

**State of California
Office of Administrative Law**

In re:
Board of Accountancy

Regulatory Action:

Title 16, California Code of Regulations

Adopt sections: 7.3, 9.3
Amend sections: 6, 7.1, 8.2, 9.2
Repeal sections: 13

**NOTICE OF APPROVAL OF REGULATORY
ACTION**

Government Code Section 11349.3

OAL Matter Number: 2023-1018-07

OAL Matter Type: Regular (S)

This action adds requirements for early entry admission to sit for the Certified Public Accountant (CPA) Exam. This action also implements the new version of the CPA Exam based on the CPA Evolution licensure model that requires candidates to pass three core test sections that include Auditing and Attestation (AUD), Financial Accounting and Reporting (FAR), and Taxation and Regulation (REG) plus one of the three discipline sections: Business Analysis and Reporting (BAR), Information Systems and Controls (ISC), or Tax Compliance and Planning (TCP). In addition, this action makes grammatical changes and replaces gender specific pronouns.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 1/1/2024.

Date: November 30, 2023



Digitally signed by Mark
Storm
Date: 2023.11.30 11:11:30
-08'00'

Mark Storm
Senior Attorney

For: Kenneth J. Pogue
Director

Original: Patti Bowers, Executive Officer
Copy: Eulalio Ortega

REGULAR

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z- 2023-0515-03	REGULATORY ACTION NUMBER 2023-1018-07S	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

OFFICE OF ADMIN. LAW
2023 OCT 18 05:00 PM

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

NOV 30 2023

3:25 PM

NOTICE	REGULATIONS
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AGENCY WITH RULEMAKING AUTHORITY California Board of Accountancy	AGENCY FILE NUMBER (If any)
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2023, 21-2	PUBLICATION DATE 5/26/23	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) CPA Exam Revisions and Early Entry	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)
ADOPT 7.3, 9.3
AMEND 6, 7.1, 8.2, 9.2
REPEAL 13
TITLE(S) 16

3. TYPE OF FILING
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1) 8-3-23 through 8-18-23
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5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)
<input checked="" type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) January 1, 2024

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY
<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input checked="" type="checkbox"/> Other (Specify) Kimberly Kirchmeyer, Director, Department of Consumer Affairs

7. CONTACT PERSON Eulalio Ortega	TELEPHONE NUMBER 279-236-3050	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) eulalio.ortega@cba.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.	
SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Dominic Franzella</i>	DATE 09/20/2023
TYPED NAME AND TITLE OF SIGNATORY Dominic Franzella - Executive Officer	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

NOV 30 2023

Office of Administrative Law

TITLE 16
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

ORDER OF ADOPTION

EARLY ENTRY TO THE UNIFORM CERTIFIED PUBLIC ACCOUNTANT UNIFORM EXAMINATION (CPA EXAM) PRIOR TO COMPLETING EDUCATIONAL REQUIREMENTS AND CHANGES TO THE CPA EXAM UNDER THE CPA EVOLUTION LICENSURE MODEL.

§ 6. Examination Required, Passing Grades, Provisions for Disabled Applicants.

(a) Every candidate for the CPA license is required to pass or to have passed the Uniform Certified Public Accountant Examination prepared by the American Institute of Certified Public Accountants (AICPA) or to otherwise have met the examination requirements of Business and Professions Code Sections 5082, 5092, or 5093, or 5093.5 and the requirements of this article.

On or after January 1, 2024, the Uniform Certified Public Accountant Examination shall be computer-based and include a core component comprised of three required test sections and a discipline component comprised of a minimum of three test sections, only one of which is required. The aforementioned test sections shall be named by the test publisher, AICPA.

(b) The passing score for any test section of the Uniform Certified Public Accountant Examination is 75.

(c) A disabled candidate, upon request and presentation of satisfactory evidence of need, in accordance with the Americans with Disabilities Act will be afforded such accommodation in the examination procedures or the examination conditions as may be reasonable.

