

TITLE 16 OCCUPATIONAL AND PROFESSIONAL LICENSING
CHAPTER 60 PUBLIC ACCOUNTANTS
PART 3 LICENSURE AND CONTINUING PROFESSIONAL EDUCATION REQUIREMENTS

16.60.3.1 ISSUING AGENCY: State of New Mexico Public Accountancy Board
[16.60.3.1 NMAC - Rp 16 NMAC 60.4.1 & 16 NMAC 60.6.1, 2/14/2002]

16.60.3.2 SCOPE: General public: Individuals seeking to become certified public accountants (CPAs) CPAs and registered public accountants (RPAs) seeking to maintain their New Mexico certificate/license status through continuing professional education (CPE).
[16.60.3.2 NMAC - Rp 16 NMAC 60.4.2 & 16 NMAC 60.6.2, 2/14/2002]

16.60.3.3 STATUTORY AUTHORITY: 1999 Public Accountancy Act, Sections 61-28B-1 to 61-28B-29 NMSA 1978.
[16.60.3.3 NMAC - Rp 16 NMAC 60.4.3 & 16 NMAC 60.6.3, 2/14/2002]

16.60.3.4 DURATION: Permanent.
[16.60.3.4 NMAC - Rp 16 NMAC 60.4.4 & 16 NMAC 60.6.4, 2/14/2002]

16.60.3.5 EFFECTIVE DATE: February 14, 2002, unless a later date is cited at the end of a section.
[16.60.3.5 NMAC - Rp 16 NMAC 60.4.5 & 16 NMAC 60.6.5, 2/14/2002]

16.60.3.6 OBJECTIVE: Protect the public interest by implementing provisions of the 1999 Public Accountancy Act (act) which provide for initial application issuance and renewal of CPA and RPA certificates/licenses; reinstatement of expired, cancelled, suspended or revoked CPA/RPA certificates; application and issuance of CPA certificates through interstate and international reciprocity; establishment of intent to practice privilege under substantial equivalency; maintenance of professional competency through continuing professional education (CPE) of CPA and RPA certificate/license holders; and change of status application procedures between active/inactive or retired status.
[16.60.3.6 NMAC - Rp 16 NMAC 60.4.6 & 16 NMAC 60.6.6, 2/14/2002]

16.60.3.7 DEFINITIONS: [RESERVED]
[16.60.3.7 NMAC - Rp 16 NMAC 60.4.7 & 16 NMAC 60.6.7, 2/14/2002]

16.60.3.8 APPLICATION REQUIREMENTS: All certificate/license applications and renewals shall be made on and meet all information requirements contained in board prescribed forms. Applications will not be considered complete and filed with the board until all required information and board prescribed fees have been received. Electronic signatures are acceptable for applications submitted pursuant to 16.60.1 NMAC through 16.60.50 NMAC.
[16.60.3.8 NMAC - Rp. 16 NMAC 60.4.8.1, 2/14/2002; A, 10/1/2020]

16.60.3.9 INITIAL CERTIFICATE/LICENSE REQUIREMENTS:

A. An applicant for initial certification/licensure shall demonstrate to the board's satisfaction that he:
(1) lacks a history of dishonest or felonious acts;
(2) meets the education, experience and examination requirements of the board; and
(3) passes the American institute of certified public accountants ethics examination with a score of ninety percent or higher.

B. Integrity requirement: The board may assess integrity based upon applicant-provided references and background checks to determine an applicant's history of dishonest or felonious acts. The board may request the presence at a board meeting of an applicant for whom it has unanswered questions.

C. Criminal history background check: Pursuant to Section 61-28B-8.1 of the act, all applicants for initial issuance or reinstatement of a certificate and license in New Mexico shall be required to be fingerprinted to establish positive identification for a state and federal criminal history background check. Applicants can submit fingerprints through the board approved live scan location prescribed by the New Mexico Department of Public Safety (DPS).

(1) The applicant will register online, through the approved live scan website, with the board's Originating Agency Identification (ORI) number and make payment with registration. After the process is complete, the applicant will receive a registration confirmation.

(2) The applicant shall take their registration confirmation to an approved live scan facility and conduct the electronic fingerprinting process.

(3) Results will be sent to the board electronically. The board shall not issue a certificate or license until the applicant's background check has been successfully completed.

(4) Out-of-State applicants, who are unable to visit an approved live scan fingerprinting facility, may follow the same registration process and submit a hardcopy fingerprint card to the approved live scan facility. The results will be sent to the board electronically. The board shall not issue a certificate or license until the applicant's background check has been successfully completed.

