

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 3: BUSINESSES AND PROFESSIONS**

**§ 3401. Definitions.**

When used in this Act, the following terms have the meanings indicated:

(a) “Board” means the CNMI Board of Accountancy established under section 3402 of this Act.

(b) “Certificate” means a certificate as “certified public accountant” issued under section 3422 of this Act, or a corresponding certificate as certified public accountant issued after examination under the law of any other state.

(c) “Firm” means a sole proprietorship, a corporation, a partnership or any other form of organization.

(d) “License” means a certificate issued under section 3422 of this Act or a permit issued under section 3423.

(e) “Licensee” means the holder of a license as defined in section 3401(d).

(f) “Permit” means a permit to practice public accountancy issued under section 3423 of this Act or under corresponding provisions of the laws of other states.

(g) “Practice of (or practicing) public accountancy” means the performance or the offering to perform by a person or firm holding itself out to the public as a licensee, for a client or potential client, of one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements, or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

(h) “Quality Review” means a study, appraisal, or review of one or more aspects of the professional work of a person or firm in the practice of public accountancy, by a person or persons who hold certificates and who are not affiliated with the person or firm being reviewed.

(i) “Report”, when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of any financial statement and that also includes or is accompanied by any statement or implication that the person 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 person or firm is an accountant or auditor, or from the language of the report itself. The term “report” includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the financial statements referred to and/or special competence on the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence.

(j) “Rule” means any rule, regulation, or other written directive of general application duly adopted by the Board.

(k) “State” means any State of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam.

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**Source:** PL 13-52, § 3, modified.

**Commission Comment:** The Commission made conforming changes to the above subsection pursuant to 1 CMC § 3806. PL 13-52 was enacted on May 20, 2003 and contained a short title, purpose, severability, and savings clause provisions. PL 13-52 stated in part:

Section 1. Title. This Act may be cited as the “Accountancy Act of 2002.”

Section 2. Purpose. It is the policy of the Commonwealth of the Northern Marianas Islands (CNMI) and the purpose of this Act, to promote the reliability of information that is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises. The public interest requires that persons professing special competence in accountancy or offering assurance as to the reliability or fairness of presentation of such information shall have demonstrated their qualifications to do so, and that no persons who have not demonstrated and maintained such qualifications, including certificate holders not in public practice, be permitted to hold themselves out as having such special competence or to offer such assurance; that the professional conduct of persons licensed as having special competence in accountancy be regulated in all aspects of the practice of public accountancy; that a public authority competent to prescribe and assess the qualifications and to regulate the professional conduct of practitioners of public accountancy be established; and that the use of titles relating to the practice of public accountancy that are likely to mislead the public as to the status or competence of the persons using such titles be prohibited.