(d) For the purposes of this Division, "computer-based" or "computer-based testing" means a computer-based format for testing designed to be administered to a test taker through the use of a computer.

(e) For the purposes of this Article, "test section" or "section of the examination" means a distinct test section within the Uniform Certified Public Accountant Examination that is scored individually and for which credit can be achieved when passed.

(f) For purposes of this Article, "early entry" or "early admission" means the admittance to the examination specified in this section prior to completing the educational requirements pursuant to Business and Professions Code Section 5093.

Note: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 313.2, 5082, 5082.1, 5082.3, 5092, and 5093 and 5093.5, Business and Professions Code.

§ 7.1. Credit Status for the Computerized Uniform CPA Examination.

~~(a) Upon the commencement of computer-based testing in California, An applicant may sit for the four sections of the computer-based Uniform Certified Public Accountant Examination individually and in any order. An applicant who fails to pass any section of the examination may retake that section. When the applicant has credit for all four sections of the examination within an 18-month period as defined in subsection (b), the applicant shall be considered to have passed the examination. On or after January 1, 2024, an applicant may sit for test sections of the examination specified in Section 6(a) individually and in any order. When the applicant has credit for all three core test sections and one discipline test section within a rolling 30-month period as defined in subsection (b), the applicant shall be considered to have passed the examination. In addition, the following conditions for the administration of that examination shall apply:~~

(1) Applicants shall be issued an Authorization to Test and a Notice to Schedule as set forth in Sections 8.1 and 8.2.

(2) Applicants are given credit for test sections passed.

(3) Applicants who fail any core test section may retake that section subject to the requirements in Section 8.2. Requests to retake a failed test section are accepted on a continuous basis by the submission of an application for an Authorization to Test that is approved by the Board.

(4) Applicants may take any discipline test section but may schedule only one discipline test section at a time.

(5) Applicants who receive credit for passing one discipline test section will not be permitted to take another discipline test section unless the credit has expired in accordance with subsection (b).

(6) Applicants who fail a discipline test section may retake any discipline test section provided they do not have credit status for any other discipline test section. Requests to retake a failed test section are accepted on a continuous basis by the submission of an application for an Authorization to Test pursuant to Section 8.2 that is approved by the Board.

~~(b) Except as provided in subsections (c) and (d)(2) and (d), an applicants shall retain credit for any test section(s) the applicant has passed for the rolling period as defined in 7.1(a). for an ~~The rolling 18-month period beginning~~ begins with the date that the first passing score for a test section of the exam was passed ~~is released.~~ At the end of~~

~~the~~The rolling 18-month period, concludes with the date the applicant takes the final test section passed, regardless of when the score is released. Once credit for that section expires, and that section must be retaken re-taken and passed to re-establish credit.

~~(c) A candidate may sit for any unpassed section of the examination only one time during each testing window. A testing window is a three-month period as determined by the American Institute of Certified Public Accountants during which applicants may take the exam. There are four three-month testing windows in a year. To allow for routine maintenance, the exam may be unavailable for up to one month during each testing window. Early entry applicants qualifying under Section 9.3 shall have a condition placed on any credit earned in accordance with this subsection and shall only be provided conditional credit scores by the Board. For the purposes of this subsection, the "condition" or "conditional credit" shall mean that such credit shall not be used to pass the examination specified in Section 6 until completing the requirements specified in Section 5093 of the Business and Professions Code, and meeting the requirements of subsection (d)(1).~~

(1) Early entry applicants that submit satisfactory evidence, as defined in Section 2.8, of completing educational requirements within 240 days of submitting the application in Section 9.3 to the Board, shall have the condition on any earned credit removed and credit will be granted in accordance with this Section and Section 7.3, as applicable.

(2) Early entry applicants shall lose all credit earned if they do not complete the educational requirements and/or meet the 240-day deadline specified in subsection (c)(1) unless an extension has been granted by the Board pursuant to subsection (d).

