

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND BOARD OF ACCOUNTANCY
PASTORE COMPLEX
1511 PONTIAC AVENUE
CRANSTON, RHODE ISLAND**

In the Matter of:

Alaa Ismail,

Respondent.

DECISION

I. INTRODUCTION

The above-entitled matter came before the Rhode Island Board of Accountancy (“Board”) pursuant to a letter sent to Alaa Ismail (“Respondent”) dated January 29, 2016 denying his application to become a certified public accountant and his request for hearing. A hearing was scheduled for May 17, 2016. The Respondent lives overseas and is hard of hearing and the Board offered the Respondent accommodation to appear at the hearing. The Respondent declined and chose to rely on his submission to the Board which was entered at hearing as Applicant’s Exhibit One (1).¹ The Board was represented at hearing by counsel who rested on the record.

II. JURISDICTION

The Board has jurisdiction over this matter pursuant R.I. Gen. Laws § 5-3.1-1 *et seq.*

III. ISSUE

Whether the Respondent’s application to become a certified public accountant should be granted pursuant to R.I. Gen. Laws § 5-3.1-1 *et seq.*

¹ Pages 50, 51, 53, 69, and 73 of the Applicant’s Exhibit One (1) were sealed by order of the Board.

IV. MATERIAL FACTS AND ARGUMENTS

The Board's attorney summarized the various reasons for denying the Respondent's application. Based on the Respondent's submissions, the Board argued that the Respondent is a former member of the Institute of Public Accountancy in Australia ("IPA"); however, Rhode Island no longer issues a designation as a public accountant pursuant to R.I. Gen. Laws § 5-3.1-6.² The Board argued that pursuant to R.I. Gen. Laws § 5-3.1-8, the Board may license an overseas applicant if that applicant holds an accountancy certificate that is "substantially equivalent" to a certificate of public accountancy granted by Rhode Island. In terms of substantial equivalent, the Board argued that it relies on mutual recognition agreements and the National Association of State Boards of Accountancy ("NASBA") and the American Institute of Certified Public Accountants ("AICPA") have entered into a mutual recognition agreement with the Institute of Chartered Accountants in Australia ("ICA"), but the Respondent is not a

² R.I. Gen. Laws § 5-3.1-6 provides as follows:

Public accountants. – (a) Persons who on July 1, 1995, hold an authority as a public accountant and a permit issued under the prior laws of this state may continue to engage in the practice of public accounting in this state as public accountants and may subsequently continue to use the designation "PA"; provided, that those persons continue to hold a permit issued under the laws of this state and otherwise remain in compliance with this chapter.

(b) Persons who on July 1, 1995, hold an authority as a public accountant but do not hold a permit issued under the prior laws of this state shall no longer engage in the practice of public accounting as public accountants in this state and shall no longer use the term "public accountant" or the designation "PA"; provided, that the board may reinstate the holder of an authority whose permit has been suspended, revoked, or not renewed prior to July 1, 1995, upon application for reinstatement under § 5-3.1-15. An application for reinstatement under § 5-3.1-15 shall include evidence of the applicant's authority to practice as a public accountant in this state prior to July 1, 1995, and any other evidence that the board requires. Upon reinstatement, the applicant may engage in the practice of public accounting in this state as a public accountant, may hold himself or herself out to the public as a public accountant, and may subsequently use the designation "PA"; provided, that the applicant continues to hold a permit issued under the laws of this state and remains in compliance with this chapter. Notwithstanding these provisions, persons holding an authority on July 1, 1995, who are estopped from obtaining a permit under government employment restrictions, may apply for a permit under § 5-3.1-7 within one year following termination of that employment, and upon obtaining that permit may engage in the practice of public accounting in this state as a public accountant subject to the provisions of this chapter.

(c) After July 1, 1995, no person, except a person qualified under subsection (a) or (b) of this section, is entitled to an authority or to be issued a permit to practice, or to be known as or hold himself or herself out to the public as a public accountant, or is entitled to exercise the rights of a public accountant under this chapter.

chartered accountant. Furthermore, the Board argued that there is no mutual recognition agreement with the IPA. See Board's Exhibit One (1).

In his submission, the Respondent argued that he had been a member of the IPA and could become a member again and argued that there is no difference between a chartered accountant, public accountant, or CPA. See Applicant's Exhibit One (1).