D. Education and examination requirements: Education and examination requirements are specified in Section 8 of the act and are further delineated in Part 2 of board rules. ~~[An applicant who has passed the uniform CPA examination prior to July 1, 2004, is exempt from the 150 semester hour requirement.]~~

E. Experience required: Applicants documenting their required experience for issuance of an initial certificate ~~[pursuant to Subsection H of Section 7 of the act, and after July 1, 2004 Subsection H of Section 8]~~ of the act shall:

(1) provide documentation of experience in providing any type of services or advice using accounting, attest, management advisory, financial advisory, tax or consulting skills; acceptable experience shall include experience gained through employment in industry, government, academia or public practice;

(2) have their experience verified by an active, licensed CPA as defined in the act or by an active, licensed CPA from another state; the board shall consider and evaluate factors such as complexity and diversity of the work in determining acceptability of experience submitted:

(a) one year of experience or its 2,000 hour equivalent shall consist of full or part-time employment that extends over a period of no more than three years and includes no fewer than 2,000 hours of performance of services described above;

(b) two years of experience or its 4,000 hour equivalent shall consist of full or part-time employment that extends over a period of no more than six years and includes no fewer than 4,000 hours performance of services described above;

~~[(b)]~~ (c) the CPA verifying an applicant's experience must be employed by, or a consultant to, or provide professional services to, the same organization as the applicant;

~~[(e)]~~ (d) experience documented in support of an initial application must be obtained within the seven years immediately preceding passing of the examination or within seven years of having passed the examination upon which the application is based; ~~[this does not apply to applicants who qualified and sat for the examination during or prior to the November 2001 administration;]~~

~~[(d)]~~ (e) any licensee requested by an applicant to submit evidence of the applicant's experience and who has refused to do so shall, upon request of the board, explain in writing or in person the basis for such refusal; the board may require any licensee who has furnished evidence of an applicant's experience to substantiate the information;

~~[(e)]~~ (f) the board may inspect documentation relating to an applicant's claimed experience; any applicant may be required to appear before the board or its representative to supplement or verify evidence of experience.

F. Certificate and license issuance: upon receipt of a complete application packet and successful completion of a fingerprint background check, board staff are authorized to approve and issue a certificate and license to an applicant for whom no licensing issues are present. Pursuant to Subsection I of 16.60.2.13 NMAC, uniform CPA examination scores must be approved by the board's administrative staff prior to the issuance of a certificate and license to an applicant who sat for the uniform CPA examination as a New Mexico candidate.

G. Swearing in ceremony: Every new licensee ~~[must]~~ may participate in a swearing in ceremony. ~~[before the board within one year from the date of the issuance of the initial license. Swearing in ceremonies may be held two times per year in locations to be determined by the board or the board's administrative staff. Upon good cause presented in writing prior to the expiration of the one year period of initial licensure, the board may extend the period for being sworn in or arrange an alternate method for the licensee to be sworn in. If an extension for good cause is granted, the licensee shall arrange with the board's administrative staff to present him or herself for swearing in before the board within the time prescribed by the board. Failure to appear at a swearing in ceremony before the board may result in the imposition of a fine or other disciplinary action, as deemed appropriate by the board.]~~

H. Replacement wall certificates and licenses to practice: Replacement wall certificates and licenses to practice may be issued by the board in appropriate cases and upon payment by the CPA or RPA of the fee as set by the board. A certificate/license holder is specifically prohibited from possessing more than one wall certificate and more than one license to practice as a CPA or RPA. When a replacement wall certificate or license to practice is requested, the certificate/license holder must return the original certificate/license or submit a statement describing the occurrence that necessitated the replacement certificate or license.

I. Renewal requirements: Certificates/licenses for individuals will have staggered expiration dates based on the individual's birth month. Deadline for receipt of certificate/license renewal applications and supporting continuing professional education affidavits or reports is no later than the last day of the CPA or RPA certificate/license holder's birth month or the next business day if the deadline date falls on a weekend or holiday.

(1) The board may accept a sworn affidavit as evidence of certificate/license holder compliance with CPE requirements in support of renewal applications.

(2) Renewal applications and CPE reports received after prescribed deadlines shall include prescribed delinquency fees.

(3) Applications will not be considered complete without satisfactory evidence to the board that the applicant has complied with the continuing professional education requirements of Subsection E of Sections 9 and Subsection A of Section 12 of the act and of these rules.

(4) The board shall send renewal application notices no less than 30 days prior to the renewal deadline.

J. The purpose of this part is to expedite licensure for military service members, their spouses, their dependent children and for veterans pursuant to Section 61-1-34 NMSA 1978.

(1) Applications for registration shall be completed on a form provided by the board.

(2) The applicant shall provide a complete application that includes the following information:

- (a) applicant's full name;
- (b) current mailing address;
- (c) current electronic mail address, if any;
- (d) date of birth;
- (e) background check, if required; and
- (f) proof as described in subsection (3) below.

(3) The applicant shall provide the following satisfactory evidence as follows:

(a) applicant is currently licensed and in good standing in another jurisdiction, including a branch of the United States armed forces;

(b) applicant has met the minimal licensing requirements in that jurisdiction and the minimal licensing requirements in that jurisdiction are ~~substantially equivalent~~ comparable license requirements to the licensing requirements for New Mexico; and

(c) the following documentation:

- (i) for military service member: copy of military orders;
- (ii) for spouse of military service members: copy of military service member's military orders, and copy of marriage license;
- (iii) for spouses of deceased military service members: copy of decedent's DD 214 and copy of marriage license;
- (iv) for dependent children of military service members: copy of military service member's orders listing dependent child, or a copy of military orders and one of the following: copy of birth certificate, military service member's federal tax return or other governmental or judicial documentation establishing dependency;

(v) for veterans (retired or separated): copy of DD 214 showing proof of honorable discharge.

