

### 17-12-103. Definitions.

(a) As used in this chapter:

- (1) "AICPA" means the American Institute of Certified Public Accountants, or its successor;
- (2) "Attest" means providing the following services:
  - (A) An audit or other engagement to be performed in accordance with the AICPA Statements on Auditing Standards;
  - (B) A review of a financial statement to be performed in accordance with the AICPA Statements on Standards for Accounting and Review Services;
  - (C) An examination of prospective financial information to be performed in accordance with the AICPA Statements on Standards for Attestation Engagements;
  - (D) An engagement to be performed in accordance with PCAOB standards; and
  - (E) An examination, review, or agreed-upon procedures engagement to be performed in accordance with the AICPA Statements on Auditing Standards for Attestation Engagements other than an examination described in subdivision (a)(2)(C) of this section;
- (3) "Beneficial owner" means an individual who is the grantor and sole trustee of a revocable trust in which the individual reserves the unrestricted right to revoke the trust;
- (4) "Certificate" means a certificate as "certified public accountant" issued under § 17-12-301 or a corresponding certificate as "certified public accountant" issued after examination under the laws of any other state;
- (5) "Compilation" means providing a service of any compilation engagement to be performed in accordance with the AICPA Statements on Standards for Accounting and Review Services;
- (6) "Conviction" means all instances in a criminal case in which a defendant has been found guilty or pleads guilty or nolo contendere regardless of whether:
  - (A) Sentencing or imposition of sentencing has been deferred or suspended; or
  - (B) The adjudication of guilt or the sentence is withheld by the court;
- (7) "Firm" means a partnership, corporation, limited liability company, sole proprietorship, or other entity required to be registered with the Arkansas State Board of Public Accountancy under § 17-12-401 et seq.;
- (8) "Home office" means the location specified by the client as the address to which a service under § 17-12-311 is directed;

(9) "License" means a certificate issued under § 17-12-301 or a registration under § 17-12-312 or § 17-12-401 et seq. or, in each case, a certificate or permit issued or a registration under corresponding provisions of prior law;

(10) "Licensee" means the holder of a license as defined in this section;

(11) "Member" means either:

(A) The person in whose name membership interests are registered in the records of a limited liability company; or

(B) The beneficial owner of membership interests of a revocable living trust when the membership interests are registered in the records of the limited liability company in the name of the revocable living trust;

(12) "NASBA" means the National Association of State Boards of Accountancy, or its successor;

(13) "PCAOB" means the Public Company Accounting Oversight Board, or its successor;

(14) "Practice of public accounting" means the performance of or an offer to perform attest services as defined in this section or the performance of or an offer to perform professional services for the general public;

(15) "Preparation of financial statements" means providing a service of any preparation of financial statements engagement to be performed in accordance with the AICPA Statements on Standards for Accounting and Review Services;

(16)

(A)

(i) "Principal place of business" means the primary location from which professional services are performed.

(ii) A person or firm may have only one (1) principal place of business at any one (1) time.

(B) An individual who performs professional services at multiple locations may designate the location that most often serves as the individual's home base of operations as a principal place of business;

(17) "Professional services" means services arising out of or related to the specialized knowledge or skills performed by certified public accountants or public accountants;

(18) "Shareholder" means either:

(A) The person in whose name shares are registered in the records of a corporation; or

(B) The beneficial owner of shares of a revocable living trust when the shares are registered in the records of the corporation in the name of the revocable living trust; and

(19) "State" means any state, territory, or insular possession of the United States or the District of Columbia.

(b) The statements on standards specified in subdivision (a)(2) of this section shall be:

(1) Adopted by reference by rule of the Arkansas State Board of Public Accountancy;  
and

(2) Those developed for general application by recognized national accountancy organizations such as the American Institute of Certified Public Accountants.

### **History.**

Acts 1975, No. 160, § 22; A.S.A. 1947, § 71-632; Acts 1997, No. 306, § 4; 1999, No. 180, § 1; 2005, No. 54, § 1; 2009, No. 93, § 1; 2013, No. 90, § 1; 2017, No. 277, § 1; 2019, No. 386, § 1.