~~(d) Credit for passed examination~~test sections may be extended by the Board because the applicant was prevented from sitting for an unpassed test section or sections before credit for passed test sections expired pursuant to subsections (b) or (e) or credit was lost pursuant to subsection (c) because of one of the following events:

(1) Death of an immediate family member (spouse, child or parent).

Documentation, such as a copy of the death certificate, must be submitted.

(2) Catastrophic illness, contagious disease, or major traumatic injury to the candidate or immediate family member (spouse, child or parent). Submit an original letter on letterhead from the physician, which includes the date(s), nature of the illness, and the physician's signature.

(3) Natural disaster (earthquake, flood, fire, etc.).

(4) Non-issuance of visa for travel to the U.S. Documentation, such as an official letter from the U.S. Embassy or a copy of the passport indicating a visa was requested, must be submitted.

(5) Other good cause.

Note: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1, 5082.2, 5092, and 5093 and 5093.5, Business and Professions Code.

§ 7.3. Transition to Core Plus Discipline Uniform CPA Examination.

(a) Applicants with credit for any of the test sections from the examination as of December 31, 2023, will have such credits extended to June 30, 2025, and receive credit towards completion of the applicable test sections as follows:

(1) Applicants with computer-based examination credit in Auditing and Attestation shall receive credit for passing the Auditing and Attestation core test section.

(2) Applicants with computer-based examination credit in Financial Accounting and Reporting shall receive credit for passing the Financial Accounting and Reporting core test section.

(3) Applicants with computer-based examination credit in Regulation shall receive credit for passing the Taxation and Regulation core test section.

(4) Applicants with computer-based examination credit in Business Environment and Concepts shall receive credit for passing a discipline test section.

(b) This section shall remain operative only until July 1, 2025.

Note: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1 and 5082.2, Business and Professions Code.

§ 8.2. Requirements for Issuance of the Authorization to Test

(a) An application for an Authorization to Test (ATT) for the computer-based Uniform CPA Examination pursuant to Section 8.1 must be complete including the candidate's name, application date, date of birth, address, telephone number, summary of education, the appropriate fees pursuant to Section 70, and a signature (or the electronic equivalent) authorizing the release of application information to the National Association of State Boards of Accountancy and the designated exam administrator. The application must also specify the section(s) of the exam the applicant is applying to take. First-time applicants, exclusive of early entry applicants, must also provide official transcripts and/or foreign evaluations pursuant to Section 9.2. First-time early entry applicants must provide official transcripts and/or foreign evaluations in accordance with Section 2.8 and completed Certificate of Enrollment Form(s) (COE-1 (New 7/2022)) pursuant to Section 9.3.

(b) An applicant shall not have more than one open ATT for any section of the examination at the same time. At the time of application and during the time any ATT issued by the California Board of Accountancy is open, the applicant shall not have an open ATT for the same section in any other state or jurisdiction.

(c) The applicant shall not apply to take, or take, any section or sections of the examination for which the applicant holds unexpired credit pursuant to Section 7.1, with the following exception: An applicant for reissuance who does not currently hold a Certified Public Accountant license in another jurisdiction may retake the examination pursuant to Section 37 of these regulations.

(d) The applicant shall certify at the time of application that ~~he or she is~~ they are in compliance with subsections (b) and (c). Falsifying this certification; or including any false, fraudulent, or materially misleading statements on the application for the examination; or including any material omission on the application for the examination shall be cause for action by the Board pursuant to Business and Professions Code Section 5110.

(e) Except for a CPA who is required to take specified ~~sections~~ section(s) of the examination pursuant to a disciplinary action of the Board, no CPA shall apply to take, or take, any section of the Uniform Certified Public Accountant Examination. A CPA who fails to comply with this requirement shall be subject to disciplinary action by the Board. Note: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1, 5082.2, 5092, 5093, 5093.5 and 5131, Business and Professions Code.

