



TO: The Honorable the Members of the Board of Regents

FROM: Sarah S. Benson *Sarah S. Benson*

SUBJECT: Proposed Amendment to Section 70.9 of the Regulations of the Commissioner of Education Relating to Continuing Education in the Profession of Public Accountancy

DATE: March 26, 2020

AUTHORIZATION(S): *[Signature]* *Sharon L. Tabor*

SUMMARY

Issue for Decision (Consent Agenda)

Should the Board of Regents approve the proposed amendment to subdivision (a) of Section 70.9 of the Regulations of the Commissioner of Education relating to continuing education in the profession of public accountancy?

Reason(s) for Consideration

Required by State statute (Chapter 413 of the Laws of 2018).

Proposed Handling

The proposed amendment will be presented to the Full Board for adoption as a permanent rule at the April 2020 meeting of the Board of Regents. A copy of the proposed rule is attached. Supporting materials are available upon request from the Secretary to the Board of Regents.

Procedural History

The proposed amendment was presented to the Professional Practice Committee for recommendation and to the Full Board for adoption as an emergency action at the December 2019 meeting of the Board of Regents, effective January 1, 2020. A Notice of Emergency Adoption and Proposed Rule Making was published in the State Register on December 24, 2019. Because the December emergency action was set to expire on

March 8, 2020, it was necessary to adopt a second emergency rule at the March 2020 Regents meeting, effective March 9, 2020, to ensure that the emergency rule remained continuously in effect until it could be permanently adopted at the April 2020 Regents meeting.

Subsequent to the above-referenced publication of the Notice of Emergency Adoption and Proposed Rule Making in the State Register, the Department received no comments on the proposed amendment. Therefore, an Assessment of Public Comment is not required and no changes to the proposed amendment are recommended at this time.

Background Information

On December 21, 2018, Governor Cuomo signed Chapter 413 of the Laws of 2018 (Chapter 413), which, effective January 1, 2020, amends the Education Law to eliminate the three-year exemption from the mandatory continuing education requirement for newly licensed certified public accountants and public accountants.¹

Currently, certified public accountants are exempt from the mandatory continuing education requirement for the triennial registration period during which they are first licensed by the Department. However, as the pace of technology, proliferation of regulations and increasing specialization accelerates; one of the greatest challenges for all certified public accountants is the attainment, maintenance and advancement of professional competence. To meet this challenge and to maintain public confidence, it is critical that all certified public accountants are and remain current with the standards, knowledge, skills, and abilities in all areas in which they provide services. It is not enough that an individual is successful in completing an accountancy education and passing a licensing examination. In today's complex and complicated world, all certified public accountants need to demonstrate that they are taking substantive steps to maintain their professional competency. Unprofessional and/or unethical practice of public accountancy causes harm to the public. Thus, by eliminating the three-year exemption from the mandatory continuing education requirement for newly licensed certified public accountants, Chapter 413 will further increase public protection in the profession of public accountancy.

The proposed amendment to subdivision (a) of section 70.9 of the Regulations of the Commissioner of Education implements Chapter 413 by deleting the three-year exemption from the mandatory continuing education requirement provisions for newly licensed certified public accountants.

¹ It should be noted that New York State no longer issues licenses for public accountants. In fact, no new public accountant licenses have been issued in this State in nearly sixty years. Thus, while Chapter 413's elimination of the three-year exemption from the mandatory continuing education requirement applies to both newly licensed certified public accountants and public accountants, there will be no newly licensed public accountants to apply it to.

Related Regent's Items

December 2019: [Proposed Amendment to Section 70.9 of the Regulations of the Commissioner of Education Relating to Continuing Education in the Profession of Public Accountancy](https://www.regents.nysed.gov/common/regents/files/1219ppca2.pdf) (https://www.regents.nysed.gov/common/regents/files/1219ppca2.pdf)

March 2020: [Proposed Amendment to Section 70.9 of the Regulations of the Commissioner of Education Relating to Continuing Education in the Profession of Public Accountancy](https://www.regents.nysed.gov/common/regents/files/320brca8.pdf) (https://www.regents.nysed.gov/common/regents/files/320brca8.pdf)

Recommendation

It is recommended that the Board of Regents take the following action:

VOTED: That subdivision (a) of section 70.9 of the Regulations of the Commissioner of Education be amended, as submitted, effective April 22, 2020.

Timetable for Implementation

If adopted at the April 2020 Regents meeting, the proposed amendment will become effective on April 22, 2020.

Attachment A

AMENDMENT TO THE REGULATIONS OF THE COMMISSIONER OF EDUCATION

Pursuant to section 207, 6504, 6507, 6509, 7401, and 7409 of the Education Law and Chapter 413 of the Laws of 2018

1. Subdivision (a) of section 70.9 of the Regulations of the Commissioner of Education is amended, as follows:

Section 70.9. Continuing education

(a) Applicability of requirement.

(1) All licensees engaged in the practice of public accountancy in this State, as defined in Education Law section 7401, either full time or part time, and required under article 130 of the Education Law to register triennially with the Department, shall complete the continuing education requirements in accordance with this section, except those licensees exempt from the requirement pursuant to paragraph (2) of this subdivision.

(2) Exemptions and adjustments in the requirement.

(i) [New licensees shall be exempt from mandatory continuing education requirements for the triennial registration period in which they are first licensed by the Department.] A new licensee shall become subject to the mandatory continuing education requirements on the first January 1 that falls in his or her [second] first registration period.