

**A. Introductory And General Provisions**

- 1.1 The bylaws of the Institute existing immediately before these bylaws take effect are repealed, provided that repeal of such bylaws shall not affect their previous operation nor that of any rules or regulations made pursuant thereto or any right, privilege, liability or obligation acquired, accrued, accruing or incurred under the repealed bylaws or under any rules or regulations made pursuant thereto; and any investigation, proceeding or remedy relating to disciplinary matters arising previous to the coming into force of these bylaws may be instituted, continued or enforced and any penalty or punishment may be imposed as if the repealed bylaws, rules and regulations had not been so repealed.
- 1.2 The repeal of any of the provisions of these bylaws or of the rules of professional conduct or of any regulations shall not, unless otherwise expressly provided, affect their previous operations nor any right, privilege, liability or obligation acquired, accrued, accruing or incurred under any such repealed provisions; and any investigation, proceeding or remedy relating to disciplinary matters arising previous to the repeal of any such provisions may be instituted, continued or enforced and any penalty or punishment may be imposed as if the said provisions had not been so repealed.
- 2.1 In these bylaws, unless the context otherwise requires:
- (a) "Act" means The Chartered Accountants Act, 1986 (Saskatchewan) as amended and in force;
  - (b) "advertise" means the making by or on behalf of a member or firm of any oral or written representation to the public by any means whatsoever concerning services offered by the member or firm or in a related business or practice or in the process of recruiting professional staff and, notwithstanding the generality of the foregoing, includes the making of any such representation on their stationery, or in any announcement, business card, brochure, leaflet, pamphlet, sign, notice, or other document or printed or written matter, as well as in any newspaper, magazine, journal or other periodical, or by means of any broadcast by radio, television or other means, and "advertisement" and "advertising" shall have corresponding meanings;
  - (c) "applicant" means anyone applying to the Institute or Council under the bylaws;
  - (d) "approved training office" means an organization or public practice office, in Saskatchewan, has been approved by the Council to train one or more Institute students;  

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  - (e) "Bylaws Committee" means the Bylaws Committee appointed under bylaw 150.1;
  - (f) "Discipline Committee" means the Discipline Committee appointed under bylaw 150.1 pursuant to Subsection 21(1) of the Act;
  - (f.1) "CASB education program" means the education program for CA students developed and administered by CASB, and approved by Council.  

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- (g) “cross-referenced” means, in relation to a practice of public accounting and one or more other businesses or practices,
  - (i) reference in the advertising, promotional or other material of any of them to any of the others, or
  - (ii) use by any of them of any name, word, design or other feature or characteristic of presentation or communication, which, in the view of a reasonable observer, would imply that the practice of public accounting, or any of its proprietors,
  - (iii) has proprietary interest or management influence in any of the other businesses or practices, or
  - (iv) has any other on-going economic association or relationship with any of the other businesses or practices;
- (h) “Fees Review Committee” means the Fees Review Committee appointed under bylaw 150.1;
- (i) “firm” means a sole practitioner, partnership, professional corporation or association of members who carries or carry on the practice of public accounting, or carries or carry on related activities as defined by the Council;
- (j) “fiscal year” means the fiscal year of the Institute ending on the last day of March in each year;
- (k) “financial investigation” means the application of financial skills and an investigative approach to unresolved issues, conducted within the context of the relevant rules of evidence;
- (l) “financial litigation” support means assistance in the financial area provided to lawyers, non-lawyers, the courts and adjudicative bodies in the litigation process.
- (m) “forensic accounting” means accounting services used in, or having application to, courts of law and adjudicative bodies;
- (m.1) “late fee” means a fee assessed under these bylaws in respect of any application, registration, report, notification, or payment due from a member, student, professional corporation or firm which is received after the due date stated in these bylaws or as prescribed by Council;

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- (n) “management consulting” includes investigating and identifying management and business problems related to the policy, organizational, operation, financial, administrative or technical aspects of organizations and recommending appropriate solutions;
- (o) “multi-disciplinary firm” means a business organization, whatever legal form or forms it may take, which includes a firm, together with a related business or practice which provides any service other than those services included in the practice of public accounting;