(4) The license or registration shall be issued by the board as soon as practicable but no later than thirty days after a qualified military service member, spouse, dependent child, or veteran files a complete application and provides a background check if required for a license, and any required fees.

(5) Military service members and veterans shall not pay and the board shall not charge a licensing fee for the first three years for a license issued pursuant to this rule.

(6) A license issued pursuant to this section shall be valid for the time period that is specified in the Act.

(7) A license issued pursuant to this section shall not be renewed automatically, and shall be renewed only if the licensee satisfies all requirements for the issuance and renewal of a license pursuant to the 1999 Public Accountancy Act, including Section 61-28B-9 NMSA 1978 and Subsection I of 16.60.3.9 NMAC.

(8) As a courtesy, the board, will send via electronic mail license renewal notifications to licensees or registrants before the license expiration date to the last known email address on file with the board. Failure to receive the renewal notification shall not relieve the licensee or registrant of the responsibility of timely renewal on or before the expiration date.

[16.60.3.9 NMAC - Rp 16 NMAC 60.4.8.2 & 16 NMAC 60.4.8.3, 2/14/2002; A, 1/15/2004; A, 6/15/2004; A, 12/30/2004; A, 4/29/2005; A, 7/29/2005; A, 11/30/2007; A, 6/30/2008; A, 2/27/2009; A, 1/17/2013; A, 12/1/2014; A, 9/15/2015; A, 10/1/2020; A, 12/12/2021]

16.60.3.10 BOARD ACCEPTANCE OF GRADE TRANSFER CERTIFICATE APPLICANTS:

A. The board will only accept grade transfers from applicants passing the uniform CPA examination in other jurisdictions/states for an initial CPA certificate application under the following situations:

(1) temporary change in residence to the state/jurisdiction where the applicant passed the uniform CPA examination while the grade transfer applicant was a student;

(2) temporary change in residence to the state/jurisdiction where the applicant passed the uniform CPA examination while the grade transfer applicant was on military duty;

(3) temporary change in residence to the state/jurisdiction where the applicant passed the uniform CPA examination while the candidate was on a temporary work assignment;

(4) presentation of documented evidence demonstrating current resident status in the state of New Mexico; or

(5) presentation of documented evidence demonstrating anticipated employment and residency in the state of New Mexico within 6 months of the application's date.

B. An applicant who resides in New Mexico and was issued a certificate in another state based upon passage of the examination but never received a license to practice will be considered for licensure by grade transfer.

C. The board may waive the above requirements due to hardship exceptions presented by a grade transfer certificate applicant.

[16.60.3.10 NMAC - N, 2/14/2002; A, 6/15/2004]

16.60.3.11 RELINQUISHING A CERTIFICATE/LICENSE:

A. Any individual certificate/license holder may at any time and for any reason, subject to the approval of the board, relinquish that certificate/license to the board. An individual relinquishing his certificate/license during the course of a disciplinary investigation or proceeding may not apply for reinstatement but may apply for the issuance of a new certificate/license upon completion of all requirements for the issuance of such certificate, including meeting all education, examination, experience, and ethics examination requirements of the act and board rules in effect at the time of the new application. This includes sitting for and passing the uniform CPA examination, meeting current experience requirements, and passing a current ethics examination.

B. This rule does not apply to a licensee who relinquished their license while in good standing and was not the subject of a board investigation or disciplinary proceeding at the time they relinquished their license. If an individual relinquishes their certificate/license during the course of a board disciplinary investigation or proceeding, this fact shall be disclosed in any later application for a new certificate and shall be considered before the issuance of a new certificate.

[16.60.3.11 NMAC - N, 2/14/2002]

16.60.3.12 REINSTATEMENT REQUIREMENTS:

A. Requests to reinstate a certificate/license that lapsed or expired as a result of non-renewal shall meet all board prescribed requirements for reinstatement including the current year's renewal fee and continuing professional education. An individual whose certificate/license has been subject to board disciplinary action pursuant to the Uniform Licensing Act, Sections 61-1-1 to 61-1-31 NMSA 1978, may, upon application in writing and for good cause, request reinstatement of the certificate/license after completion of all requirements contained in the board's original order or agreement.

B. A reinstatement application pursuant to Section 21 of the act and this rule will be processed by the board upon the basis of the materials submitted in support thereof and supplemented by such additional inquiries as the board may require. Upon receipt of a complete reinstatement application packet and successful completion of a fingerprint background check, board staff are authorized to reinstate a certificate and license to an applicant for

whom no licensing issues are present. If the individual has not held an active license in any jurisdiction within the five years preceding the date of application for reinstatement, the approval of the board will be required. For reinstatement of a certificate/license, a hearing may be held, and the board may, at its discretion, impose terms and conditions on an application following procedures the board may find suitable for the particular case.

