

**NOTICE TO FIRMS AND SOLE PRACTITIONERS REGARDING
COMPLIANCE WITH PEER REVIEW REQUIREMENT
IN ORDER TO RENEW LICENSE FOR 2018-2019 LICENSE PERIOD**

Unless eligible for exemption for one of the reasons set forth below, a firm or sole practitioner that performed an audit engagement after **December 31, 2015**, shall have completed a timely system peer review (as defined in the CPA Law) before the license period that begins January 1, 2018. Unless eligible for exemption for one of the reasons set forth below, a firm or sole practitioner that performed a review engagement, but not an audit engagement, after **December 31, 2015**, shall have completed a timely engagement peer review (as defined in the CPA Law) before the license period that begins January 1, 2018. A nonexempt firm or sole practitioner shall certify on the renewal application that it is in compliance with the peer review requirement and provide the following information with regard to its most recent peer review: the name of the peer administering organization, the date of acceptance of the peer review, and the time period covered by the peer review. For firms with three or more licensees, a peer review is considered timely if it was completed after December 31, 2014. For sole practitioners and firms with one or two licensees, a peer review is considered timely if it was completed after December 31, 2012.

A firm or sole practitioner that performed an audit or review engagement after **December 31, 2015**, shall be eligible for exemption from the January 1, 2018, peer review compliance deadline if it submits, at the time of license renewal, a statement that satisfies any of the following criteria:

1. A statement that the firm or sole practitioner was issued its initial license after July 1, 2016 and the firm or sole practitioner will undergo a peer review within 18 months after issuance of its initial license. (Note: This exemption does not apply to a firm created by a merger.)
2. A statement that within three years before the date of application for initial or renewal licensure, the firm or sole practitioner has undergone a peer review conducted in another state or foreign jurisdiction which meets the requirements of the CPA Law subsection 8.9 (c)(1) and (2) and the Board's Regulations Section 11.82. The firm or sole practitioners internal inspection or monitoring procedures require personnel from and out-of state office of the firm or sole practitioner to perform and inspection of the Pennsylvania office of the firm or sole practitioner at least once every three years. The firm or sole practitioner shall submit to the board a letter from the organization administering the firm's most recent peer review stating the date on which the peer review was completed.
3. A statement that the firm or sole practitioner has not accepted or performed any audit or review engagement since January 1, 2016 and the firm or sole practitioner does not intend to accept or perform an audit or review engagement during the license period that begins January 1, 2018.
4. A statement that for reasons of personal health, military service or other good cause prevented the firm or sole practitioner from completing a timely peer review. The board determines that the firm is entitled to an exemption for a period of time not to exceed twelve months.

The Board will notify those firms and sole practitioners whose statements of eligibility for exemption are deficient. License will not be issued until any discrepancy is corrected. Firms and sole practitioners that receive licenses for the license period that begins January 1, 2018, may assume their eligibility for exemption has been satisfactorily demonstrated. Firms and sole practitioners that satisfactorily demonstrate their eligibility for exemption under criteria (3) above will be granted extensions of up to one year (i.e., until January 1, 2019) to submit the information required of nonexempt firms and sole practitioners.

YOU MUST SUBMIT THE REQUIRED PEER REVIEW INFORMATION BELOW:

REQUIRED PEER REVIEW INFORMATION SUBMISSION FOR 2018-2019 LICENSE PERIOD

NAME OF FIRM OR SOLE PROPRIETORSHIP: _____

LICENSE NUMBER OF FIRM OR SOLE PROPRIETORSHIP: _____

SIGNATURE (MANDATORY): _____

DATE: _____

*(1) NAME OF PEER REVIEW ADMINISTERING ORGANIZATION (this is **not** the firm that performed the peer review): _____*

(2) DATE OF ACCEPTANCE OF THE PEER REVIEW: _____

(3) PERIOD COVERED BY THE PEER REVIEW: _____