Clause (p) left vacant

- (q) "organization" includes a corporation, company, society, association, firm, department or division of a government, Crown corporation, agency, board or commission established by or pursuant to statute, or similar body;
- (r) "Practice Appraisal Committee" means the Practice Appraisal Committee appointed under bylaw 150.1;
- (s) "practice of public accounting" means providing or offering to provide one or more of the following services to the public:
- (i) performing an assurance engagement as defined in the *CICA Handbook*;
  - (ii) performing a specified auditing procedures engagement as defined in the *CICA Handbook*;
  - (iii) performing a compilation engagement as defined in the *CICA Handbook*;
  - (iv) providing an accounting service insofar as it involves summarization, analysis, advice, counsel or interpretation, but excluding an accounting service which is part of but incidental to the provider's primary occupation which is not accounting;
  - (v) providing a forensic accounting, financial investigation or financial litigation support service;
  - (vi) providing advice, counsel or interpretation with respect to taxation matters; and
  - (vii) preparing a tax return or other statutory information filing when such preparation is in connection with a practice offering or providing a service described in paragraph (i), (ii), (iii), (iv), (v) or (vi).
- For greater certainty, the practice of public accounting does not include:
- (viii) management consulting, including investigating and identifying management and business problems related to the policy, technical, organizational, operational, financial, systems, procedures or administrative aspects of organizations and recommending appropriate solutions;
  - (ix) insolvency, including receivership, trusteeship in bankruptcy, liquidation and administration of bankrupt or insolvent companies and estates;
  - (x) data processing, including manual record keeping;
  - (xi) administratorship, insofar as it involves the management of affairs on behalf of others;
  - (xii) computer systems consulting;
  - (xiii) business brokerage, negotiating and advising on the sale, financing, merger or acquisition of business organizations;
  - (xiv) executorship and estate administration;
  - (xv) personal financial planning;
  - (xvi) investment counselling;
  - (xvii) insurance counselling; and
  - (xviii) valuation.
- (t) "practice office" means an office of a firm engaged in the practice of public accounting, and includes the office of the Provincial Auditor for the Province of Saskatchewan.;
- [April 2009]**
- (t.) "prescribed experience" means experience of the nature and for a term in months prescribed by Council.
- [September 2011]**

- (u) “public practice restriction”, or “restricted public practice” means the right to practice public accounting of one or more practice offices of a firm has been restricted as a result of the application of the bylaws and includes the removal of a practice office’s registration from the Institute’s practice office register. “Practice is restricted’ shall be interpreted in this context.  
[April 2009]
- (v) "public accountant" means a member conducting the practice of public accounting for a fee;
- (w) "profession" means the profession of chartered accountants in Saskatchewan and "professional" refers to that profession;
- (w.1) “professional activity” means any activity, other than professional practice, in which it is reasonable to believe that a person relies on the member’s skills or qualification as a Chartered Accountant;  
[April 2009]
- (x) "professional colleague" means a member of the Institute or a member of a provincial Institute;
- (y) "Professional Conduct Committee" means the Professional Conduct Committee appointed under bylaw 150.1 pursuant to Subsection 19(1) of the Act;
- (y.1) “professional corporation” means a corporation that has been incorporated and is in good standing pursuant to The Business Corporations Act (Saskatchewan) and The Professional Corporations Act (Saskatchewan) and in which a member is a voting shareholder;  
[September 2011]
- (y.2) “professional practice” means the practice of any aspect of the profession of chartered accountants including any business or practice for which it is reasonable to believe that a person relies on a member’s skills and qualifications as a Chartered Accountant;  
[September 2011]
- (z) "provincial institute" means an institute or order of chartered accountants incorporated in any province or territory of Canada other than Saskatchewan and The Institute of Chartered Accountants of Bermuda;
- (aa) “related business or practice” means a business or practice which is related to a practice of public accounting by reason of being cross-referenced:
- (i) with a practice of public accounting, or
  - (ii) with any other business or practice which is cross-referenced with a practice of public accounting;
- (aa.1) “regulatory suspension” means that a member’s name has been removed from the Institute’s member register, but does not include a suspension imposed under subsection 23(1) of the Act;  
[April 2009]