C. The reinstatement request shall set out in writing the reasons constituting good cause for the relief sought and shall be accompanied by at least two supporting recommendations, under oath, from practitioners who have personal knowledge of the activities of the applicant since board disciplinary action was imposed. In considering a reinstatement application, the board may consider all activities of the applicant since the disciplinary action from which relief is sought was imposed; the offense for which the applicant was disciplined; the applicant's activities during the time the certificate/license was in good standing; the applicant's rehabilitative efforts; restitution to damaged parties in the matter for which the penalty was imposed; and the applicant's general reputation for trust and professional probity.

D. No application for reinstatement will be considered while the applicant is under sentence for any criminal offense, including any period during which the applicant is on court-imposed probation or parole. [16.60.3.12 NMAC - Rp 16 NMAC 60.4.11, 2/14/2002; A, 12/30/2005; A, 1/17/2013; A 10/1/2020; A, 12/12/2021]

16.60.3.13 RECIPROCITY REQUIREMENTS:

A. Interstate reciprocity: The board may issue a certificate/license to the holder of a certificate issued by a state other than New Mexico as defined under Sections 3O, 11B and D, and 26A of the act provided that the license from the other state is valid and in good standing and that the applicant:

- (1) provides proof from a board-approved national qualifications service that their CPA qualifications are substantially equivalent to the CPA requirements of the act; or
- (2) successfully completed the CPA examination in accordance with the rules of the other state at the time it granted the applicant's initial certificate; and
- (3) meets the experience requirements under the act and these rules for issuance of the initial certificate; and
- (4) has met the CPE requirement of the state in which he is currently licensed pursuant to the act and board rules.

B. All applicants for licensure by reciprocity shall have passed either the American institute of certified public accountants ethics examination with a score of 90 percent or higher or an ethics examination of another state board of accountancy with a score of 90 percent or higher.

C. An applicant who holds a certificate from another state based upon passage of the examination but who does not hold a license to practice shall not be eligible for licensure by reciprocity.

D. The board may rely on the national association of state boards of accountancy (NASBA), the American institute of certified public accountants (AICPA), or other professional bodies deemed acceptable to the board for evaluation of other state's CPA qualification requirements in making substantial equivalency determinations.

E. International reciprocity: The board may designate a professional accounting credential issued in a foreign country as [~~substantially equivalent~~] a comparable licensure to a New Mexico CPA certificate and may issue a certificate/license to the holder of a professional accounting credential issued in a foreign country.

(1) The board may rely on NASBA, AICPA, or other professional bodies deemed acceptable to the board for evaluation of foreign credentials in making equivalency determinations.

(2) The board may satisfy itself through qualifying examination(s) that the holder of a foreign country credential deemed by the board to be [~~substantially equivalent~~] a comparable licensure to a CPA certificate possesses adequate knowledge of U.S. practice standards and the board's rules. The board will specify the qualifying examination(s) and may rely on NASBA, AICPA, or other professional bodies to develop, administer, and grade such qualifying examination(s).

(3) The board recognizes the existence of the international qualifications appraisal board (IQAB), a joint body of NASBA and AICPA, which is charged with:

(a) evaluating the professional credentialing process of certified public accountants, or their equivalents, from countries other than the United States; and

(b) negotiating principles of reciprocity agreements with the appropriate professional and governmental bodies of other countries [~~seeking recognition as having requirements substantially equivalent to the requirements~~] where qualified professional accountants can practice in the United States without having to completely re-credential for the certificate of a certified public accountant in the United States.

(4) The board shall honor the terms of all principles of ~~[reciprocity agreements issued]~~ mutual recognition agreements established by IQAB.

(5) The board recognizes the international uniform CPA qualification examination (IQEX), written and graded by AICPA, as a measure of professional competency satisfactory to obtain a New Mexico certificate by reciprocity.

(6) The board may accept a foreign country's accounting credential in partial satisfaction of its certificate/license requirements if:

(a) the holder of the foreign country accounting credential meets the issuing body's education requirement and has passed the issuing body's examination used to qualify its own domestic candidates; and

(b) the foreign country credential is valid and in good standing at the time of application for a certificate/license.

(7) The board shall ~~[accept the following foreign credentials in partial satisfaction of its certificate/license requirements]~~ review and may approve other jurisdiction's mutual recognition agreements entered into by the IQAB in partial satisfaction of its certificate or licensure requirements on a case-by-case basis.

~~[(a) Canadian chartered accountant;
(b) Australian chartered accountant;
(c) Hong Kong institute of CPAs;
(d) Mexican contador publicos certificado;
(e) chartered accountants in Ireland;
(f) New Zealand chartered accountant.]~~

F. An applicant for renewal of a CPA certificate/license originally issued in reliance on a foreign country accounting credential shall:

(1) meet all board prescribed certificate/license renewal requirements; and
(2) present documentation from the foreign country accounting credential issuing body that the applicant's foreign country credential has not been suspended or revoked and is not the subject of a current investigation; and
(3) report any investigations undertaken or sanctions imposed by a foreign country credential body against the CPA's foreign country credential.

G. If the foreign country credential has lapsed, expired, or been cancelled, the applicant must present proof from the foreign country credentialing body that the certificate holder/licensee was not the subject of any disciplinary proceedings or investigations at the time the foreign country credential lapsed.

