

**OCCUPATIONAL CODE (EXCERPT)**  
**Act 299 of 1980**

**339.720 Definitions; practice of public accounting.**

Sec. 720.

(1) As used in this article:

(a) "Attest" means providing any of the following services, but does not include providing a compilation:

(i) An audit or other engagement to be performed in accordance with the statements on auditing standards.

(ii) A review of a financial statement to be performed in accordance with the statements on standards for accounting and review services.

(iii) An examination of prospective financial information to be performed in accordance with the statements on standards for attestation engagements.

(iv) An engagement to be performed in accordance with the public company accounting oversight board auditing standards.

(v) An examination, review, or agreed-upon procedures engagement to be performed in accordance with the statements on standards for attestation engagements, other than an examination described in subparagraph (iii).

(b) "Certified public accountant" means an individual who is either of the following:

(i) Qualified by education, examination, and experience to engage or offer to engage in the practice of public accounting as evidenced by the issuance of a certificate as a certified public accountant under section 725 or 726 and a license or registration issued under section 727.

(ii) An individual whose principal place of business is not in this state and who satisfies the requirements set forth in section 727a.

(c) "Client" means an individual or entity that engages a licensee or licensee's employer to receive any service in the practice of public accounting.

(d) "Compilation" means providing a service to be performed in accordance with statements on standards for accounting and review services that are presenting, in the form of financial statements, information that is the representation of management or owners without undertaking to express any assurance on the statements.

(e) "Firm" means a corporation, partnership, limited liability company, unincorporated association, sole proprietorship operating under an assumed name, or other legal entity.

(f) "License cycle" means the term of a license issued under this article.

(g) "Nonresident licensee" means an individual licensee whose principal place of business is not located in this state.

(h) Subject to subsection (2), "practice of public accounting" means rendering or offering to render an opinion on or attesting to or offering to attest to the reliability of a representation or estimate, including, but not limited to, the giving of an opinion in substance that 1 or more of the following types of information concerning the entity that is the subject of the opinion present fairly the condition of the entity:

(i) Financial or other information about which the opinion is given.

(ii) Facts respecting the entity's compliance with conditions established by law or contract, including, but not limited to, a statute, ordinance, regulation, grant, loan, or appropriation.

(iii) The scope of the accounting procedures rendered in connection with the presentation of the entity's financial statement.

(i) "Principal place of business" means the office location designated by the licensee for the purposes of substantial equivalency and reciprocity.

(j) "Report", when used with reference to an attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of attested information or compiled financial statements and that also includes, or is accompanied by, any statement or implication that the individual or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the individual or firm is an accountant or auditor or from the language of the report itself. Report includes any form of language that disclaims an opinion when that form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to or special competence on the part of the individual or firm issuing that language, or both, and includes any other form of language that is conventionally understood to imply that assurance or special knowledge and competence, or both.

(k) "Uniform CPA exam" means the Uniform CPA Examination developed and scored by the American Institute of Certified Public Accountants or a successor organization.

(2) In addition to the definition set forth in subsection (1)(h), practice of public accounting includes 1 or more of the following activities when performed or offered to be performed by an individual who is holding himself or

herself out as a certified public accountant for a client or a potential client:

- (a) The issuance of reports in connection with any attest or compilation services.
- (b) One or more kinds of management advisory, financial advisory, or consulting services, including, but not limited to, business valuation, forensic accounting, and fraud examination services.
- (c) The preparation of tax returns.
- (d) The furnishing of advice on tax matters.

**History:** Add. 1997, Act 10, Imd. Eff. May 16, 1997 ;-- Am. 2008, Act 161, Imd. Eff. June 11, 2008 ;-- Am. 2010, Act 215, Imd. Eff. Nov. 23, 2010 ;-- Am. 2016, Act 76, Eff. July 4, 2016 ;-- Am. 2018, Act 81, Eff. June 17, 2018

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