- (bb) "seal" means the seal of the Institute as prescribed by of the Council from time to time;  
[September 2011]
- (cc) "student" means a person who is registered or intends to register with CASB and is deemed to be a student of the Institute pursuant to Bylaw 75.2;  
[September 2011]
- (dd) "training position" means a position within a public practice office or an organization where the position has been approved by Council and meets the standards and criteria for practical experience as approved by Council;  
[September 2011]
- (ee) "training principal" means the member within an approved training office who is responsible for the training of one or more students of the Institute and who is approved pursuant to bylaw 155.1.  
[September 2011]
- (ff) "uniform evaluation" means the examinations which qualify students for admission as members;  
[September 2011]
- (gg) words denoting the singular number include the plural number and the converse.
- 2.2 (a) In these bylaws, words have the same meaning as in the Act.
- (b) Any other word or phrase in the bylaws not defined by the Act or the bylaws shall have a meaning in accordance with its common usage unless Council by resolution gives that word or phrase a particular scope or meaning.
- 3.1 In addition to all its other powers Council may by resolution interpret the intent or meaning of any bylaws, any resolution or report in connection with the Institute and may determine any dispute with regard to such intent or meaning.
- 3.2 Any such interpretation shall be final, binding and conclusive with regard to any such dispute.
- 4.1 Council may make rules and regulations with regard to any matter provided however that such rules and regulations shall not be contrary to the provisions of the Act or of the bylaws.
- 5.1 For purpose of the application of any provision of the Act and the bylaws, "written" shall include information stored or transmitted electronically.  
[April 2009]

Bylaws 6-10 left vacant

**B. ORGANIZATION**

**B.1 Member Meeting**

- 10.1 Subject to the bylaws, the procedure at all meetings in connection with the affairs of the Institute shall be governed by the rules of the chair.
- 10.2 Unless otherwise specifically provided in the Act or bylaws, any document, including any notice, letter or form, required to be given or sent to a member, student or firm by the Institute pursuant to the Act or bylaws may be delivered:
- (a) Personally to the member, student or firm; or
  - (b) By mail, addressed to the member, student or firm at their last designated mailing address, or if no address has been designated, at the last address appearing in the records of the Institute, if any; or
  - (c) If a facsimile number has been designated by the member, student or firm, by facsimile transmission addressed to their at that designated facsimile number; or
  - (d) If an electronic address has been designated by the member, student or firm, by electronic transmission addressed to their at that designated address; or
  - (e) If a street address has been designated by the member, student or firm, by courier addressed to their designated street address.
- 10.3 A document shall be deemed to be received by the member, student or firm:
- (a) On the day it is personally delivered; or
  - (b) On the tenth (10<sup>th</sup>) calendar day after the day it is mailed; or
  - (c) On the business day next following the day of the facsimile transmission; or
  - (d) On the business day next following the day of electronic transmission; or
  - (e) On the business day next following the day of delivery by courier.
- 10.4 The certificate of the secretary-treasurer or other officer appointed by Council shall be conclusive evidence of the delivery of any such notice.
- 10.5 The non-receipt of any notice under these bylaws shall not invalidate such notice or any meeting, or any resolution, proceeding or action at any meeting.
- 10.6 Council may determine in its sole discretion what the reasonable notice required under the bylaws should be in the circumstances and may declare that any notice already given has been reasonable.
- 10.7 Unless otherwise specifically provided in the Act or bylaws, any documents, including any notice, letter or form, required to be given or sent to the Institute by a member, student or firm pursuant to the Act or bylaws may be delivered personally, or by mail, facsimile, electronic transmission, courier or any electronic medium by which the Institute is able to

receive data, provided that anything required to be in a form prescribed by the Institute is in such form, that anything required to be signed is signed, and that anything required to be received at the Institute within a prescribed time or by a prescribed date is received within such time or by such date.

