

AICPA & NASBA Seek Input on Proposed Uniform Accountancy Act Changes

To address the talent needs within the accounting profession and expand access to accounting careers, the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) have proposed changes to the profession's model law.

Exposure Draft No. 1: CPA Competency-Based Experience Pathway

The first proposal is aimed at helping CPA candidates meet initial licensure requirements. This additional option would not replace existing pathways, but instead respond to market changes and expand opportunities for the next generation of accountants.

The Uniform Accountancy Act (UAA) provides state legislatures and boards of accountancy with a national model that can be adopted in full or in part to meet the specific needs of each state and jurisdiction. The UAA provides a national framework for regulating CPAs, promoting consistent standards, and protecting the public.

The proposed changes to the UAA would allow states to potentially adopt the CPA Competency-Based Experience Pathway, an additional option for CPA candidates to demonstrate professional and technical skills in the workplace after earning a bachelor's degree and meeting their state's requirements for accounting and business courses.

Under the UAA currently, after candidates obtain a bachelor's degree, they must pass the CPA Exam, complete one year of professional general experience, and either earn a master's degree or take college courses that bring them to 150 total credit hours—most bachelor's degrees require 120 hours. *(NOTE: In Nebraska presently, two years of public accounting experience or three years of experience in business, government, or academia are required to obtain a permit to practice.)*

The competency framework at the heart of the proposal includes seven professional and three technical competencies. Candidates would be required to exhibit all seven professional competencies and at least one of the three technical competencies. The proposed *professional* competencies are ethical behavior; critical thinking and professional skepticism; communication; collaboration, teamwork, and leadership; self-management and continuous learning; business acumen; and technology mindset. The proposed *technical* competencies are audit and assurance; tax; and business and financial reporting.

The competencies, which would be verified in the workplace by licensed CPAs, are expected to take most candidates a year, but there is flexibility in the timing for completion.

Comments on the Pathway exposure draft are due Dec. 6.

- View the Pathway exposure draft at <https://bit.ly/CPA-PathwayED>.
- Comment on the Pathway exposure draft at <https://bit.ly/CPA-Pathway-Comment>.

Exposure Draft No. 2: Uniform Accountancy Act

The second proposal includes changes aimed at modernizing the UAA to pave the way for states to adopt an additional pathway for CPA licensure while maintaining public protection, mobility, and the rigor of CPA licensure.

The AICPA and NASBA board of directors each approved for exposure changes to the UAA that would:

- Specify the education required to sit for the Uniform CPA Examination at a baccalaureate degree or higher;
- Define the requirements for an additional pathway for licensure as a CPA;
- Maintain mobility for those licensed under a pathway defined in the UAA;
- Facilitate a means to identify those licensed under a pathway that is not substantially equivalent to the UAA through a national licensee database; and
- Provide a mechanism for those who are licensed under a pathway that is not defined in the UAA but who later meet the mobility requirements defined in the UAA.

Separately, the NASBA Board of Directors approved for exposure UAA Model Rule changes updating the definitions to reflect the additional pathway for licensure and the experience required for the issuance of an initial certificate under the proposed additional pathway.

Comments on the UAA exposure draft are due Dec. 30.

- View the UAA exposure draft at <https://bit.ly/CPA-UAAED>.
- Comment on the UAA exposure draft at <https://bit.ly/CPA-UAA-Comment>.

After both the Pathway and UAA exposure periods close, both sets of comments will be reviewed and additional changes considered. The AICPA and NASBA anticipate presenting updated proposals to the AICPA and NASBA boards in early 2025.

Adoption and implementation will vary by state and jurisdiction, as the UAA is ultimately a model document that may be adopted in full or modified to a state's or jurisdiction's own laws and rules.

Your insights and continued commitment to the accounting profession are greatly appreciated.

About AICPA

The American Institute of CPAs (AICPA) is the world's largest member association representing the CPA profession, with 400,000 members in the United States and worldwide, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education, and consulting. AICPA sets ethical standards for its members and U.S. auditing standards for private companies, not-for-profit organizations, and federal, state, and local governments. It develops and grades the Uniform CPA Examination, offers specialized credentials, builds the pipeline of future talent, and drives continuing education to advance the vitality, relevance, and quality of the profession. Learn more about AICPA at www.aicpa-cima.com.

About NASBA

Since 1908, the National Association of State Boards of Accountancy (NASBA) has served as a forum for the nation's Boards of Accountancy, which administer the Uniform CPA Examination, license more than 672,000 CPAs, and regulate the practice of public accountancy in the United States. NASBA's mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy in meeting their regulatory responsibilities. NASBA promotes the exchange of information among accountancy boards, serving the needs of the 55 U.S. jurisdictions. NASBA is headquartered in Nashville, Tenn., with an International Computer Testing and Call Center in Guam and operations in San Juan, Puerto Rico. Learn more about NASBA at www.nasba.org.