

**193A—8.1 (542) Initial permit to practice.**

**8.1(1)** A sole proprietorship, corporation, partnership, limited liability company, or any other form of organization shall apply for a permit to practice under Iowa Code section 542.8 and these rules as a firm of licensed public accountants in order to use the title “LPAs” or “LPA firm.” A nonrefundable application fee shall be charged.

**8.1(2)** The application may be obtained from the board office or on the board’s Web site and shall provide sufficient information from which the board can determine that a simple majority of owners hold licenses issued under Iowa Code section 542.8 or certificates issued under Iowa Code section 542.6 or 542.19, are eligible to practice under practice privilege pursuant to Iowa Code section 542.20, or otherwise hold a license or certificate to practice public accounting in another state. At least one owner must be licensed under Iowa Code section 542.8.

**8.1(3)** The application shall list the name, licensure, and contact information for each licensee or practice privilege practitioner who is responsible for supervising compilation services and who signs or authorizes someone to sign the accountant’s report on financial statements on behalf of the firm. The application shall affirm that any licensee listed meets the competency requirements set forth in SSARS and holds a valid license or certificate issued under Iowa Code section 542.6, 542.8, or 542.19 or is eligible to exercise a practice privilege under Iowa Code section 542.20.

**8.1(4)** The application shall list the physical location and contact information for all offices within this state and the licensee in charge of each such office.

**8.1(5)** Persons in charge of an office located in Iowa shall be licensed in Iowa under Iowa Code section 542.6, 542.8, or 542.19.

**8.1(6)** The application shall designate an individual who holds a valid license or certificate issued under Iowa Code section 542.6, 542.8 or 542.19 or who is eligible to exercise a practice privilege under Iowa Code section 542.20 as the person responsible for ensuring that the firm has complied with all of the requirements for a permit to practice, and shall provide contact and licensure information for such individual.

**8.1(7)** The application shall affirm that all nonlicensee owners are active participants in the firm or an affiliated entity.

**8.1(8)** The application shall affirm that all nonlicensee owners shall comply with all applicable rules of professional conduct.

**8.1(9)** The application for initial issuance of a permit shall list all states in which the applicant or any of the individuals described in subrules 8.1(2) to 8.1(5) have applied for or hold a permit as a licensed public accounting firm, certified public accounting firm, or individual license or certificate, and list any past denial, revocation, surrender, or suspension of a permit, license or certificate by another state.

**8.1(10)** The application shall list the names of any licensed or unlicensed owner who has been convicted of a felony or other crime described in Iowa Code section 542.5(2) or has had a professional license of any kind revoked in this or any other jurisdiction.

**8.1(11)** Fraud or deceit, by commission or omission, in obtaining a firm permit to practice is a ground for discipline, including permanent revocation of the firm’s permit to practice, the individual certificate of an Iowa LPA or CPA, or an individual’s practice privilege, as applicable to the entity or persons responsible.

**8.1(12)** An initial or renewal application for a firm permit to practice may be denied:

*a.* Upon any ground that would form a basis for discipline against the firm pursuant to Iowa Code section 542.10 or rule 193A—14.3(17A,272C,542) including, but not limited to, the regulatory and disciplinary actions and criminal convictions described in subrules 8.1(9) and 8.1(10);

*b.* Based on the firm’s failure to comply with the requirements of Iowa Code section 542.8 including, but not limited to, a failure to make the designations described in subrules 8.1(3), 8.1(4), and 8.1(6), or a failure to sustain the simple majority of ownership required by Iowa Code section 542.8(12)“*a*” ; or

*c.* Based on a regulatory or disciplinary action or criminal conviction described in subrules 8.1(9) and 8.1(10) against any of the firm’s owners (e.g., partners, shareholders, or members).

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