

## **Article 7.—FIRM REGISTRATION**

**74-7-2. Firms eligible for registration.** (a) Unless exempt from registration pursuant to K.S.A. 1-308 and amendments thereto, before practicing certified public accountancy, a firm, as defined in K.S.A. 1-321 and amendments thereto, shall meet the following requirements:

- (1) Register with the board on forms provided by the board;
  - (2) affirm that any individual who signs or authorizes someone to sign the accountant's report on any audit, review, or compilation or on the examination of prospective financial information on behalf of the firm has met the competency requirements specified in K.A.R. 74-4-1a; and
  - (3) pay the fee specified in K.A.R. 74-12-1.
- (b) Each firm shall renew its registration annually on or before December 31 on forms provided by the board and shall pay the fee specified in K.A.R. 74-12-1. (Authorized by K.S.A. 1-202; implementing K.S.A. 2016 Supp. 1-308; effective Jan. 1, 1966; amended May 1, 1988; amended Jan. 12, 1996; amended Nov. 17, 2000; amended Jan. 11, 2008; amended Jan. 26, 2018.)

**74-7-3. Revocable living trusts.** An owner of a firm may include a partner, shareholder, member, or a trustee of a revocable living trust established by a licensed CPA or other natural person permitted to own an interest in a firm pursuant to K.S.A. 1-308 and amendments thereto, if the terms of the trust include all of the following provisions:

- (a) The CPA or other natural person is the principal beneficiary and a trustee of the trust.
- (b) The CPA or other natural person has the unrestricted right to revoke the trust.
- (c) The trust does not continue to hold an ownership interest in the firm following the death of the CPA or other natural person for more than a reasonable period of time necessary to dispose of the stock or ownership interest. (Authorized by K.S.A. 2000 Supp. 1-202, as amended by 2001 H.B. 2343, §7, implementing K.S.A. 2000 Supp. 1-308; effective Nov. 2, 2001.)

**74-7-4. Notification; firm registration; sole proprietors.** Each certified public accountant who is an unincorporated sole proprietor shall perform the following, upon the issuance of the first report subject to peer review:

- (a) Notify the board, on a form provided by the board;
- (b) register as a firm with the board in compliance with K.S.A. 1-308 and amendments thereto; and
- (c) provide a peer review letter of completion to the board within 18 months after the date on which the report subject to peer review was issued. (Authorized by K.S.A. 1-202; implementing K.S.A. 1-202 and K.S.A. 1-308; effective Nov. 15, 2002; amended May 29, 2009.)