- 11.1 The annual meeting of the Institute for the election of Council, the appointment of an auditor and for the transaction of such other business as may properly be brought before the meeting, shall be held within four months after the end of each fiscal year at such time and place as Council may determine.
- 11.2 Notice of the annual meeting setting forth the procedure for nomination and election to Council shall be mailed to each member at least fourteen (14) days prior to the date of the meeting and at the same time or at a reasonable time before the annual meeting a copy of the report of the president-chair and Council, including the annual financial statement and the report of the auditor thereon, and a prescribed form of proxy shall be sent to each member.
- 11.3 Special meetings of the Institute shall be held:
- (a) on resolution of the Council; or
  - (b) on the demand, in writing, of at least twenty-five (25) members;
- for the transaction of the business that is specified in the resolution or demand.
- 11.4 The secretary-treasurer shall give notice of all special meetings of the Institute to each member by mail sent at least ten (10) days before the meeting.
- 12.1 Subject to the Act and bylaws any meeting of the Institute may be held at such times and places and in such manner as Council shall determine, including in person or by means of telephone, electronic and or other communication facilities that will permit all persons participating in the meeting to communicate with each other.
- 13.1 Any meeting of the Institute may be adjourned by a resolution passed by a majority of the members participating but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 14.1 At any meeting of the Institute twenty-five (25) members participating shall constitute a quorum.
- 14.2 Every member participating shall have a vote except the chair who shall have only a casting vote.
- 14.3 Unless ten (10) or more members participating in a meeting require a vote by ballot those attending a meeting in person shall vote by show of hands, while those participating by telephone, electronic or other communication facilities as provided for in bylaw 12.1 shall vote by way of the method authorized by Council including by telephone, electronic or other communication facilities. If a vote by ballot is required the chair shall appoint scrutineers to take the vote of those present and of those participating electronically.

- 15.1 Notwithstanding the provisions of bylaw 14.1 to 14.3, any amendment to bylaws 60 or 61 shall be voted upon by ballot at a meeting of the Institute and shall require approval by at least two-thirds of the votes cast.
- 16.1 A member planning to propose a bylaw(s) or changes to the bylaws at a meeting of members, pursuant to Section 12(3) of the Act, shall in writing notify the secretary-treasurer of the proposed bylaw(s) or changes to bylaws by April 1 before the meeting.
- 16.2 The secretary-treasurer shall at least fourteen (14) days before the meeting send to each member:
- (a) a copy of the bylaw(s) proposed in bylaw 16.1 herein; if any, and
  - (b) a copy of the bylaw(s) made by Council since the last meeting.
- 17.1 A member may appoint another member to serve as proxy.
- 17.2 Council shall prescribe the form of the proxy.
- 17.3 An appointment of proxy shall be in the prescribed form and shall be executed by the member in such form or manner as Council shall prescribe. The appointment of proxy must be delivered to the office of the Institute before 4:30 pm in the afternoon of the fifth (5<sup>th</sup>) day preceding the day of the meeting or delivered to the secretary-treasurer of the meeting before the meeting proceeds to business.
- 17.4 An appointment of proxy may only be revoked by notice in writing signed by the member and delivered to the office of the Institute before 4:30 pm in the afternoon of the fifth (5<sup>th</sup>) day preceding the day of the meeting or delivered to the secretary-treasurer of the meeting before the meeting proceeds to business.
- 18.1 Whenever the secretary-treasurer is to:
- (a) Notify members concerning nominations for election to Council; or
  - (b) provide a ballot or voting document for voting on members of Council, regulations, bylaws, rules of professional conduct, or any matter specified by Council;
- such notice, ballot or voting document may be delivered in any manner provided for in bylaw 10.2 and shall be deemed to be received by the member as provided for in bylaw 10.3.
- 18.2 Whenever a member is to send or provide a ballot, proxy or voting document to the secretary-treasurer or the Institute, such ballot, proxy or voting document may be delivered in any manner provided for in bylaw 10.7.

Bylaws 19-24 left vacant

## **B. 2 Council**

- 25.1 Council shall consist of not less than eleven (11) or more than twelve (12) members residing in Saskatchewan and the individual appointed pursuant to Subsection 8(1) of the Act. Each elected member of Council shall hold office for a term of two (2) years with six

