

CHAPTER 8  
LICENSED PUBLIC ACCOUNTING FIRMS  
[Prior to 7/13/88, see Accountancy, Board of<sup>[10]</sup>]

**193A—8.1(542) Initial permit to practice.**

**8.1(1)** A sole proprietorship, corporation, partnership, limited liability company, or any other form of organization shall apply for a permit to practice under Iowa Code section 542.8 and these rules as a firm of licensed public accountants in order to use the title “LPAs” or “LPA firm.” A nonrefundable application fee shall be charged.

**8.1(2)** The application shall be completed and submitted through the online application process and shall provide sufficient information from which the board can determine that a simple majority of owners hold licenses issued under Iowa Code section 542.8 or certificates issued under Iowa Code section 542.6 or 542.19, are eligible to practice under practice privilege pursuant to Iowa Code section 542.20, or otherwise hold a license or certificate to practice public accounting in another state. At least one owner must be licensed under Iowa Code section 542.8.

**8.1(3)** The application shall list the name, licensure, and contact information for each licensee or practice privilege practitioner who is responsible for supervising compilation services and who signs or authorizes someone to sign the accountant’s report on financial statements on behalf of the firm. The application shall affirm that any licensee listed meets the competency requirements set forth in SSARS and holds a valid license or certificate issued under Iowa Code section 542.6, 542.8, or 542.19 or is eligible to exercise a practice privilege under Iowa Code section 542.20.

**8.1(4)** The application shall list the physical location and contact information for all offices within this state and the licensee in charge of each such office.

**8.1(5)** Persons in charge of an office located in Iowa shall be licensed in Iowa under Iowa Code section 542.6, 542.8, or 542.19.

**8.1(6)** The application shall designate an individual who holds a valid license or certificate issued under Iowa Code section 542.6, 542.8 or 542.19 or who is eligible to exercise a practice privilege under Iowa Code section 542.20 as the person responsible for ensuring that the firm has complied with all of the requirements for a permit to practice, and shall provide contact and licensure information for such individual.

**8.1(7)** The application shall affirm that all nonlicensee owners are of good moral character as defined in 193A—paragraph 4.1(2) “f” and active participants in the firm or an affiliated entity.

**8.1(8)** The application shall affirm that all nonlicensee owners shall comply with all applicable rules of professional conduct.

**8.1(9)** The application for initial issuance of a permit shall list all states in which the applicant or any of the individuals described in subrules 8.1(2) to 8.1(5) have applied for or hold a permit as a licensed public accounting firm, certified public accounting firm, or individual license or certificate, and list any past denial, revocation, surrender, or suspension of a permit, license or certificate by another state.

**8.1(10)** The application shall list the names of any licensed or unlicensed owner who has been convicted of a felony or other crime described in Iowa Code section 542.5(2) or has had a professional license of any kind revoked in this or any other jurisdiction.

**8.1(11)** Fraud or deceit, by commission or omission, in obtaining a firm permit to practice is a ground for discipline, including permanent revocation of the firm’s permit to practice, the individual certificate of an Iowa LPA or CPA, or an individual’s practice privilege, as applicable to the entity or persons responsible.

**8.1(12)** An initial or renewal application for a firm permit to practice may be denied:

*a.* Upon any ground that would form a basis for discipline against the firm pursuant to Iowa Code section 542.10 or rule 193A—14.3(17A,272C,542) including, but not limited to, the regulatory and disciplinary actions and criminal convictions described in subrules 8.1(9) and 8.1(10);

*b.* Based on the firm’s failure to comply with the requirements of Iowa Code section 542.8 including, but not limited to, a failure to make the designations described in subrules 8.1(3), 8.1(4),

and 8.1(6), or a failure to sustain the simple majority of ownership required by Iowa Code section 542.8(12)“a”; or

c. Based on a regulatory or disciplinary action or criminal conviction described in subrules 8.1(9) and 8.1(10) against any of the firm’s owners (e.g., partners, shareholders, or members).

[ARC 7715B, IAB 4/22/09, effective 7/1/09; ARC 2152C, IAB 9/30/15, effective 11/4/15; ARC 3422C, IAB 10/25/17, effective 11/29/17; ARC 4243C, IAB 1/16/19, effective 2/20/19]

**193A—8.2(542) Annual renewal of permit.** A permit issued under the provisions of Iowa Code section 542.8 shall be renewed annually by June 30. Applications to renew a permit to practice shall be completed and submitted through the online renewal process. While the board generally sends, by electronic means, a renewal notice in the May preceding permit expiration, neither the board’s failure to send a notice nor a permit holder’s failure to receive a notice shall excuse the requirement to timely renew and pay the renewal fee.

[ARC 7715B, IAB 4/22/09, effective 7/1/09; ARC 4243C, IAB 1/16/19, effective 2/20/19]

**193A—8.3(542) Renewal procedures.**

**8.3(1)** The permit holder shall submit an online renewal with the board by the June 30 deadline each year. Applications shall be deemed filed on the date of renewal.

