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**INDEPENDENT REGULATORY REVIEW COMMISSION**  
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

December 14, 2000

Thomas J. Baumgartner, Chairman  
State Board of Accountancy  
116 Pine Street  
Harrisburg, PA 17105

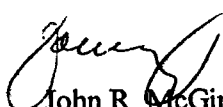
Re: Regulation #16A-557 (IRRC #2101)  
State Board of Accountancy  
Commissions and Referral Fees

Dear Chairman Baumgartner:

The Independent Regulatory Review Commission approved your regulation on December 14, 2000. Our Order is enclosed and is available on our website at [www.irrc.state.pa.us](http://www.irrc.state.pa.us).

We appreciate the joint effort that went into producing a regulation that met the criteria and intent of the Regulatory Review Act.

Sincerely,

  
John R. McGinley, Jr.  
Chairman

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Enclosure

cc: Honorable Mario J. Civera, Jr., Majority Chairman, House Professional Licensure Committee  
Honorable William W. Rieger, Democratic Chair, House Professional Licensure Committee  
Honorable Clarence D. Bell, Chairman, Senate Consumer Protection & Professional Licensure Committee  
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection & Professional Licensure Committee  
Honorable Kim Pizzingrilli, Secretary of the Commonwealth  
Albert H. Masland, Acting Commissioner, Bureau of Professional and Occupational Affairs, Department of State  
Steven Wennberg, Counsel, State Board of Accountancy  
Joyce McKeever, Deputy Chief Counsel, Department of State

**INDEPENDENT REGULATORY REVIEW COMMISSION  
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held December 14, 2000

John R. McGinley, Jr., Chairman  
Alvin C. Bush, Vice Chairman, by phone  
Arthur Coccodrilli  
Robert J. Harbison, III  
John F. Mizner

Regulation No. 16A-557  
State Board of Accountancy  
Commissions and Referral Fees

On February 23, 2000, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the State Board of Accountancy (Board). This rulemaking amends 49 Pa. Code § 11.24. The proposed regulation was published in the March 4, 2000 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on October 30, 2000.

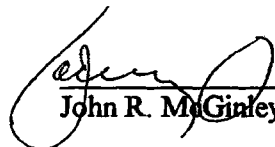
The regulation establishes the standards and procedures for licensees who receive commissions or accept or pay a referral fee. The requirements include notification to the Board, cooperation with peer reviewers, disclosure to clients, record retention and maintaining in good standing any license or certification with a related governmental or private standard-setting body. The Board estimates that this regulation will have a minimal fiscal impact on the Commonwealth and no impact on local governments. The regulation will impact 19,883 licensed certified public accountants, 432 licensed public accountants and 1,043 licensed public accounting firms.

We have determined this regulation is consistent with the statutory authority of the Board (63 P.S. §§ 9.3(a)(11) and (12) and 9.12(p)) and the intention of the General Assembly. Having considered all of the other criteria of the Regulatory Review Act, we find promulgation of this regulation is in the public interest.

**BY ORDER OF THE COMMISSION:**

This regulation is approved.



  
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John R. McGinley, Jr., Chairman