- (6) members retiring annually; provided that if any member has their term extended pursuant to bylaw 25.2 herein, the number of members retiring in that year and in the next following year shall vary accordingly.
- 25.2 Subject to bylaw 25.8, a member who is elected first vice-president and a member who is elected second vice-president of the Institute shall automatically remain on Council for a term of two (2) years, irrespective of the balance of their elected terms on Council.
- 25.3 A member, who has served two (2) consecutive terms of two (2) years on the Council, and who has not been elected president-chair or a vice-president shall not be eligible as a candidate for re-election until a period of one (1) year has elapsed since the member became ineligible.
- 25.4 The members of Council shall continue to act until their successors are elected or appointed.
- 25.5 Council may declare by resolution that vacancies in the Council have occurred.
- 25.6 Members of Council shall be paid their reasonable out of pocket expenses of attending meetings of the Council and committees of the Institute and of conducting the affairs of the Institute, and Council may authorize the payment of such expenses to any other members so engaged.
- 25.7 The outgoing president-chair of the Council, or their designate, shall be paid an honourarium immediately following completion of their term.
- 25.8 Where a member is appointed to complete the balance of a term thereby filling the vacancy in Council, for purposes of bylaw 25.3 herein the time so served shall not be considered a term.
- 25.9 If a member's term is extended pursuant to bylaw 25.2 and the member does not hold office as president-chair or first vice-president, the member's extended term shall terminate immediately and the member shall cease to hold office on Council.
- 26.1 The secretary-treasurer of the Institute shall, at least sixty (60) days prior to the annual meeting notify all members, except honorary members, that nominations for Council will be received up to twenty-eight (28) days before the annual meeting.
- 26.2 Nominations for candidates for election to Council shall be in writing, signed by two (2) members of the Institute and accepted by the nominee in writing, and delivered to the secretary-treasurer at least twenty-eight (28) days before the date of the annual meeting.
- 26.3 If the number of eligible candidates nominated exceeds the number of members to be elected to Council, the secretary-treasurer shall prepare ballots containing in random order the names of the candidates nominated and send one such ballot to each member of the Institute in good standing, at least twenty-one (21) days before the annual meeting.
- 26.4 If less than the requisite number of candidates are duly nominated, Council shall make the nominations necessary to result in a Council of at least eleven (11) members. If no ballot is required the secretary-treasurer shall report the names of the candidates nominated to the chair of the annual meeting and the chair shall at that meeting declare the candidates so

- nominated to be duly elected.
- 26.5 The ballots shall be lodged with the secretary-treasurer before 5:00 pm in the afternoon of the day preceding the annual meeting. Each ballot shall be marked for not more than the required number of candidates and if so marked shall not be considered in counting the ballots.
- 26.6 The secretary-treasurer shall deliver the ballots lodged to two (2) or more scrutineers appointed by the president-chair from members who are not candidates.
- 26.7 The scrutineers shall count the ballots cast and prepare, sign and deliver to the chair of the annual general meeting a certificate of the names of the requisite number receiving the highest number of votes.
- 26.8 Any tie shall be broken by lot drawn privately by the scrutineers.
- 26.9 The chair shall declare to the annual general meeting that the candidates named in the scrutineers' certificate have been elected to Council for the ensuing two (2) years, but notwithstanding the officers of the Institute shall continue to act until their successors are elected or appointed.
- 26.10 The ballots shall be destroyed by the scrutineers following the annual general meeting.
- 27.1 Immediately after the annual meeting of the Institute, Council shall meet and elect from its members a president-chair and one (1) or more vice-presidents.
- 28.1 Other meetings of Council shall be held at least four (4) times in each year following the annual meeting at such times and places and in such manner as the president-chair shall determine, including in person or by means of telephone, electronic and or other communication facilities that will permit all persons participating in the meeting to communicate with each other and reasonable notice shall be given to all members of Council of such meetings.
- 28.2 At any meeting of Council seven (7) members of Council participating shall constitute a quorum.
- 28.3 Every member of Council participating at a meeting of Council shall have one vote except the chair who shall have only a casting vote.
- 29.1 The president-chair shall be entitled to preside at all meetings of the Institute and of Council.
- 29.2 In the absence of the president-chair, or at their request, a vice-president shall act as president-chair.
- 29.3 At any meeting of the Institute or of Council where the president-chair or a vice-president is not participating, those participating in the meeting, provided they constitute a quorum under these bylaws, may by resolution appoint any other member of the Council to act as chair of the meeting.

