) and 193A—Chapter 10.

**9.5(2)** A person who holds in good standing a certificate, license or designation from a foreign authority that is substantially equivalent to an Iowa CPA certificate shall be deemed qualified for an Iowa CPA certificate if the person satisfies all of the provisions of Iowa Code section 542.19(3). The burden is on the applicant to demonstrate that such certificate, license or foreign designation is in full force and effect and that the requirements for that certificate, license or foreign designation are comparable or superior to those required for a CPA certificate in this state. Original verification from the foreign authority which issued the certificate, license or designation shall be required to demonstrate that such certificate, license or designation is valid and in good standing. If the applicant cannot establish comparable or superior qualifications, the board shall require that the applicant pass the uniform certified public accountant examination designed to test the applicant's knowledge of practice in this state and country. If the applicant is a Canadian Chartered Accountant, Australian Chartered Accountant or Australian Certified Practicing Accountant, the applicant may be required to take the International Uniform CPA Qualification Examination (IQEX) in lieu of the uniform certified public accountant examination.

**9.5(3)** An applicant seeking an Iowa CPA certificate based on the provisions of 9.5(1) "b," 9.5(1) "c" or 9.5(2) shall submit such supporting information on education, examination or experience as the board deems reasonable to determine whether the applicant qualifies for licensure in Iowa.

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**193A—9.6(542) Continuing requirements.** A person issued a CPA certificate under this chapter is subject to all laws and rules governing persons holding CPA certificates issued in this state including, without limitation, those concerning continuing education, peer review, and notification of crimes and professional discipline. However, a person issued a CPA certificate under this chapter who maintains the principal place of business in a different state and who maintains in good standing a valid CPA certificate or license in that state shall be deemed to have satisfied the continuing education and peer review requirements described in 193A—Chapters 10 and 11 if the person satisfies similar requirements in the state in which the principal place of business is located.

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**193A—9.7(542) Expedited application processing.** A person applying for a CPA certificate under the substantial equivalency provisions of Iowa Code section 542.19(1) "a" often desires expedited application processing to facilitate cross-border practice. Applications by such persons are especially suitable for rapid processing given the substantially equivalent standards previously enforced in another state. Unless such application reveals grounds to deny the application under subrule 9.3(2), the board is otherwise aware of such grounds, or the application is unaccompanied by the proper fee, the board's administrator shall approve an application which qualifies under Iowa Code section 542.19(1) "a" as rapidly as feasible and shall deem the effective date of approval to practice in Iowa to be the date

the board received the completed application with timely letter of good standing in a substantially equivalent state.

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These rules are intended to implement Iowa Code section 542.19.

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