H. Suspension or revocation of, or refusal to renew, the CPA's foreign accounting credential by the foreign credentialing body shall be considered evidence of conduct reflecting adversely upon the CPA's fitness to retain the certificate and may be a basis for board action.

I. Conviction of a felony or any crime involving dishonesty or fraud under the laws of a foreign country is evidence of conduct reflecting adversely on the CPA's fitness to retain a certificate/license and is a basis for board action.

J. The board shall notify the appropriate foreign country credentialing authorities of any sanctions imposed against a CPA. The board may participate in joint investigations with foreign country credentialing bodies and may rely on evidence supplied by such bodies in disciplinary hearings.

[16.60.3.13 NMAC - Rp 16 NMAC 60.4.9, 2/14/2002; A, 9/16/2002; A, 1/15/2004; A, 6/15/2004; A, 12/30/2004; A, 4/29/2005; A, 6/30/2008; A, 11/13/2009; A, 1/17/2013]

16.60.3.14 ~~[SUBSTANTIAL EQUIVALENCY]~~ COMPARABLE LICENSURE/INTENT TO PRACTICE REQUIREMENTS:

A. Effective ~~[July 1, 2008]~~ January 1, 2026, a person whose principal place of business is not New Mexico and who has a valid certificate/license as a certified public accountant from another state shall be presumed to have comparable licensure qualifications ~~[substantially equivalent]~~ to New Mexico's requirements if the person meets the requirements of Subsection A of Section 26 of the act.

B. The board may rely on NASBA, AICPA, or other professional bodies approved as acceptable to the board to provide qualification appraisal in determining whether an applicant's qualifications are ~~[substantially equivalent]~~ comparable to New Mexico's licensure requirements.

C. A person exercising the practice privilege afforded by Section 26 of the act shall be deemed to have:

(1) submitted to the personal and subject matter jurisdiction and disciplinary authority of the board;

(2) agreed to full compliance with the act and related board rules; and

(3) consented to appointment of the state board that issued the license as agent upon whom process may be served in an action or proceeding by the New Mexico public accountancy board against the licensee.

D. A person exercising the practice privilege afforded by Section 26 of the act shall cease offering or rendering professional attest services in New Mexico in the event the license from the state of the person's principal place of business is no longer valid.

E. An individual who qualifies for practice privileges pursuant to Section 26 of the act may offer or render professional services whether in person or by mail, telephone, or electronic means without the need to notify the board or remit a fee.

F. Pursuant to the Uniform Accountancy Act, an individual entering into an engagement to provide professional services via a web site pursuant to Section 23 shall disclose, via any such web site, the individual's principal state of licensure, license number, and an address as a means for regulators and the public to contact the individual regarding complaints, questions, or regulatory compliance.

G. Reporting integrity violations.

(1) Any individual using practice privileges in New Mexico shall notify the board within 30 days of any occurrence described in board rule Subsection B of 16.60.5.11 NMAC.

(2) Any licensee of New Mexico using practice privileges in another state shall notify the New Mexico board and the state board of any other state in which said licensee uses practice privileges within 30 days of any occurrence described in board rule Subsection B of 16.60.5.11 NMAC, which includes Subsection A of 16.60.5.14 NMAC.

[16.60.3.14 NMAC - N, 2/14/2002; A, 7/30/2004; A, 7/29/2005; A, 6/30/2008; A, 1/17/2013; A, 12/12/2021]

16.60.3.15 CONTINUING PROFESSIONAL EDUCATION (CPE) REQUIRED TO OBTAIN OR MAINTAIN AN "ACTIVE" CPA LICENSE:

A. The following requirements of continuing professional education apply to certificate/license renewals and reinstatements pursuant to Subsection E of Sections 9 and Subsection A of Section 12 of the act. An applicant for certificate/license renewal shall show completion of no less than 120 clock hours of CPE, complying with these rules during the 36-month period ending on the last day of the certificate/license holder's birth month.

(1) Any applicant seeking a license/certificate or renewal of an existing license shall demonstrate participation in a program of learning meeting the standards set forth in the statement on standards for continuing professional education (CPE) programs jointly approved by NASBA and AICPA or standards deemed comparable by the board. An initial license is the first license issued to an individual. CPE reporting will begin on the first day following the licensee's initial expiration date (birth month) for license renewal. No CPE will be required for the period between issue date and first expiration date (birth month).

(2) Each person holding an active CPA certificate/license issued by the board shall show completion of no less than 120 hours of continuing professional education complying with these rules during the preceding 36-month period ending on the last day of the certificate/license holder's birth month, with a minimum of 20 hours completed in each reporting year. For any CPE reporting period which begins on or after January 1, 2010, continuing professional education must include a minimum of four hours of ethics education during the 36-month period after January 1, 2010. Licensees shall report CPE completion on board prescribed forms including a signed statement indicating they have met the requirements for participation in the CPE program set forth in board rules.

(3) The board may, at its discretion, accept a sworn affidavit as evidence of certificate/license holder compliance with CPE requirements in support of renewal applications in lieu of documented evidence of such. Reciprocity and reinstatement applications shall require documented evidence of compliance with CPE provisions.

