

IMPORTANT NOTICE
to
ALL CPAS & CPA FIRMS that perform or conduct
PEER REVIEWS of Hawaii CPA Firms

This announcement is to clarify the licensing and permit requirements for individual CPA practitioners and CPA firms that perform or conduct peer reviews of Hawaii CPA firms.

Pursuant to Act 145 (16), effective July 1, 2016, the requirements for an individual CPA practitioner or CPA firm that performs or conducts a peer review of a Hawaii CPA firm has been revised as follows:

Hawaii Revised Statutes (“HRS”) section 466-3 defines a “peer review” as: “[A] study, appraisal, or review of one or more aspects of the professional work of a firm that issues attest reports by a person or persons who hold permits to practice public accountancy under [HRS] section 466-7 **or are licensed to practice public accountancy in any other** state and who are not affiliated with the firm being reviewed.” (Emphasis added).

With this revision, the Board of Public Accountancy (“Board”) has determined that an individual CPA practitioner or CPA firm that performs or conducts peer reviews of Hawaii CPA firms must meet the following license and permit requirements:

- An individual CPA practitioner who performs or conducts a peer review of a Hawaii CPA firm is required to hold a Hawaii CPA license and individual permit to practice **OR be licensed to practice public accountancy in another state of the United States** while the peer review is being performed or conducted; and
- A CPA firm that performs or conducts a peer review of a Hawaii CPA firm is required to hold a Hawaii firm permit to practice **OR be licensed to practice public accountancy in another state of the United States** while the peer review is being performed or conducted.

This change in licensure requirements **DOES NOT** apply to the individual or CPA firm that performs or conducts the Hawaii Supplement to the peer review report. These individuals and CPA firms are required to hold permits to practice public accountancy under HRS section 466- 7.

For more information on the Hawaii peer review process, please review HRS sections 466-31 through 466-43. These sections can be reviewed on the Board’s website at: www.cca.hawaii.gov/pvl/boards/accountancy.

If you have any questions, please contact the Board’s office at (808) 586-2696.