Section 2.1. Requirements

2.1.1. Individuals whose principal place of business is in Mississippi must hold a Mississippi CPA license. An applicant for an original license must be a resident of the State of Mississippi or have an office for the regular transaction of business in this state, be of good moral character, and satisfy the education, examination, experience requirements, continuing professional education (CPE) and professional ethics as described within these *Rules and Regulations.*

(a) Residency shall be determined by the Board based on all of the facts and circumstances of each individual case. Factors normally considered by the Board in determining residency are as follows:

(1) Place of registration as a voter

(2) Vehicle registration and tags

(3) Filing of Mississippi State Resident Income Tax Returns

(4) Qualifying for Homestead Exemption in Mississippi and payment of real estate taxes to this state

(5) Graduation from a Mississippi university or college and successful completion of the CPA examination in Mississippi.

(b) Having a place for the regular transaction of business encompasses more than having a "mailing address" or temporary office. The Board will determine, based on all the facts and circumstances of each individual case, whether a structure qualifies under this regulation. Factors normally considered by the Board in determining eligibility include the following:

(1) Relative permanence of location

(2) Business hours

(3) Presence of permanent staff

(4) Telephone listings and location

(5) Time spent in out-of-state activities.

(c) Good Moral Character: In evaluating good moral character, the Board shall consider an applicant's criminal record including but not limited to felony convictions or pleas; discipline before state, local or federal jurisdictions; and other documents and/or records determined appropriate in the circumstance.

2.1.2. When a candidate has passed the CPA examination in accordance Section 2.2., satisfied the experience requirements in accordance with Section 2.1.3. and CPE in accordance with Section 4.1. of these *Rules and Regulations,* he must make application for licensure with the State Board within five years from the date of successful completion of the CPA examination. Applications for licensure shall be made on forms provided by the Board and accompanied by fees as prescribed by the Board. All certificates of licensure shall be valid only when signed by at least three members of the Board and when the Board's seal is affixed thereto. The issuance of the certificate of licensure does not automatically qualify one to practice public accounting in the State of Mississippi as defined in the act unless such license holder is associated with a CPA firm that has been issued a firm permit by the State Board. However, a sole proprietor not acting as a practice unit per the act may practice as a licensee.

2.1.3. The Board shall issue a license to applicants who have complied with all of the Board's requirements, including experience, continuing professional education (CPE) and professional ethics.

(a) Experience Requirements. In satisfaction of experience requirements, the applicant must submit substantiating written statements, in such form as the Board shall require, from employers or others who have actual knowledge of such facts.

(1) Qualifying experience requirements as stated below shall be experience during the *five* years immediately preceding the date of application for the license.

(2) Qualifying experience shall mean a minimum of one year of experience gained by full-time employment under the supervision and direction of a CPA.

(3) The practical experience of an applicant for licensure must be meaningful with respect to qualifying the applicant for the practice of public accounting. An applicant shall show that he or she provided one or more kinds of services involving the use of accounting or auditing skills, including but not limited to the issuance of reports on financial statements, or one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters, or the equivalent, all of which are under the direction of a CPA licensee, meeting requirements prescribed by the Board by rule.

(4) The Board reserves the option of reviewing the work papers, reports, and time records for work submitted for credit as qualifying experience. The Board may require interviews with applicants. Inspections and interviews may be on a selective or a random basis.

(5) Experience submitted to the board by an applicant not meeting the requirements set forth above, when evaluated by the State Board of Public Accountancy in the aggregate, may be considered equivalent to the requirements set out above.

2.1.4. Other Requirements

(a) The Board reserves the right to require applicants for licensure to successfully complete a written examination, a Board approved ethics course of comprehensive study, and/or an examination of the *Rules of Professional Conduct* promulgated by the Board.

(b) The Board reserves the right to require applicants for licensure to provide evidence of good moral character including but not limited to a Board initiated background and criminal check.

Section 2.2. CPA Examination

2.2.1. Examinee Qualifications: The CPA examination as required by the Public Accountancy Act is to determine minimum competency of an individual for licensure purposes. The CPA examination shall test the knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the Board may require. In accordance with Section 2.1. of these *Rules and Regulations*, an applicant for a CPA license must pass the CPA examination in addition to other licensure requirements. Candidates for the CPA examination must satisfy the following requirements to qualify to sit for the CPA examination as a Mississippi candidate:

(a) Educational Requirement:- A first-time examination candidate must have completed at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a regionally accredited four-year college or university or the equivalent acceptable to the Board, with an accounting concentration determined by Board rule to be appropriate. Candidates who first sat before February 1, 1995, must have met the requirements in effect at that time.

