17 CAR § 236-101. Definitions.

(a) As used in this part:

(1) "Act" means the Public Accountancy Act of 1975, as amended, codified as Arkansas Code § 17-12-101 et seq.;

(2) "AICPA" means the American Institute of Certified Public Accountants;

(3) "Attest" means provision of 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 auditing standards; and

(E) An examination, review, or an agreed upon procedures engagement to be performed in accordance with the AICPA Statements on Standards for Attestation Engagements other than an engagement described in subdivision (3)(C) of this section;

(4) "Board" means the Arkansas State Board of Public Accountancy;

(5) "Certificate" means a certificate as "certified public accountant" issued under Arkansas Code § 17-12-301 or a corresponding certificate as "certified public accountant" issued after examination under the laws of any state;

(6) "Client" means the person or entity which retains a licensee for the performance of professional services;

(7) "Commission" means an allowance or consideration paid upon completion of the transaction for recommending or referring a product or service to be supplied by another person;

(8) "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";

(9) "CPA" means Certified Public Accountant;

(10) "Examination" means the examination required for a license as a certified public accountant prescribed by Arkansas Code § 17-12-301 et seq.;

(11)(A) "Financial statements" means statements and footnotes related thereto that purport to show actual or anticipated financial position which relates to a point in time or changes in financial position which relate to a period of time, including statements which use a cash or other comprehensive basis of accounting.

(B) The term includes balance sheets, statements of income, statements of changes in comprehensive income, statements of retained earnings, statements of cash flows, and statements of changes in owners' equity but does not include incidental financial data included in management advisory services reports to support recommendations to a client, nor does it include tax returns and supporting schedules;

(12) "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 the provisions of Arkansas Code § 17-12-401 et seq.;

(13)(A) "Generally Accepted Accounting Principles" means accounting principles or standards generally accepted in the United States.

(B) For purposes of this part, Generally Accepted Accounting Principles are considered to be defined by pronouncements issued by the Financial Accounting Standards Board and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority;

(14)(A) "Generally Accepted Auditing Standards" means the generally accepted auditing standards adopted by the Arkansas State Board of Public Accountancy.

(B) The Arkansas State Board of Public Accountancy shall take into consideration interpretations of Generally Accepted Auditing Standards as issued by the American Institute of Certified Public Accountants and other pronouncements having similar generally recognized authority;

(15) "Home office" means the location specified by the client as the address to which a service described in Arkansas Code § 17-12-311(a)(4) is directed;

(16) "Licensee" means the holder of a license, meaning a certificate issued

under Arkansas Code § 17-12-301 or registered under Arkansas Code § 17-12-312 or Arkansas Code § 17-12-401 et seq., or, in each case, a certificate or permit issued or a registration under corresponding provisions of prior law;

(17) "NASBA" means National Association of State Boards of Accountancy;

(18) "Official transcript" means a transcript that is sent from official school officials directly to the board;

(19) "PCAOB" means Public Company Accounting Oversight Board;

(20) "Permit to practice" means a permit to practice public accountancy issued under prior provisions of the Public Accountancy Act of 1975 or under corresponding provisions of the law of other states;

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

(22) "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";

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

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

(C) Individuals who perform professional services at multiple locations, such as individuals who perform attest services on assignment as needed in multiple jurisdictions, may designate as their principal place of business the location that most often serves as the individual's home base of operations;

(24) "Professional services" means services arising out of, or related to, specialized knowledge or skills performed by certified public accountants, including:

(A) Issuing reports on financial statements;

(B) Providing management or financial advisory services or consulting;

(C) Preparing tax returns;

(D) Providing advice on tax matters;

(E) Providing forensic accounting services; or

(F) Providing internal auditing services;

(25) "Public communication" means a communication made in identical form to multiple persons or to the world at large, as by:

(A) Television;

(B) Radio;

(C) Motion picture;

(D) Newspaper;

(E) Pamphlet;

(F) Mass mailing;

(G) Letterhead;

(H) Business card;

(I) Electronic transmission;

(J) Directory; or

(K) Social media;

(26) "Returning military veteran" means a former member of the United States Armed Forces who was discharged from active duty under circumstances other than dishonorable;

(27) "State" means the State of Arkansas;

(28) "Substantial equivalency" means:

(A) The education, examination, and experience requirements of the state in which the individual holds a valid license are comparable to or exceed the education, examination, and experience requirements contained in the Uniform Accountancy Act;

(B) The individual CPA's education, examination, and experience requirements are comparable to or exceed the education, examination, and experience requirements contained in the Uniform Accountancy Act; or

(C) The individual CPA's education, examination, and experience requirements are comparable to or exceed the education, examination, and experience requirements contained in this part; and

(29) “UAA” means the Uniform Accountancy Act issued jointly by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy, as amended from time to time.

(b) **Definitions — Pronouns.** Masculine terms shall include the feminine and, when the context requires, shall include:

(1) Partnerships;

(2) Limited liability companies; and

(3) Corporations.