§ 9.2 Education Required Under Business and Professions Code Sections 5092 and 5093

(a) Each applicant shall present satisfactory evidence, as referenced in Section 2.8, that ~~he or she~~ they have ~~has~~ received a baccalaureate or higher degree, ~~has~~ completed the accounting subjects specified in subsection (b) of this section, and ~~has~~ completed the business-related subjects specified in subsection (c) of this section.

(b) The applicant shall have completed a minimum of 24 semester units, or the equivalent in quarter units, selected from the following accounting subjects: accounting, auditing, financial reporting, external or internal reporting, financial statement analysis or taxation.

(c) In addition to the accounting courses described in subsection (b), an applicant shall have completed a minimum of 24 semester units, or the equivalent in quarter units, selected from the following business-related subjects: accounting subjects in excess of the 24 semester units as described in subsection (b), business administration, economics, finance, business management, marketing, computer science/information

systems, statistics, business communications, mathematics, business law, or business related law courses offered by an accredited law school.

(d) Qualifying education shall be completed within the following time frames specified in this subsection:

(1) Except as provided in ~~subsection (d)(2)~~ Section 9.3, applicants shall complete the education required by this section before applying for examination for the first time.

~~(2) An applicant who applied, qualified, and sat for at least two subjects of the examination for the Certified Public Accountant License before May 15, 2002, may provide evidence of qualifying education at the time of application for licensure.~~

(e) For purposes of this article, one quarter unit is equivalent to two-thirds of one semester unit.

Note: Authority cited: Section 5010, 5092, and 5093, Business and Professions Code. Reference: Sections 5092, 5093, 5093.5, 5094.3, 5094.6, Business and Professions Code.

§ 9.3 Early Admission to the Uniform CPA Examination Under Business and Professions Code Section 5093.5.

(a) To be granted early admission as set forth in Section 5093.5 of the Business and Professions Code, applicants shall submit the following to the Board:

(1) A completed application for an Authorization to Test as specified in Section 8.2.

(2) Satisfactory evidence, defined in Section 2.8, of all finished coursework towards completing the educational requirements of Section 9.2.

(3) A completed Certificate of Enrollment Form COE-1 (New 7/2022), which is hereby incorporated by reference.

(b) Only those applicants that submit satisfactory evidence of finished coursework and a completed Certificate of Enrollment Form COE-1 (New 7/2022) demonstrating they are enrolled in a degree-granting university, college or other institution as defined in Section 5094 of the Business and Professions Code and are within 180 days of completing the educational requirements of Section 5093 of the Business and Professions Code as of the date they submitted their initial application for an Authorization to Test will be admitted to sit for the examination.

(1) The approval of early entry to the examination does not constitute an approval that the applicant will meet the educational requirements as specified in Section 5093 of the Business and Professions Code.

(2) Early entry applicants that do not supply satisfactory evidence of completing the educational requirements within 240 days from the date they submitted their initial application for an Authorization to Test will not be authorized to continue to sit for the examination unless the applicant meets the requirements in Section 9.2.

Note: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5093, 5093.5, and 5094, Business and Professions Code.

~~§ 13. Applicants Who Applied for the Examination Prior to May 15, 2002.~~

~~(a) Only an applicant who applied, qualified, and sat for at least two subjects of the examination as a California applicant prior to May 15, 2002, may satisfy the examination requirement and qualify for licensure under the requirements that were in effect on December 31, 2010. Such California applicant must, however, qualify and apply for licensure prior to January 1, 2010. Sections 7, 9, and 11.5 of these regulations apply only to these applicants.~~

~~(b) As an alternative to qualifying for licensure in accordance with the requirements described in subsection (a), an applicant for the Certified Public Accountant license who applied, qualified, and sat for at least two subjects of the examination as a California applicant prior to May 15, 2002, may qualify for licensure by meeting the requirements of Business and Professions Code Section 5092 or 5093 and the requirements of this article. The applicant may retain the examination scores he or she has received and may apply these scores toward meeting the requirements of Section 5092 or 5093.~~