(1) Regional accreditation shall be accreditation by one of the following regional accrediting agencies:
Middle States Association of Colleges and Secondary Schools
New England Association of Schools and Colleges
North Central Association of Colleges and Secondary Schools
Northwest Association of Schools and Colleges
Southern Association of Schools and Colleges
Western Association of Schools and Colleges

(2) Accounting Concentration: The candidate shall be determined to have the equivalent of an accounting concentration if he has at least 48 semester hours of upper division or graduate level accounting and business related courses as approved by the Board at an accredited four-year college or university with a minimum of 24 semester hours of accounting at the upper division or graduate level, including a minimum of 3 semester hours each in courses covering the following subjects:

a. financial accounting,
b auditing,
c. taxation,
d. management/cost accounting, and
e. government/not-for-profit accounting.

(3) The educational requirements must be completed before the candidate first applies to take the examination.

(4) Credit for hours taken at accredited colleges and universities using the quarter system shall be counted as ⅔ of a semester hour for each hour of credit received under the quarter system.

(b) Residency: The candidate must be a resident of the State of Mississippi. Residency shall be determined by the Board based on all of the facts and circumstances of each individual case. Factors normally considered by the Board in determining residency are as follows:

(1) Place of registration as a voter;

(2) Vehicle registration and tags;

(3) Filing of Mississippi State Resident Income Tax Returns;

(4) Qualifying for Homestead Exemption in Mississippi and payment of real estate taxes to this state; and/or

(5) Graduation from a Mississippi university or college.

(c) Good Moral Character: As the passing of the CPA examination is the initial qualification to licensure, a candidate must be able to demonstrate that he possesses good moral character in order to qualify to sit for the examination. In evaluating good moral character, the Board shall consider a candidate's criminal record including but not limited to felony convictions or pleas; discipline before state, local or federal jurisdictions; and other documents and/or records determined appropriate in the circumstance.

2.2.2. Fees: The candidate shall, for each test section applied for, pay to the Board or its designee candidate testing fees that include the actual fees charged by the American Institute of CPAs (AICPA), National Association of State Boards of Accountancy (NASBA), and the test delivery service provider, as well as a nonrefundable application processing fee established by the State Board.

2.2.3. Rescinded.

2.2.4. Rescinded.

2.2.5. Applications:

(a) Candidates must apply for the CPA examination on application forms provided by the Board and filed with the Board as specified in the application form.

(b) An application will not be considered filed until the application processing fee, other examination fees, and all required supporting documents have been received, including proof of identity as determined by the Board and specified on the application form, official transcripts and proof that candidate has satisfied the education, residency, and good moral character requirements.

(c) Applications are active until the candidate sits for the applicable section(s) but no longer than six months. A candidate who fails to appear for an examination shall forfeit all fees charged for both the application and the examination.

(d) The Board or its designee will forward notification of eligibility for the computer-based examination to NASBA's National Candidate Database.

(e) Any person who files an application for the CPA examination containing false statements, false references, or false signatures, may, at the discretion of the Board, be temporarily or permanently barred from taking the examination.

2.2.6. Time and place of CPA examination: The Board shall notify candidates of their eligibility and notice eligible candidates to schedule within the required time period and with an approved test site identified by the Board. Scheduling reexaminations must be made in accordance with Section 2.2.10. below.

2.2.7. Rescinded.

2.2.8. Rescinded.

2.2.9. Rescinded.

2.2.10. Examination Grades, Conditioning, Reexamination:

(a) The Board shall notify CPA examination candidates in writing of examination results. The passing grade for each test section is 75.

(b) The Board may use the Uniform Certified Public Accountant Examination and advisory grading service and may rely solely upon grades assigned to examination papers by that body.

(c) A candidate may take the required test sections individually and in any order. Credit for any test section(s) passed shall be valid for eighteen months (six examination windows as described below) from the actual date the candidate took that test section, without having to attain a minimum score on any failed test section(s) and without regard to whether the candidate has taken other test sections.

(1) Candidates must pass all four test sections of the Uniform CPA Examination within a rolling eighteen-month period, which begins on the date that the first test section(s) passed is taken.

(2) Candidates cannot retake a failed test section(s) in the same examination window. An examination window refers to a three-month period in which candidates have an opportunity to take the CPA examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is

performed and the item bank is refreshed). Thus, candidates will be able to test two out of the three months within an examination window.

