

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

**§ 3423. Firm Permits to Practice.**

(a) The Board shall grant or renew permits to practice public accountancy to firms that make application and demonstrate their qualifications therefore in accordance with the following subsections of this section. A firm must hold a permit issued under this section in order to practice public accountancy.

(b) Permits shall be initially issued and renewed for periods of not more than three years but in any event shall expire on the third year following issuance or renewal. Applications for permits shall be made in such form, and in the case of applications for renewal, between such dates as the Board may by rule specify, and the Board shall grant or deny any such application no later than 60 days after the application is filed in proper form. In any case where the applicant seeks the opportunity to show that issuance or renewal of a permit was mistakenly denied or where the Board is not able to determine whether it should be granted or denied, the Board may issue to the applicant a provisional permit, which shall expire ninety days after its issuance or when the Board determines whether or not to issue or renew the permit for which application was made, whichever shall first occur.

(c) An applicant for initial issuance or renewal of a permit to practice under this section shall be required to show that each sole proprietor, partner, officer, shareholder, member or manager who regularly works in the CNMI, holds a valid certificate issued under section 3422 of this Act and that each other partner, officer, shareholder, member or manager holds a certificate and is licensed to practice public accountancy in another state.

(d) An applicant for initial issuance or renewal of a permit to practice under this section shall be required to register each office of the firm within the CNMI with the Board and to show that each such office is under the charge of a person holding a valid certificate issued under section 3422 of this Act.

(e) The Board shall charge a fee for each application for initial issuance or renewal of a permit under this section in an amount prescribed by the Board by rule.

(f) Applicants for initial issuance or renewal of permits under this section shall in their application list all states in which they have applied for or hold permits to practice public accountancy, and each holder of or applicant for a permit under section shall notify the Board in writing, within 30 days after its occurrence, of any change in the identities of partners, officers, shareholders, members or managers who work regularly within the CNMI, any change in the number or location of offices within the CNMI, any change in the identity of the persons in charge of such offices, and any issuance, denial, revocation, or suspension of a permit by any other state.

(g) The Board may by rule require, on either a uniform or a random basis, as a condition to renewal of permits under this section, that applicants undergo, no more frequently than once every three years, quality reviews conducted in such manner as the Board may specify, provided, however, that any such rule:

(1) Shall be promulgated reasonably in advance of the time when it first becomes effective;

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(2) Shall include reasonable provision for compliance by an applicant showing that it has, within the preceding three years, undergone a quality review that is the satisfactory equivalent to quality review generally required pursuant to this subsection (g);

(3) Shall require, with respect to quality reviews contemplated by paragraph (2), that they be subject to oversight by an oversight body established or sanctioned by Board rule, which body shall periodically report to the Board on the effectiveness of the review program under its charge, and provide to the Board a listing of firms that have participated in a quality review program that is satisfactory to the Board; and

(4) Shall require, with respect to quality reviews contemplated by paragraph (2), that the quality review processes be operated and documents maintained in a manner designed to preserve confidentiality, and that neither the Board nor any third party (other than the oversight body) shall have access to documents furnished or generated in the course of the review.

**Source:** PL 13-52, § 7, modified.

**Commission Comment:** The Commission made conforming changes to the above subsection pursuant to 1 CMC § 3806. See the comment to 4 CMC § 3401 regarding PL 13-52. The Commission also changed the word “late” to “later” in subsection (b) to correct a manifest clerical error pursuant to its authority by 1 CMC § 3806(g). It appears that a section number is lacking after the second instance of the word “section” in subsection (f).