(4) Deadline for receipt of license renewal applications and supporting CPE reports or affidavits is no later than the last day of the certificate/license holder's birth month. Renewal applications and supporting CPE affidavits or reports shall be postmarked or hand-delivered no later than the renewal deadline date or the next business day if the deadline date falls on a weekend or holiday.

(5) In the event that renewal applicants have not completed the requisite CPE by the renewal deadline, he may provide, prior to the license expiration date, a written explanation for failure to complete CPE and may submit a written request for an extension for completion of the required CPE [~~prior to license expiration date~~] or may request a hardship exception pursuant to 16.60.3.15 (D) NMAC.

(a) The approval of an extension request is not automatic. The board has the discretion to grant or deny a request.

(b) The request for extension shall include documentation of the extenuating circumstances that prevented him from completing the CPE. A written plan of action to remediate the deficiency must accompany the renewal application and extension request.

(c) If a request for extension is received in the board office after the expiration date of the license, the license shall be renewed, and the file shall be referred to the board for possible disciplinary action.

(d) An extension up to ~~[60]~~ 180 days beyond the expiration date of the license may be granted by board staff; extenuating circumstances beyond the control of the licensee necessitating an extension beyond ~~[60]~~ 180 days requires the approval of the board.

(e) The board may waive a fine for good cause or require community service acceptable to the board.

(f) If all CPE requirements are not met by the expiration date of the license or granted extension date, the license ~~[shall]~~ may be subject to disciplinary action.

(6) Renewal applications and CPE reports received after prescribed deadlines shall include prescribed delinquency fees.

(7) Applications will not be considered complete without satisfactory evidence to the board that the applicant has complied with the CPE requirements of Subsection E of Sections 9 and Subsection A of Section 12 of the act and of these rules.

(8) Reinstatement applicants whose certificates/licenses have lapsed shall provide documented evidence of completion of 40 hours of CPE for each year the certificate/license was expired, not to exceed 200 hours. If the license was expired for longer than 36 months, at least 120 of the hours must have been earned within the preceding 36 months. ~~[For any post-2009 year for which the certificate/license was expired,]~~ The continuing professional education must include a minimum of four hours of ethics education during the 36 months preceding reinstatement.

(a) The length of expiration shall be calculated from the date the license expired to the date the application for reinstatement was received by the board office.

(b) If the license was expired for less than one year, documented evidence of 40 hours of CPE earned within the 12 months immediately preceding the date of application for reinstatement must be provided.

(c) If the license was expired for longer than one year, for the purpose of determining the number of CPE hours required, the length of expiration shall be rounded down to the last full year if the partial year was less than six months and rounded up to the next full year if the partial year was more than six months.

B. Exemption from CPE requirements through change of certificate/license status between inactive/retired and active status.

(1) Licensees granted an exception by the board must place the word "inactive" adjacent to their CPA title on any business card letterhead, or any other document or device, with the exception of their CPA certificate, on which their CPA title appears. Licensees granted the exception who are at least 55 years of age may replace "inactive" with "retired". Any of these terms must not be applied in such a manner that could likely confuse the public as to the current status of the licensee.

(2) Licensees granted the use of "inactive" or "retired" may volunteer their time to nonprofit or governmental organizations, to the extent provided in the statute. Licensees may not be compensated for such volunteer work other than through reimbursement of actual expenses.

(3) Licensees have the responsibility to maintain professional competence relative to the volunteer services they provide even though exempt from specific CPE requirements of 16.60.3.15 NMAC.

C. Persons requesting to change from "inactive" or "retired" to "active" certificate/license status shall:

(1) complete board-prescribed change-of-status forms and remit related fees; and

(2) provide documented evidence of 40 hours of CPE for each year the certificate/license was inactive, not to exceed 200 hours; if the license was inactive for longer than 36 months, at least 120 of the hours must have been earned within the preceding 36 months. ~~[For any post-2009 year for which the certificate/license was inactive,]~~ The continuing professional education must include a minimum of four hours of ethics education during the 36 months preceding application for change of status to "active".

(3) If an individual has not held an active license within five years preceding the date of the application for "change of status", the approval of the board will be required.

D. Hardship exceptions: The board may make exceptions to CPE requirements for reason of individual hardship including health, military service, foreign country residence, or other good cause resulting in the licensee temporarily leaving the workforce. Requests for such exceptions shall be subject to board approval and presented in writing to the board. Requests shall include such supporting information and documentation as the board deems necessary to substantiate and evaluate the basis of the exception request. Hardship exceptions will be approved on a year-by-year basis. If a hardship exception is granted, the licensee is required to notify the board in writing when the circumstance creating the hardship no longer exists and fulfill CPE requirements from that date forward. If the circumstances creating the hardship last longer than one year the licensee is required to request another exception, which will be subject to board approval.

E. Programs qualifying for CPE credit: A program qualifies as acceptable CPE for purposes of Subsection E of Sections 9 and Subsection A of Section 12 of the act and these rules if it is a learning program contributing to growth in professional knowledge and competence of a licensee. The program must meet the minimum standards of quality of development, presentation, measurement, and reporting of credits set forth in the statement on standards for continuing professional education programs jointly approved by NASBA and AICPA, by accounting societies recognized by the board, or such other standards deemed acceptable to the board.