V. DISCUSSION

A. **Relevant Statute**

R.I. Gen. Laws § 5-3.1-8 provides in part as follows:

Permits for accountants licensed by foreign countries. – (a) An annual limited permit to engage in the practice of public accounting in this state may be issued by the board, upon application for the permit and payment of the required fee, to any person who is the holder of a certificate, license, or degree from a foreign country constituting a recognized qualification for the practice of public accounting in that country, provided that: (1) the board determines that the requirements for obtaining the certificate, license, or degree are substantially equivalent to those prescribed under this chapter for obtaining a certificate in this state; (2) the certificate, license or degree at the time of application is then in full force and effect; and (3) the applicant meets all other requirements under this section.

B. **Whether the Application Should be Granted**

R.I. Gen. Laws § 5-3.1-8 requires that an overseas applicant hold an accountancy certificate that is substantially equivalent to a Rhode Island certificate of public accountancy at the time of his or her application to Rhode Island to become a certified public accountant. The Respondent does not hold a substantially equivalent certificate to a Rhode Island certified public accountant. The mutual recognition agreement recognizes the ICA in Australia as substantially equivalent, but the Respondent is not and never has been a chartered accountant or member of the ICA. He was formerly a member of the IPA, but that is not recognized as substantially equivalent to a Rhode Island certificate. Furthermore, Rhode Island no longer grants a public accountant designation pursuant to R.I. Gen. Laws § 5-3.1-6.

VI. FINDINGS OF FACT

1. This matter came before the Board pursuant to a letter sent to Respondent dated January 29, 2016 denying the Respondent's application for a certificate of public accountancy and his request for hearing.

2. A hearing in this matter was held on May 17, 2016. The Respondent chose not to attend or to be accommodated and relied on Applicant's Exhibit One (1).

3. The mutual recognition agreements with NASBA and AICPA are the bases for a finding of what is substantially equivalent to a Rhode Island certificate of public accountancy pursuant to R.I. Gen. Laws § 5-3.1-8.

4. There is a mutual recognition agreement by NASBA and AICPA with the ICA in Australia.

5. The Respondent is and has never been a chartered accountant in Australia. The Respondent has never been a member of the ICA.

6. There is no mutual recognition agreement with IPA.

7. The Respondent was a member of IPA, but no longer is.

8. However, even if the Respondent was a member of IPA, such a membership would not qualify as substantially equivalent to a certificate of public accountancy in Rhode Island.

9. Furthermore, Rhode Island no longer grants a designation of public accountancy pursuant to R.I. Gen. Laws § 5-3.1-6.

10. The facts as detailed above are incorporated herein by reference.

VII. CONCLUSIONS OF LAW

Based on the testimony and facts presented:

1. The Board has jurisdiction over this matter pursuant to R.I. Gen. § 5-3.1-1 *et seq.*,

Upon consideration of the many reasons for denial, the Board found as follows:

Based on the forgoing, the Board found that the Respondent did not meet the requirements of R.I. Gen. Laws § 5-3.1-8 as he does not hold an overseas certificate that is substantially equivalent to a certificate of public accountancy in Rhode Island and even if he rejoined the IPA, he would not qualify under said statute.

THEREFORE, based on the forgoing, the Board voted to deny the Respondent's application pursuant to R.I. Gen. Laws § 5-3.1-8.

By Order of the Board,

Mary Bernard, CPA, CHAIR

Rhode Island Board of Accountancy

Mary Bernard, CPA, Chair

David A. Platt, CPA

Kevin M. Fountain, CPA

Alisa Loiselle, Public Member

Entered this 26th day of May, 2016.

THIS DECISION CONSTITUTES A FINAL DECISION OF THE RHODE ISLAND BOARD OF ACCOUNTANCY PURSUANT TO RHODE ISLAND GENERAL LAWS TITLE 42, CHAPTER 35 AND TITLE 5, CHAPTER 3.1. AS SUCH, THIS DECISION MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MAY BE COMPLETED BY FILING A PETITION FOR REVIEW IN SAID COURT.

CERTIFICATION

I hereby certify on this 31st day of ~~June~~ ^{May}, 2016 that a copy of the within Decision was sent by electronic delivery and overseas airmail to Mr. Alaa Ismail, 44C Chalk Hill Road, London, UK HA9 9FN and by electronic delivery to Jenna Algee, Esquire, Department of Business Regulation, Pastore Complex, 1511 Pontiac Avenue, Cranston, RI.

