

public accountant for professional services to the successor firm or to the client in connection with the engagement is not prohibited.

**History:** Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, December, 1974, No. 228, eff. 1-1-75; renum. from Accey 1.503 and am. (2), Register, July, 1980, No. 295, eff. 8-1-80.

**Accey 1.404 Incompatible occupations.** (1) A person who is engaged in practice as a certified public accountant, or public accountant, as defined in the statutes, shall not concurrently engage in any business or occupation which would create a conflict of interest rendering professional services.

(2) Interpretations of sub. (1) not intended to be all-inclusive, are as follows:

(a) Engaging concurrently with the practice of public accounting in any business or occupation inconsistent with the certified public accountant's or public accountant's responsibilities under the Wisconsin rules of conduct would constitute involvement in an incompatible occupation prohibited by sub. (1).

(b) The above proscription would apply to any business or occupation which:

1. Detracts from the public image of the profession, as for example, on moral or legal grounds, or involves conduct which would constitute an act discreditable to the profession, or,

2. Impairs the certified public accountant's or public accountant's objectivity in rendering professional services to clients, or,

3. Inherently involves responsibilities which are likely to conflict with the certified public accountant's or public accountant's responsibility to others arising out of the client-certified public accountant or public accountant relationship.

(c) A conflict of interest exists when a certified public accountant or public accountant or firm of such persons who are licensed to practice in Wisconsin becomes associated with or employed by a nonlicensed individual or firm offering accounting, tax, or consulting services, such as those customarily provided by certified public accountants or public accountants, in a manner and with representation or implication that third parties could interpret or conclude that certified public accountant or public accountant services are performed or offered by both the nonlicensed individual or firms and the certified public accountant or public accountant. A conflict of interest also exists if the services of the licensed certified public accountant or public accountant or firm of such persons can be influenced or decisions altered by the noncertified associate or employer.

(d) A conflict of interest exists when a certified public accountant or public accountant who is not licensed permits his or her status as a certified public accountant or public accountant to be used or publicized in a manner or situation that third parties could assume or conclude that certified public accountant services are being performed or offered by or through nonlicensed individuals or firms.

**History:** Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, February, 1976, No. 242, eff. 4-1-76; r. and recr. Register, July, 1978, No. 271, eff. 9-1-78; cr. (2), Register, July, 1979, No. 283, eff. 9-1-79; renum. from Accey 1.504, Register, July, 1980, No. 295, eff. 8-1-

## Accy 1

80; am. (2) (intro.) and (a), Register, April, 1981, No. 304, eff. 5-1-81; cr. (2) (c) and (d), Register, June, 1982, No. 318, eff. 7-1-82.

**Accy 1.405 Form of practice and name.** 1. No person or firm licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, may practice, whether as an owner or employe, in a form other than a proprietorship, a partnership, or a service corporation, whose characteristics conform to those defined in Wisconsin Statutes.

(a) No person licensed to practice as a certified public accountant or public accountant, as defined in the statutes, shall practice under a firm name which includes a fictitious name, indicates specialization or is misleading as to the type of organization (proprietorship, partnership or corporation). However, names of one or more past partners or shareholders may be included in the firm name of a successor partnership or corporation, provided that such persons were licensed or eligible to be licensed in accordance with requirements for all partners or shareholders of the successor partnership or corporation. Also a partner surviving the death or withdrawal of all other partners may continue to practice under the partnership name for up to 2 years after becoming a sole practitioner.

(b) All changes in status of ownership or in firm names shall be reported in writing to the board within 60 days after the event.

(c) A firm may not designate itself as "Certified Public Accountants" unless all of its partners or shareholders are certified public accountants.

(2) No person or firm who is engaged in practice as a certified public accountant or public accountant, as defined in the statutes, shall practice using a name or designation that is misleading as to the number of responsible individuals with an equity in the firm. A sole proprietor therefore cannot use a name implying multiple ownership such as "& Co." or "& Company" or "& Associates," and a partnership cannot use the name of an individual so that multiple ownership is not disclosed. A firm with multiple ownership may not imply in the firm's name that there are owners of the firm in addition to those specifically mentioned in the firm's name when no additional owners exist.

(3) Interpretations of Accy 1.405, not intended to be all-inclusive, are as follows:

(a) Investment in commercial accounting corporation. A certified public accountant or public accountant in the practice of public accounting may have a financial interest in a commercial corporation which performs for the public services of a type performed by certified public accountants or public accountants and whose characteristics do not conform to resolutions of council of the American institute of certified public accountants, provided such interest is not material to the corporations' net worth, and the certified public accountant's or public accountant's interest in and relation to the corporation is solely that of an investor.

**History:** Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, December, 1974, No. 228, eff. 1-1-75; r. and recr. (1) (a), renum. (2) to be (3) and cr. (2), Register, February, 1976, No. 242, eff. 4-1-76; renum. from Accy 1.505 and am. (3) (intro.), Register, July, 1980, No. 295, eff. 8-1-80; am. (2) (intro.) and (a), Register, April, 1981, No. 304, eff. 5-1-81; am. (3) (a), Register, June, 1982, No. 318, eff. 7-1-82.

**Accey 1.406 Practice while suspended.** No person who is licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, who has been suspended, shall practice as a certified public accountant or public accountant during the period of such suspension.

**History:** Cr. Register, June, 1974, No. 222, eff. 7-1-74; renum. from Accey 1.506, Register, July, 1980, No. 295, eff. 8-1-80.

**Accey 1.407 Communications.** A certified public accountant shall, when requested, respond to communications from the board within 30 days of the mailing of such communications by registered or certified mail.

**History:** Cr. Register, July, 1978, No. 271, eff. 9-1-78; renum. from Accey 1.507, Register, July, 1980, No. 295, eff. 8-1-80.