**8.3(2)** The permit holder shall list on the renewal application all states in which the applicant has applied for or holds a permit as a licensed public accounting firm and list any past denial, revocation, suspension, refusal to renew or voluntary surrender to avoid disciplinary action of a permit. Permit holders shall notify the board in writing within 30 days after the occurrence of any issuance, denial, revocation, suspension or refusal to renew or voluntary surrender to avoid disciplinary action of a permit to practice as a licensed public accounting firm by another state. Renewal applications may request such additional information as the board requires of initial applicants.

**8.3(3)** Within the meaning of Iowa Code chapters 17A, 272C, and 542, a timely and sufficient renewal application shall be:

a. Received by the board in electronic form on or before the date the permit is set to expire or lapse;

b. Certified as accurate through the online renewal process;

c. Fully completed and accompanied with the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant’s check is returned for insufficient funds or a closed account.

[ARC 7715B, IAB 4/22/09, effective 7/1/09; ARC 4243C, IAB 1/16/19, effective 2/20/19]

**193A—8.4(542) Failure to renew permit.**

**8.4(1)** A firm that fails to renew the permit by the expiration date, but does so within 30 days following the expiration date, shall be assessed a penalty of 25 percent of the annual renewal fee.

**8.4(2)** If the firm fails to renew the permit within the 30-day grace period outlined in subrule 8.4(1), the permit will lapse and the firm shall be required to reinstate in accordance with subrule 8.4(3). The firm is not authorized to practice as an LPA firm during the period of time that the permit is lapsed, including the 30-day grace period.

**8.4(3)** The board may reinstate the permit upon payment of the proper renewal fee and a penalty as provided in rule 193A—12.1(542). The board shall also require a written statement outlining the firm’s professional activities during the period of lapsed licensure.

**8.4(4)** The board may find probable cause to file charges for unlicensed practice if the firm continues to offer services defined as the practice of accounting while using the title “LPAs” or “LPA firm” during the period of lapsed licensure.

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

**193A—8.5(542) Notices required.** A holder of or an applicant for a permit shall notify the board in writing within 30 days after an occurrence of any of the following:

**8.5(1)** A change in the identity of an owner (e.g., partner, shareholder, or member) who performs professional services in this state or for clients with a home office in this state. This is a statutory requirement the board will enforce consistent with the disclosures and affirmations required on initial and renewal application forms.

**8.5(2)** A change in the number or location of offices within this state.

**8.5(3)** A change in the identity of a person in charge of such offices.

**8.5(4)** The issuance, denial, revocation, suspension, refusal to renew, or voluntary surrender of a permit to practice, other professional license of any kind, authority to practice, or practice privilege by another state, or a state or federal agency in any jurisdiction, regarding the firm or any of the persons described in subrule 8.1(3), 8.1(4), or 8.1(6).

**8.5(5)** A change of physical or mailing address of the primary office of the firm or of any office located in Iowa or of any person designated by the firm pursuant to subrule 8.1(3), 8.1(4), or 8.1(6).  
[ARC 7715B, IAB 4/22/09, effective 7/1/09]

**193A—8.6(542) Firms not in compliance with requirements.** A firm which, after receiving or renewing a permit, is not in compliance with Iowa Code section 542.8 as a result of a change in firm ownership or personnel shall take corrective action to bring the firm back into compliance as quickly as possible or apply to modify or amend the permit. The board may grant a reasonable period of time, usually 90 days, for a firm to take such corrective action. Failure to comply within a reasonable period as deemed by the board shall result in the suspension or revocation of the firm permit.  
[ARC 7715B, IAB 4/22/09, effective 7/1/09]

**193A—8.7(542) Peer review required.** As a condition for renewal of a permit to practice as a licensed public accounting firm, the firm shall undergo, at least once every three years, a peer review conducted under the provisions outlined in 193A—Chapter 11.  
[ARC 7715B, IAB 4/22/09, effective 7/1/09]

These rules are intended to implement Iowa Code chapters 17A, 272C and 542 and Iowa Code section 546.10.

[Filed and effective September 22, 1975 under ch 17A, C'73]

[Filed 6/22/88, Notice 3/9/88—published 7/13/88, effective 8/17/88]

[Filed 8/1/91, Notice 5/15/91—published 8/21/91, effective 9/25/91]

[Filed 12/17/93, Notice 10/13/93—published 1/5/94, effective 2/9/94]

[Filed 7/11/97, Notice 4/23/97—published 7/30/97, effective 9/3/97]

[Filed 4/12/02, Notice 3/6/02—published 5/1/02, effective 7/1/02]

[Filed 1/19/05, Notice 12/8/04—published 2/16/05, effective 3/23/05]

[Filed ARC 7715B (Notice ARC 7484B, IAB 1/14/09), IAB 4/22/09, effective 7/1/09]

[Filed ARC 2152C (Notice ARC 2058C, IAB 7/8/15), IAB 9/30/15, effective 11/4/15]

[Filed ARC 3422C (Notice ARC 3224C, IAB 8/2/17), IAB 10/25/17, effective 11/29/17]

[Filed ARC 4243C (Notice ARC 3988C, IAB 9/12/18), IAB 1/16/19, effective 2/20/19]