

**RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING**

BOARD OF ACCOUNTANCY

Title of Rule: Rules and Regulations of the Rhode Island Board of Accountancy

Rule Identifier: 400-RICR-00-00-1

Rulemaking Action: Proposed Amendment

Important Dates:

Date of Public Notice: 06/01/2020

End of Public Comment: 07/01/2020

Authority for this Rulemaking:

R.I. Gen. Laws § 5-3.1-4(f).

Summary of Rulemaking Action:

The Rhode Island Board of Accountancy ("Board") has proposed these amendments to the Continuing Professional Education ("CPE") provisions of its regulation in §§ 1.2 and 1.8. These amendments were promulgated as emergency amendment effective on May 21, 2020. Through this full rulemaking, the Board is proposing to make these amendments permanent.

The proposed amendments modify the Continuing Professional Education (CPE) requirements for Certified Professional Accountants (CPAs) by: streamlining the requirements to make compliance easier for CPA licensees; incorporating the updated national CPE standards which allow for virtual learning; and providing a mechanism for CPAs to request extensions of time to complete CPEs during the current or future state of emergencies declared by the Governor.

The specific changes resulting from these proposed amendments are as follows:

1. Reduce confusion by coinciding the license renewal date with the CPE deadline. The impact of this change would extend time to CPAs renewing June 30, 2020 to complete their CPEs by that date (rather than the earlier December 2019 date) and resolve some pending extension requests. For CPAs renewing June 30, 2021, this change would also mean that they have an additional six months to complete their CPEs by that date (rather than the earlier December 2020 date). In response to an increase in phone inquiries about CPE requirements, the Board also clarified that CPA's in their first renewal cycle have a reduced number of CPE hours required for renewal. See § 1.8.1(A), (B)(1) and (B)(8)(b).
2. Calculating CPE Credits by time units only and allowing "nanolearning." Prompted by a request by the R.I. Society of CPAs, the Board voted to allow

"nanolearning," meaning 10-minute CPE segments. As "nanolearning" is becoming more popular, this gives CPAs an additional way to accrue CPEs to build their competence virtually, while social distancing. Credits can be accrued in three units: 50 minutes equaling 1 credit; 25 minutes equaling 0.5 credit; and 10 minutes equaling 0.2 credit (no partial credit or grouping of smaller segments). As a result of these changes, the Board chose to simplify CPE credit calculations by deleting unnecessary, confusing and out-of-date CPE hour to day equivalents. See § 1.8.1(B)(1) and (B)(5)(b)(2).

3. Clarify and remove limitations on "remotely-delivered CPE." This change deletes confusing requirements for obtaining credits for CPE earned other than through an in-person program. It removes the cap on how much credit could be obtained remotely and clarifies and modernizes the standards applicable to remotely-delivered programs to assure that there are proper attendance verification mechanisms in place and to reduce the paperwork and administrative burden of obtaining such credits. See § 1.8.1(B)(6). In addition, a coordinating update to § 1.2(A)(2) was made in order to incorporate by Reference the latest NASBA/AICPA standards that include that nationwide standard changes relating to expanded virtual delivery of CPE content.

4. Clarify procedure for requesting special relief for CPE compliance and create a State of Emergency Automatic Relief. The State of Emergency Automatic Relief addresses the COVID-19 situation and any similarly extended future states of emergency declared by the Governor. It allows a CPA by a simple notice to the Board to receive automatic relief to roll over uncompleted hours to the next renewal cycle if a state of emergency has lasted 30 days or more of the last 12 months of their renewal deadline. These changes also provide clarity by consolidating sections referring to CPE exemptions granted by the Board, making minor edits to be consistent with long standing current practices of the Board. See § 1.8.1(C). To avoid confusion, the existing provision for CPE exceptions in § 1.8.1(B)(5) was deleted.

Additional Information and Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed amendment until July 1, 2020 by contacting the appropriate party at the address listed below:

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In accordance with R.I. Gen. Laws § 42-35-2.8, an oral hearing will be granted if requested by twenty-five (25) persons, by an agency or by an association having at

least twenty-five (25) members. A request for an oral hearing must be made within thirty (30) days of this notice.

Regulatory Analysis Summary and Supporting Documentation:

These amendments modernize the CPE rules to ease compliance burdens for CPAs. With the expansion of learning options, the regulatory environment can better support the goal of continued CPA competence. More modern and streamlined continuing education requirements will help with retaining the roll of active CPA registrations and attracting new CPAs to choose to register in Rhode Island. These amendments provide broader societal benefits by fostering public trust in this profession that provides critical financial services to Rhode Island businesses and individuals, and incentivizing continued renewals and registrations of CPAs available to provide these services.

In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

For full regulatory analysis or supporting documentation see agency contact person above.