(3) In the event all four test sections of the Uniform CPA Examination are not passed within the rolling eighteen-month period, credit for any test section(s) passed outside the eighteen-month period will expire and that test section(s) must be retaken.

(d) The Board may in particular cases extend the term of conditional credit validity notwithstanding the requirements of subsections above, upon a showing that the credit was lost by reason of circumstances beyond the candidate's control.

(e) A candidate shall be deemed to have passed the Uniform CPA Examination once the candidate holds at the same time valid credit for passing each of the four test sections of the examination. For purposes of this section, credit for passing a test section of the computer-based examination is valid from the actual date of the testing event for that test section, regardless of the date the candidate actually receives notice of the passing grade.

2.2.11. Transfer of Credits from Other States: A candidate shall retain credit for any and all test sections of an examination passed in another state if such credit would have been given, under then applicable Mississippi requirements had the candidate taken the examination in this State. The applicant's grade or grades on test sections passed in such other states shall be determined and approved by the Board before transfer is approved. A candidate who applies for a transfer of any credits from another state shall file an application acceptable to the Board and pay the required fee.

2.2.12. Cheating:

(a) Cheating by a candidate in applying for, taking or subsequent to the examination will be deemed to invalidate any grade otherwise earned by a candidate on any test section of the examination, and may warrant summary expulsion from the test site and disqualification from taking the examination.

(b) For purposes of this rule, the following actions or attempted activities, among others, may be considered cheating:

(1) Falsifying or misrepresenting educational credentials or other information required for admission to the examination;

(2) Communication between candidates inside or outside the test site or copying another candidate's answers while the examination is in progress;

(3) Communication with others inside or outside the test site while the examination is in progress;

(4) Substitution of another person to sit in the test site in the stead of a candidate;

(5) Reference to cheat sheets, textbooks or other material or electronic media (other than that provided to the candidate as part of the examination) inside or outside the test site while the examination is in progress.

(6) Violating the nondisclosure prohibitions of the examination or aiding or abetting another in doing so.

(7) Retaking or attempting to retake a test section by an individual holding a valid CPA certificate/license or by a candidate who has unexpired credit for having already passed the same test section, unless pursuant to Board order or unless the individual has been expressly authorized by the Board to participate in a "secret shopper" program.

(c) In any case where it appears that cheating has occurred or is occurring, the Board or its representatives may either summarily expel the candidate involved from the examination or move the candidate to a position in the test center away from other examinees where the candidate can be watched more closely.

(d) In any case where the Board believes that it has evidence that a candidate has cheated on the examination, including those cases where the candidate has been expelled from the examination, the Board shall conduct an investigation and may conduct a disciplinary hearing following the examination session for the purpose of determining whether or not there was cheating, and if so what remedy should be applied. In such proceedings, the Board shall decide:

(1) Whether the candidate shall be given credit for any portion of the examination completed in that session; and

(2) Whether the candidate shall be barred from taking the examination and if so, for what period of time.

(e) In any case where the Board or its representative permits a candidate to continue taking the examination, it may, depending on the circumstances:

(1) Admonish the candidate;

(2) Seat the candidate in a segregated location for the rest of the examination;

(3) Keep a record of the candidate's seat location and identifying information, and the names and identifying information of the candidates in close proximity of the candidate; and/or notify the National Candidate Database and the AICPA and/or the test center of the circumstances, so that the candidate may be more closely monitored in future examination sessions.

(f) In any case in which a candidate is refused credit for any test section of an examination taken, disqualified from taking any test section, or barred from taking the examination in the future, the Board will provide to the Board of Accountancy of any other state to which the candidate may apply for the examination information as to the Board's findings and actions taken.

2.2.13. Security and Irregularities: Notwithstanding any other provisions under these rules, the Board may postpone scheduled examinations, the release of grades, or the issuance of certificates due to a breach of examination security; unauthorized acquisition or disclosure of the contents of an examination; suspected or actual negligence, errors, omissions, or irregularities in conducting an examination; or for any other reasonable cause or unforeseen circumstance.

2.2.14. Candidate's Request for Review. A candidate may request through the Board a review of his nonpassing examination papers by the advisory grading service of the AICPA. The review shall be conducted in accordance with the uniform procedures designed for such. The fees for the review shall be paid by the candidate.