Bylaws 30-34 left vacant

**B. 3 Officers**

- 35.1 Council shall appoint an individual who need not be a member to the position of the Chief Executive Officer on such terms and conditions as Council may determine.
- 35.2 The Chief Executive Officer shall:
- (a) be responsible for the keeping of the records and papers of the Institute;
  - (b) be responsible for the performance of all secretarial duties in the Institute;
  - (c) be responsible for the custody, receipt and disbursement of the funds of the Institute, the keeping of accounts and the preparation of financial statements;
  - (d) be responsible for the duties assigned to the secretary-treasurer under the Act;
  - (e) be responsible for maintaining the registers of firms or members engaged in public practice, of members and of students; and
  - (f) perform such other duties as Council may direct.
- 35.3 The Chief Executive Officer shall not be eligible to be elected or to be appointed to Council so long as they hold the office.
- 36.1 All cheques, other than those drawn on any imprest account authorized by resolution of Council, shall be signed by two of the following: the president-chair, any vice-president, the Chief Executive Officer and such other persons as are appointed for this purpose by Council.
- 37.1 All deeds, contracts, documents or legal papers to be signed by the Institute shall be executed under the seal, attested by the signature of the president-chair or a vice-president together with the signature of the Chief Executive Officer or in such other manner as Council may determine by resolution.

Bylaw 38-44 left vacant

**B.4 Associations**

- 45.1 Council may appoint or authorize local committees or associations of members in any municipality or area.
- 45.2 Such local committees or associations shall not be authorized to speak or act on behalf of the Institute without the express authority of Council given by resolution.
- 45.3 Local committees or associations of members formed under bylaw 45.1 may be dissolved at any time by resolution of Council.
- 46.1 With the approval of Council, students may form an association for the better advancement of their studies and professional knowledge and for the purpose of making recommendations affecting their joint interests for the consideration of Council, but all rules or regulations for the self-government of such an association shall only have force or effect when the same shall have been approved by Council.

- 46.2 Any association of students under bylaw 46.1 may be dissolved at any time by resolution of Council.

Bylaw 47-49 left vacant

**B. 5 Banking and Investments**

- 50.1 The monies of the Institute shall be kept in such chartered banks, credit unions, trust companies or investment dealers as Council may determine by resolution.
- 50.2 Council may invest any monies of the Institute in any investments authorized for trustees under The Trustee Act (Saskatchewan).

Bylaws 51-54 left vacant

**B.6 Auditors**

- 55.1 At the annual general meeting of the Institute, a member or firm engaged in the practice of public accounting shall be appointed auditor to hold the office until the close of the next annual general meeting, at a remuneration to be fixed by Council.
- 55.2 Should the auditor appointed pursuant to bylaw 55.1 resign, Council shall appoint the successor auditor to hold the office until the next annual general meeting.

Bylaws 56-60 left vacant

## **C. Members and Membership**

### **C.1 Membership**

- 60.1 Subject to the Act and the bylaws, the membership of the Institute consists of those persons who are members of the Institute in good standing at the date of the first enactment of these bylaws and such other persons as are thereafter admitted in accordance with the Act and the bylaws, and who in every case continue in good standing. **[April 2009]**
- 60.2 The register of members that is maintained in accordance with section 16 of the Act shall contain the following information for each member:
- a) full legal name;
  - b) date admitted to membership;
  - c) other Institutes of which the person is a member; and
  - d) whether engaged or employed in practice of public accounting. **[September 2011]**
- 60.3 An individual making an application for membership in the Institute shall provide the information set out in bylaw 60.2 and as prescribed by Council prior to approval of their membership by Council. **[September 2011]**
- 60.4 The register of students that is maintained in accordance with Section 16 of the Act shall contain the following information for each student:
- (a) full legal name;
  - (b) date registered as a student; and
  - (c) name of the CA Training Office. **[September 2011]**
- 60.5 Each member shall advise the Institute or each student shall advise CASB in writing within thirty (30) days of any changes to the information specified in bylaws 60.2 or 60.4 and as prescribed by Council under bylaw 60.3. **[September 2011]**
- 60.6 A member or student who fails to comply with bylaw 60.5 shall pay a late fee as prescribed by Council. **[February 2010]**
- 61.1 Council may approve the admission to membership of the Institute a person of good moral character who:
- (a) has completed a membership application and declaration form as specified by Council;

- (b) is recommended for membership by two (2) members of the Institute; and
- (c)
  - (i) is a student who has been successful in the CASB program including the uniform evaluation, and who has completed the prescribed experience, or
  - (ii) is a student of a provincial Institute and having passed the uniform evaluation is unable to become a member of that Institute due to any legal restriction of that province or territory which is not also a legal restriction of Saskatchewan with respect to membership and whose professional experience is satisfactory to the Council.

