

## IMPORTANT INFORMATION FOR CPA APPLICANTS

### PLEASE READ

If you are applying for a Hawaii CPA license, please be advised that on November 27, 2021, Title 16, Chapter 71 Hawaii Administrative Rules (“HAR”) was amended. Any “new” requirements went into effect on November 27, 2021.

We would like to bring one specific amendment to your attention.

Section 16-71-21 Experience, was amended by changing the word “license” to “permit”. This would require that applicants have experience under the supervision of a person with a permit-to-practice and who performs public accountancy work as opposed to someone who has their CPA license and does not perform public accountancy work.

**§16-71-21 Experience.** (a) Except as otherwise provided in section 466-5(d), HRS, an applicant shall have met one of the following experience requirements for a license:

- (1) Completion of one thousand five hundred chargeable hours in the performance of audits involving the application of generally accepted accounting principles and auditing standards earned while in public accounting practice; or
- (2) Completion of two years of professional experience in:
  - (A) Public accountancy practice as defined in section 466-3, HRS; or
  - (B) Private or government accounting or auditing work deemed by the board to be equivalent to professional experience in public accountancy practice.
- (b) The professional experience described in subsection (a)(2) shall:
  - (1) Include:
    - (A) The issuance of reports on financial statements involving the use of accounting or auditing skills, or both, and the application of generally accepted accounting principles or another comprehensive basis of accounting of the United States;
    - (B) Management advisory or consulting services involving the use of accounting or auditing skills, or both; or
    - (C) The preparation of tax returns or furnishing of advice on tax matters in accordance with applicable tax laws of the United States; and
  - (2) Be obtained in one of the following categories, or any combination thereof:
    - (A) Public practice (i.e., working for a public accounting firm);
    - (B) Private sector or industry (i.e., working for a private business that is not a public accounting firm);
    - (C) Government (i.e., federal, state, county, etc.); or
    - (D) Education (i.e., working as an instructor teaching upper division or graduate level accounting or auditing subjects);

provided that the experience described in this subsection shall not be credited toward or apply to the thirty months of experience specified in section 466-5(b)(2), HRS. The thirty months of experience shall be gained in public practice and shall be applicable to the extent provided in section 466-5.5, HRS.

**(c) All experience required under this chapter and chapter 466, HRS, shall:**

- (1) Be non-routine, non-clerical, and non-ministerial in nature;
- (2) Continually require independent thought and judgment on accounting or auditing matters;
- (3) Be gained under the supervision of an individual who holds or has held a permit in this State, or the equivalent in another jurisdiction, during the period of supervision; provided that an applicant may be immediately supervised by a non-permit holder as long as the applicant ultimately reports to, is instructed by, is reviewed by, and is evaluated directly by an individual who holds or has held a

permit in this State, or the equivalent in another jurisdiction, during the period of supervision; and

- (A) The applicant's supervisor shall have supervised, reviewed, and evaluated the applicant's work on a routine and recurring basis.
- (B) Supervision may be facilitated through telecommunications systems and devices, and computers; provided that this shall not be the primary method of supervision. A majority of the supervision shall be of a personal nature.
- (C) To be acceptable, the supervision shall have been provided while the applicant was an employee of the same public accounting firm, entity, or agency that employed the supervisor; and
- (4) Have been of a full-time nature, measured in terms of weeks. Full-time employment shall constitute at least thirty-five hours per week.

(d) Each applicant shall submit a detailed statement or form prescribed by the board which fully describes the applicant's experience to the satisfaction of the board. The statement or form shall be signed and certified by the applicant's present or former supervisor who holds or has held a permit in this State, or its equivalent in another jurisdiction, during the period of supervision.

Consequently, if you are considering applying for a Hawaii CPA license, please make sure that the experience you acquired meets the requirements listed above. Experience obtained under the supervision of an individual that was not a permit holder, will not qualify or count towards the experience requirement.