2.2.15. Appeal. After the grades have been released and subsequent to a review of nonpassing examination papers a candidate may request through the Board an appeal of the examination grade. The appeal shall be conducted in accordance with the uniform procedures and in accordance with Board requirements. The fees for the appeal shall be paid by the candidate.

Section 2.3. Registration

2.3.1. Each CPA license holder shall be required to register and to pay an annual registration fee on or before the first day of January each year. Application for such registration shall be made on forms prescribed by the Board, and the registration fee shall be determined under the Board's Schedule of Fees in effect as of the date of the application.

2.3.2. Each registrant shall be required to provide information as to current employment, current address, compliance with continuing professional education requirements and other information requested by the Board necessary for the administration of these regulations or the accountancy statutes, including sworn statements or attestations verifying the accuracy of the registration application.

2.3.3. In accordance with Section 4.1. of these *Rules and Regulations*, a licensee will not be permitted to register a license if not in compliance with the CPE requirements.

2.3.4. Failure to register and pay annual fees by January 1 of each year will result in automatic cancellation of the license. License holders in default will be mailed a ten day notice of such default by certified mail (to their last known address of record) prior to the cancellation of the certificate. A person who has lost his or her license for failure to register and/or pay registration fees may apply to the Board for reinstatement of the license in accordance with Section 2.4. of these *Rules and Regulations.*

Section 2.4. Reinstatement of a License or Practice Privilege

2.4.1. An individual seeking reinstatement of a CPA license or practice privilege which has been revoked, suspended, canceled voluntarily or canceled for failure to register must submit to the Board an application for reinstatement of such license or practice privilege and satisfy the requirements as described herein.

2.4.2. Such application shall be filed on the form prescribed by the Board and shall include a signed and acknowledged petition which shall set forth in full the circumstances surrounding the revocation, suspension, or cancellation of the applicant's license or practice privilege, the applicant's reasons for seeking reinstatement, and any other information the applicant wishes to bring to the attention of the Board.

2.4.3. License reinstatement applications must be accompanied by payment of the delinquent license fees (fees in arrears not to exceed five years) late fees, and a reinstatement fee.

2.4.4. An individual seeking reinstatement of a CPA license must, unless otherwise provided by Trial Board order, as defined below, show satisfactory evidence of accrual/completion of the minimum CPE credit hours missed as a result of not being registered, ~~40~~ CPE credit hours per compliance period including a minimum of 20 percent in accounting and/or auditing (A&A) topics subject to a maximum of 200 CPE credit hours, in lieu of resitting for the CPA examination and completion of all requirements for the issuance of such CPA license. A maximum of twenty hours of carry-over CPE credit hours may be used to satisfy the required 40 CPE credit hour requirement during the most recent compliance period.

2.4.5. A former licensee whose license has been revoked or suspended may make application for reinstatement in accordance with the provision of the Trial Board order and shall pay the required fees and penalties and shall accrue the minimum CPE credit hours missed unless otherwise provided per the order. Applicants for reinstatement of practice privileges granted pursuant to Section 73-33-17 must demonstrate compliance with the terms of any board order or other directives of the Board wherein the practice privilege was suspended or revoked.

(a) In considering an application the Board shall consider all activities of the applicant since the license or practice privilege was canceled, revoked or suspended, including but not limited to the prior offense, the applicant's activities during the time the license or practice privilege was in good standing, rehabilitative efforts, and restitution to damaged parties in the matter.

(b) After consideration of the applicant's petition and after conducting such personal examination of the applicant or other persons as it deems necessary, including any complainant or individual injured by the applicant, the Board may in its discretion reinstate any revoked, suspended or surrendered license or practice privilege. The Board shall notify such applicant of its decision in writing.

2.4.6. The Board may impose appropriate terms and conditions for reinstatement of a license, impose continuing conditions on a license to be reinstated, and/or otherwise modify the requirements of a prior order of suspension, revocation or probation.

2.4.7. No application for reinstatement will be considered while the applicant is under a sentence for any criminal offense, including any period during which the applicant is on court imposed probation or parole.

2.4.8. An individual who obtained his or her CPA license through reciprocity shall provide the Board confirmation of good standing with the jurisdiction of original issue on forms as prescribed by this Board.

2.4.9. Reinstatement of a suspended license or practice privilege under the requirements of noncompliance with an order for support as defined in Mississippi Code of 1972, Section 93-11-153, shall be reinstated only under the conditions provided per Section 93-11-157 or 93-11-163, as the case may be.