(1) The following standards will be used to measure the hours of credit to be given for acceptable CPE programs completed by individual applicants:

- (a) an hour is considered to be a 50-minute period of instruction;
- (b) a full one day program will be considered to equal eight hours;
- (c) only class hours or the equivalent (and not student hours devoted to preparation) will be counted;
- (d) one-half credit increments are permitted after the first credit has been earned in a given learning activity;
- (e) Nano-learning – The credit to be earned for a single nano-learning program is one fifth-credit. Only a total of eight CPE credit hours can be reported in a three year reporting cycle using nano-learning credits.

(f) For blended learning programs included in rule 16.60.3.15, the CPE credit must equal the sum of the CPE credit determination for the various completed components of the program.

(g) ~~[for reporting periods on or after January 1, 2010,]~~ Acceptable ethics topics may include, but are not limited to, instruction focusing on the AICPA code of professional conduct, the New Mexico occupational and professional licensing code of professional conduct applicable to certified public accountants, Treasury Circular 230, malpractice avoidance, organization ethics, integrity, and the duties of the CPA to the public, clients, and colleagues; ethics hours may be earned as part of any professional development program otherwise qualifying under this rule, provided the ethics content and the time devoted to such content are separately identifiable on the program agenda.

(2) Service as a lecturer, discussion leader, or speaker at continuing education programs or as a university professor/instructor (graduate or undergraduate levels) will be counted to the extent that it contributes to the applicant's professional competence in accountancy.

(3) Credit as a lecturer, discussion leader, speaker, or university professor/instructor may be allowed for any meeting or session provided that the session would meet the continuing education requirements of those attending.

(4) Credit allowed as a lecturer, discussion leader, speaker or university professor/instructor will be on the basis of one hour of preparation and one hour for each hour of presentation. Credit for subject preparation may only be claimed once for the same presentation.

(5) Authors of published articles, books and other publications may receive credit for their research and writing time to the extent it maintains or improves their accountancy professional competence. For the author to receive CPE credit the article, book or CPE program must be formally reviewed by an independent subject matter expert or reviewed and approved by the board. Not more than fifty percent of the total CPE credits required for the CPE reporting period can be claimed for author CPE credit. The board will determine the amount of credit awarded.

(6) Credit allowed under provisions for a lecturer, discussion leader, speaker at continuing education programs, or university professor/instructor or credit for published articles and books may not exceed one half of an individual's CPE requirement for a three year reporting period (shall not exceed 60 hours of CPE credit during a 3-year reporting period).

(7) For a continuing education program to qualify under this rule, the following standards must be met:

- (a) an outline of the program is prepared in advance and preserved;
 - (b) the program is at least one hour in length;
 - (c) a qualified instructor conducts the program; and
 - (d) a record of registration or attendance is maintained.
- (8) The following programs are deemed to qualify, provided the above are met:
 - (a) professional development programs of recognized national and state accounting organizations;
 - (b) technical sessions at meetings of recognized national and state accounting organizations and their chapters; and
 - (c) no more than four hours CPE annually may be earned for board meeting attendance.
- (9) University or college graduate-level courses taken for academic credit are accepted. Excluded are those courses used to qualify for taking the CPA exam. Each semester hour of credit shall equal 15 hours toward the requirement. A quarter hour credit shall equal 10 hours.
- (10) Non-credit short courses - each class hour shall equal one hour toward the requirement and may include the following:
 - (a) formal, organized in-firm educational programs;
 - (b) programs of other accounting, industrial, and professional organizations recognized by the board in subject areas acceptable to the board;
 - (c) formal correspondence or other individual study programs which require registration and provide evidence of satisfactory completion will qualify with the amount of credit to be determined by the board.
- (11) The board may look to recognized state or national accounting organizations for assistance in interpreting the acceptability of the credit to be allowed for individual courses. The board will accept programs meeting the standards set forth in the NASBA CPE registry, AICPA guidelines, NASBA quality assurance service, or such other programs deemed acceptable to the board.
- (12) For each three year reporting period, at least 96 of the hours reported shall be courses, programs or seminars whose content is in technical fields of study. Technical fields of study are technical subjects that contribute to the maintenance and improvement of the competence of a CPA in the profession of accountancy and that directly relate to the CPA's field of business. Definitions of technical fields of study and non-technical fields of study can be found in section 16.60.1.17 NMAC.
- (13) Effective for CPE reporting periods ending on or after July 31, 2007, for each three year reporting period, at least 24 of the hours reported shall not include CPE sponsored by the licensee's firm, agency, company, or organization but may include all methods of CPE delivery, provided that each hour meets the standards specified in paragraphs (1) through (10) of this Subsection.
- (14) For each three year reporting period, credit will be allowed once for any single course, program or seminar unless the individual can demonstrate that the content of such course, program or seminar was subject to substantive technical changes during the reporting period.
- F.** Programs not qualifying for CPE:
 - (1) CPA examination review or "cram" courses;
 - (2) industrial development, community enhancement, political study groups or similar courses, programs or seminars;
 - (3) courses, programs or seminars that are generally for the purpose of learning a foreign language;
 - (4) partner, shareholder or member meetings, business meetings, committee service, and social functions unless they are structured as formal programs of learning adhering to the standards prescribed in this rule.
- G.** Continuing professional education records requirements: When applications to the board require evidence of CPE, the applicants shall maintain such records necessary to demonstrate evidence of compliance with requirements of this rule.
 - (1) Reinstatement and reciprocity applicants shall file with their applications a signed report form and statement of the CPE credit claimed. For each course claimed, the report shall show the sponsoring organization, location of program, title of program or description of content, the dates attended, and the hours claimed.