~~NOTE: Authority cited: Sections 5010, 5092 and 5093, Business and Professions Code. Reference: Section 5090, 5092 and 5093, Business and Professions Code.~~



California Board of Accountancy
 2450 Venture Oaks Way, Suite 300
 Sacramento, CA 95833

phone: (916) 263-3680 fax: (916) 263-3675 web: www.cba.ca.gov



Certificate of Enrollment – Early Entry

Applicants who have not yet met the education requirements to sit for the Uniform Certified Public Accountant Examination (CPA Exam) may qualify for early entry to the examination in accordance with California Code of Regulations (CCR), title 16, section 9.3.

Part 1 - To be completed by the Applicant.

Applicant's Full Name: _____ Date of Birth (mm/dd/yyyy): _____

I have read the following statement: To qualify for authorization from the California Board of Accountancy (CBA) for early entry to the CPA Exam, applicants must be within 180 days of completing the educational requirements for licensure contained in section 5093(a) of the Business and Professions Code at the time of submitting their initial application for an Authorization to Test (ATT) to the CBA. Upon completion of the courses and/or degree listed below, applicants must submit to the CBA satisfactory evidence (see title 16, CCR, section 2.8) of completion of that degree or coursework within 240 days of submitting their initial application for an ATT to the CBA.

Applicant's Signature: _____ Date: _____

Name of college/university currently enrolled at: _____

Degree to be conferred, if applicable (BS, BA, MBA): _____ Expected Date (mm/dd/yyyy): _____

Part 2 - To be completed or provided by the College/University¹:

Notice to person completing this form: The applicant who is listed in Part 1 of this form is applying for authorization from the CBA for early entry to the CPA Exam. To qualify, the applicant is required to provide proof of enrolled coursework. Please provide the information requested below pertaining to the enrolled coursework at your college/university for the above-named applicant.

1. Courses in which the applicant is currently enrolled (attach additional pages if needed):

Course Name	Course Number	Number of Credit Hours	Anticipated Completion Date (mm/dd/yyyy)

¹ In lieu of completing Part 2, the CBA will accept other documentation from the college/university if such documentation contains all of the information requested in Part 2 of this form and complies with the submission directions on page 2.

2. Credit hours above are listed in (circle one): *semester* *quarter*

Signature of Dean/Registrar (or delegee): _____ Date: _____

Printed Name: _____ Printed Title: _____

How to submit this form and, if applicable, any attached pages related to Part 2: One of the following options may be used to submit this Certificate of Enrollment:

- The college/university may scan and email a completed copy directly to examinfo@cba.ca.gov.
- The college/university may mail the original or a copy of the form directly to the CBA at the address listed in the letterhead on page 1, attention Exam Unit.
- The applicant may mail the original form to the CBA at the address listed in the letterhead on page 1, attention Exam Unit. **Envelope must be sealed by the educational institution.**

NOTICE ON COLLECTION OF PERSONAL INFORMATION

The information requested on this form by the California Board of Accountancy (CBA) is mandatory pursuant to Business and Professions Code section 5093.5 and Title 16 CCR, section 9.3. Failure to provide all of the information requested will result in the Certificate of Enrollment being ineligible for processing, or subject to denial. The information provided will be used to establish eligibility for early admission to the CPA Exam pursuant to section 5093.5 of the Business and Professions Code. The information may be provided to other governmental agencies, or in response to a court order, subpoena, or public records request. You have a right of access to records containing personal information maintained by the CBA unless the records are exempted from disclosure by law, including exemptions provided by Civil Code section 1798.40. For questions about this notice or access to your records, you may contact the California Board of Accountancy at 2450 Venture Oaks Way, Suite 300, Sacramento CA 95833, by phone at (916) 263-3680, or by email at examinfo@cba.ca.gov.