Section 2.5. Retirement Status or Permanent Disability

2.5.1. Retired Status. An individual who holds a current license issued by the board who is 55 years old or older and has timely filed a request on a form prescribed by the board which indicates the licensee is no longer engaged in activities regulated by this Board may be granted a retired status at the time of license renewal.

2.5.2. Permanent Disability Status. Permanent disability status may be granted by the Board to a licensee with a notarized affidavit from the licensee's physician which states that the licensee is unable to perform activities regulated by this Board and clearly details the disability. Such status may only be granted at the time of license renewal.

2.5.3. A licensee who has been granted retired status or permanent disability status and who becomes engaged in activities regulated by this Board must:

(a) pay the current license and reinstatement fees established by the board;

(b) complete the form prescribed by the Board for renewal of a license;

(c) meet the continuing professional education requirements; and

(d) surrender the retired or permanent disability status.

2.5.4. An individual who has been granted a retired or permanent disability status from the Board is exempt from the mandatory CPE requirements described in Section 4.1.

2.5.5. All other Board rules and all statutory provisions apply to a licensee in either an active, retired, or permanent disability status unless specifically exempt by Board rule or statute.

2.5.6. An individual who has been granted a retired or permanent disability status from the Board is granted the use of the title of certified public accountant (retired) or CPA (retired), but may not use "certified public accountant" or "CPA" without the "retired" identification.

Section 2.6. Reciprocity

2.6.1. Persons holding CPA certificates/licenses granted by other jurisdictions must apply for reciprocity for a CPA license with the Mississippi State Board of Public Accountancy if they do not meet the following exemptions. In addition, CPA firms must apply for registration of a firm permit to practice public accounting in accordance with the provisions of Chapter 3. of these *Rules and Regulations*.

2.6.2. Mississippi reciprocity law and regulations do not apply to holders of CPA licenses granted by other jurisdictions:

(a) whose principal place of business is not in Mississippi, and

(b) who hold a valid license as a CPA from any state which is substantially equivalent as defined in these *Rules and Regulations*, and

(c) who avail themselves of the practice privilege in accordance with Section 73-33-17.

2.6.3. Rescinded.

2.6.4. Each application for a reciprocal CPA license shall be considered on its own merits. No reciprocal CPA license shall be issued to holders of certificates from other jurisdictions unless the jurisdiction that issued the certificate/license confirms the applicant is in good standing, and then only if the said jurisdiction grants reciprocity to Mississippi CPAs.

2.6.5. An individual holding a valid certificate and license in good standing as a CPA issued by any jurisdiction and of good moral character may make application for a CPA license in Mississippi. Applications for reciprocal CPA licenses shall be made on forms prescribed by the Board and submitted to the executive director. The application must be accompanied by the requisite fee and shall include written authorization from the applicant empowering the Board to obtain all information concerning the applicant's qualifications and present standing.

2.6.6. The Board shall evaluate each application and shall issue a reciprocal CPA license based on evidence of one or more of the following qualifications:

(a) CPA in public practice. The applicant has experience in the practice of public accounting as a licensed CPA for four years in the ten years immediately prior to the date of submitting the application.

(b) Substantially equivalent.

(1) The applicant is substantially equivalent as defined by these *Rules and Regulations* and State law in meeting the requirements; and

(2) The applicant's is licensed in his principal place of business and that jurisdiction's requirements are substantially equivalent to the requirements as defined by these *Rules and Regulations* and State law.

2.6.7. Applicants for reciprocal CPA licenses shall not be required to reside or have a place for the regular transaction of business in Mississippi.

2.6.8. Applicants for reciprocal CPA licenses shall be required to comply with all of the same *Rules and Regulations* as holders of original Mississippi licenses, including but not limited to CPA firm registration, continuing professional education requirements, annual registration and address changes.

Section 2.7. Replacement Certificate of Licensure

2.7.1. A replacement certificate of licensure may be issued at the holder's request upon payment of fee and compliance with the following requirements:

(a) In the event of a certificate of licensure which has been lost, the request for replacement must be accompanied by a sworn statement that the certificate is lost and the CPA must agree in writing to the Board that he or she will return the lost certificate to the Board in the event it is later found.

(b) In the event of a certificate of licensure which has been mutilated, the mutilated certificate must be returned to the Board, and if it is mutilated beyond the point of being able to be identified, the request must also be accompanied by a sworn statement that the returned document is, in fact, the certificate.

(c) If the request for replacement is to have a change in the name in which the certificate of licensure is issued, the original certificate must be returned to the Board and the request must be accompanied by appropriate documentation of the name change.

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