

17 CAR § 236-501. Individuals and firms practicing under substantial equivalency.

(a) Individuals practicing under substantial equivalency.

(1) An individual whose principal place of business is not in this state and who holds a valid active license in good standing as a CPA from any state shall have all the practice privileges of this state without the need to obtain a license from the Arkansas State Board of Public Accountancy under Arkansas Code § 17-12-301, § 17-12-308, or § 17-12-501 provided that the individual was required to show evidence of having met the following requirements:

(A) At the time of initial licensure

(i) Passed the uniform CPA examination; and

(ii) Met one (1) of the following educational pathways:

(a) A post-baccalaureate degree meeting the requirements of 17 CAR § 236-311(b) and not less than one (1) year of work experience as defined in 17 CAR § 236-311(c);

(b) A baccalaureate degree plus an additional thirty (30) semester credit hours meeting the requirements of 17 CAR § 236-311(b) and not less than one (1) year of work experience as defined in 17 CAR § 236-311(c); or

(c) A baccalaureate degree meeting the requirements of 17 CAR § 236-311(b) and not less than two (2) years of work experience as defined in 17 CAR § 236-311(c); and

(B) Upon the last license renewal, met the continuing professional education requirements of 17 CAR § 236-1203.

(2) An individual whose principal place of business is not in this state, and who holds a valid active license as a Certified Public Accountant from any state as of December 31, 2025, and, as of such date, has practice privileges in this state under this section, shall continue to have all the privileges of licensees in this state without the need to obtain a license under Arkansas Code § 17-12-301, § 17-12-308, or § 17-12-501, as long as the individual holds a valid active license as a Certified Public

Accountant from any state.

(3) An individual who qualifies for practice privileges under this section may offer or render professional services in person, by mail, by telephone, or by electronic means without:

- (A) Notifying the board;
- (B) Registering with the board; or
- (C) Paying a fee.

(4) An individual who qualifies for practice privileges under this section may perform the following services for a client with its home office in this state only through a firm that has registered under Arkansas Code § 17-12-401:

- (A) A financial statement audit or other engagement to be performed in accordance with the "Statements of Auditing Standards";
- (B) An examination of prospective financial information to be performed in accordance with "Statements on Standards for Attestation Engagements"; or
- (C) An engagement to be performed in accordance with PCAOB standards.

(5) An individual licensee exercising the privilege afforded under this section and the firm which employs that individual licensee consent and agree, as a condition of the granting of this privilege, to:

- (A) The personal and subject matter jurisdiction and disciplinary authority of the board;
- (B) Comply with the Public Accountancy Act of 1975, Arkansas Code § 17-12-101 et seq., and rules of the board;
- (C) Cease offering or rendering professional services in this state individually and on behalf of a firm if the license from the state of the individual's principal place of business is no longer valid; and
- (D) The appointment of the board issuing the individual's and the firm's license as the individual's agent upon whom process may be served in any action or proceeding of the board against the licensee.

(6) An individual who held a CPA license issued by this state and has since been revoked or surrendered in connection with a disciplinary investigation or

proceeding is prohibited from practicing public accounting or using the title "Certified Public Accountant" or "CPA" in this state whether or not such an individual may otherwise qualify for practice privileges under this section.

(b) Firms practicing under substantial equivalency.

(1) A firm that does not have an office in this state may perform professional services other than those listed in subdivision (a)(4) of this section, for a client having its home office in this state, without notifying the board, registering with the board, or paying a fee, provided that:

(A) The firm meets the applicable requirements of Arkansas Code § 17-12-401 and 17 CAR § 236-1302(g);

(B) The firm performs the services through an individual who is:

(i) Registered with the board; or

(ii) Practicing under the provisions of substantial equivalency defined in subsection (a) of this section; and

(C) The firm can lawfully perform the services in the state where the individual with practice privileges has his or her principal place of business.

(2) For a client with its home office in this state, the services listed in subdivision (a)(4) of this section may only be performed through a firm that is registered in this state pursuant to Arkansas Code § 17-12-401.

(3) A firm exercising the privilege to practice afforded under this section and the responsible individuals employed by the firm consent and agree to:

(A) The personal and subject matter jurisdiction and disciplinary authority of the board;

(B) Comply with the Public Accountancy Act of 1975, Arkansas Code § 17-12-101 et seq., and rules of the board;

(C) Cease offering or rendering services in this state individually and on behalf of a firm if the license from the state of the individual's or firm's principal place of business is no longer valid; and

(D) The appointment of the board issuing the individual's and the firm's

license as the individual's or firm's agent upon whom process may be served in an action or proceeding of the board against the licensee.