(2) Responsibility for documenting program acceptability and validity of credits rests with the licensee and CPE sponsor. Such documentation should be retained for a period of five years after program completion and at minimum shall consist of the following:

(a) copy of the outline prepared by the course sponsor along with the information required for a program to qualify as acceptable CPE as specified in this rule; or

(b) for courses taken for scholastic credit in accredited universities and colleges, a transcript reflecting completion of the course. For non-credit courses taken, a statement of the hours of attendance, signed by the instructor, is required.

(3) Institutional documentation of completion is required for formal, individual self-study/correspondence programs.

(4) The board may verify CPE reporting information from applicants at its discretion. Certificate holders/licensees or prospective certificate holders/licensees are required to provide supporting documentation or access to such records and documentation as necessary to substantiate validity of CPE hours claimed. Certificate holders/licensees are required to maintain documentation to support CPE hours claimed for a period of five years after course completion/CPE reporting. Should the board exercise its discretion to accept an affidavit in lieu of a CPE report, the board shall audit certificate/license holder CPE rules compliance of no less than 10 percent of active CPA/RPA licensees annually.

(5) In cases where the board determines requirements have not been met, the board may grant an additional period of time in which CPE compliance deficiencies may be removed. Fraudulent reporting is a basis for disciplinary action.

(6) An individual who has submitted records of completion, or a sworn affidavit on their renewal application as evidence of compliance with CPE requirements and is found, as the result of a random audit, not to be in compliance will be subject to a minimum \$250.00 fine and any other penalties deemed appropriate by the board as permitted by Subsection B of Section 20 of the act.

(7) The sponsor of a continuing education program is required to maintain an outline of the program and attendance/registration records for a period of five years after program completion.

(8) Licensees reporting of CPE must document their participation and retain evidence for a period of five years after course completion. Documentation and/or evidence must include, at minimum:

(a) sponsor name and identification number;

(b) title and description of content;

(c) date(s) of completion;

(d) location;

(e) number of credit hours; and

(f) name of the registered licensee who completed the course.

(9) The board may, at its discretion, examine certificate holder/licensee or CPE sponsor documentation to evaluate program compliance with board rules. Non-compliance with established standards may result in denial of CPE credit for non-compliant programs and may be a basis for disciplinary action by the board for fraudulent documentation and representation by a CPE sponsor or certificate holder/licensee of a knowingly non-compliant CPE program.

[16.60.3.15 NMAC - Rp 16 NMAC 60.6.6, 2/14/2002; A, 9/16/2002; A, 6/15/2004; A, 7/30/2004; A, 12/30/2004; A, 4/29/2005; A, 12/30/2005; A, 5/15/2006; A, 7/29/2007; A, 2/27/2009; A, 9/15/2010; A, 1/17/2013; A, 12/01/2014; A, 9/15/2015; A, 3/3/2017; A, 10/1/2020; A, 12/12/2021]

HISTORY OF 16.60.3 NMAC:

Pre-NMAC History: Material in the part was derived from that previously filed with the commission of public records - state records center and archives:

BPA 84-2, Purpose, filed 7/9/1984;

BPA Policy Statement 86-1, Interpreting Rule 607-I-B(5), filed 2/10/1986.

BPA Policy Statement 86-1, Amendment No. 1, Interpreting Rule 607-I-B(5), filed 3/10/1986

Section 14, Continuing Professional Education, filed 11/13/1992

BPA 95-12, Certification; Renewal, filed 4/21/1995.

BPA 95-13, Certification by Reciprocity, filed 4/21/1995.

BPA 95-14, Permits, Individuals, filed 4/21/1995.

BPA 95-19, Business Names; Prohibitions, filed 4/21/1995.

BPA 95-21, Reinstatement, filed 4/21/1995.

History of Repealed Material:

16 NMAC 60.4, Public Accountants - Certification; Experience Requirements and Procedures, filed 9/27/1995 and
16 NMAC 60.6, Public Accountants - Continuing Professional Education, filed 9/27/1995, repealed effective
2/14/2002.

Other History:

16 NMAC 60.4, Public Accountants - Certification; Experience Requirements and Procedures, filed 9/27/1995 and
16 NMAC 60.6, Public Accountants - Continuing Professional Education, filed 9/27/1995, replaced by 16.60.3
NMAC, Licensure and Continuing Professional Education Requirements effective 2/14/2002.