

**193A—21.7(542) Penalties.**

**21.7(1)** Firms purporting to practice public accounting under a practice privilege that are ineligible to exercise a practice privilege or that fail to satisfy the conditions for exercising a practice privilege are subject to all of the penalties that apply to unlicensed firms, including the criminal, administrative, and civil penalties described in Iowa Code sections 542.14 and 542.15.

**21.7(2)** If a firm acting or purporting to act under a practice privilege engages in any act or practice that does or may in the future violate Iowa Code chapter 542 or board rules, the board may take any or all of the following actions, as applicable:

*a.* Apply to the district court for an injunction, restraining order, or other order, pursuant to Iowa Code section 542.14(1);

*b.* Issue an order mandating compliance with Iowa Code chapter 542 or board rules and impose a civil penalty pursuant to Iowa Code section 542.14;

*c.* Deny the subsequent license application of the violator or, to the extent responsible for the violation, any of the firm's owners (e.g., partners, shareholders, or members), pursuant to Iowa Code section 542.20(4) "a" and "b";

*d.* Refer the complaint or other relevant information to a jurisdiction that issued a license to the alleged violator; and

*e.* Take disciplinary action against the firm or, to the extent responsible for the violation, any of the firm's owners (e.g., partners, shareholders, or members), pursuant to Iowa Code section 542.10, if the firm or individual holds an inactive or lapsed Iowa license.

**21.7(3)** Complaints filed with the board alleging violations by firms that are not licensed by the board, including those acting or purporting to act under a practice privilege, are not confidential under Iowa Code section 272C.6(4) and will not be treated as confidential unless otherwise provided in Iowa Code chapter 22 or other applicable law.

**21.7(4)** Persons filing complaints with the board against firms acting or purporting to act under a practice privilege should provide as much information as possible to assist the board in locating the firm and the individuals allegedly responsible for the acts or omissions causing the complaint, and in determining whether the firm or any responsible individual is licensed in any jurisdiction.

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