[September 2011]

61.2 Council may approve the admission to membership of the Institute a person of good moral character who:

- (a) has completed a membership application and declaration form as specified by Council;
- (b) is recommended for membership by two (2) members of the Institute; and
- (c) is a member in good standing of a provincial Institute and whose professional qualifications and experience are satisfactory to the Council.

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61.3 Council may approve the admission to membership of the Institute a person of good moral character who:

- (a) has completed a membership application and declaration form as specified by Council;
- (b) is recommended for membership by two (2) members of the Institute;
- (c) has obtained aggregate experience in public accounting as prescribed by Council;
- (d) has passed examinations as prescribed by Council; and
- (e) at the time of filing an application with the Institute,
  - (i) holds a CPA certificate issued by one of the state boards of accountancy compliant with the federal Uniform Accountancy Act in the United States of America which makes similar provision to allow a person who holds a valid CA designation granted by the Institute to obtain the CPA certificate granted by that state board;
  - (ii) has obtained the CPA certificate as a result of passing the U.S. Uniform CPA Examination while the individual was a resident in the United States; and
  - (iii) has acquired qualifying accounting experience acceptable to the Institute while the individual was resident in the United States. Qualifying accounting experience means that an individual must have acquired in the United States at least two years of public or other accounting experience acceptable to the Institute.

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- 61.4 Council may approve the admission to membership of the Institute a person of good moral character who:
- (a) has completed a membership application and declaration form as specified by Council;
  - (b) is recommended for membership by two (2) members of the Institute;
  - (c) has obtained aggregate experience in public accounting as prescribed by Council;
  - (d) has passed examinations as prescribed by Council; and
  - (e) at the time of filing an application with the Institute;
    - (i) is a member of an organization outside Canada, except for the United States of America, having similar objects to the Institute, and Council considers the standard attained by the individual for admission to such organization to be acceptable in lieu of the uniform evaluation of the Institute;
    - (ii) has obtained membership in the organization as a result of meeting that organization's requirements while the individual was a resident in the organization's country; and
    - (iii) has acquired two (2) years of qualifying accounting experience acceptable to the Institute while the individual was resident in that country.

[September 2011]

- 61.5 Council may approve the readmission to membership of the Institute, a good moral character who had been a member prior to being expelled from membership or having their membership cancelled and who:
- (a) has completed a membership application and declaration form as specified by Council;
  - (b) is recommended for membership by two (2) members of the Institute; and
  - (c) satisfies other terms and conditions as prescribed by Council.

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- 61.6 A person making an application for membership under bylaws 61.1, 61.2, 61.3, 61.4 or 61.5, shall advise the Institute at the time of their application whether they:

- (a) have been convicted of a criminal or similar offence; or
- (b) have pleaded guilty or been found guilty of violating the provisions of any of the securities acts or regulations in any jurisdiction.

[September 2011]

False or misleading applications

- 61.7 Each person who applies to become a member under bylaws 61.1 to 61.5, or who registers as a student under bylaw 75.1 shall not sign or associate with any letter, report, statement or representation relating to the application for admission or re-admission to membership, or relating to their application for registration or re-registration as a student, which, the applicant knows, or should know, is false or misleading.

[September 2011]

- 61.8 Upon receipt of information that indicates that a member or student may have failed to comply with bylaws 61.6 or 61.7, the Institute shall refer to the matter to the Registration Committee under bylaw 165.1 for review and determination. [September 2011]
- 62.1 Every member shall receive a certificate of membership which shall be in a form prescribed by Council and, may hold the certificate as long as the member remains a member in good standing. [September 2011]
- 62.2 Membership certificates shall remain the property of the Institute, and in the event of termination or suspension of membership for any reason other than death, the certificate shall be returned to the Institute. [September 2011]
- 62.3 All membership certificates shall be under the seal of the Institute signed by the persons holding the offices of the president-chair or a vice-president and the secretary-treasurer.
- 63.1 A member in good standing who has rendered meritorious service may by a two-thirds vote of Council be admitted as a fellow of the Institute. [September 2011]
- 63.2 A deceased member who during their lifetime was in good standing and who rendered meritorious service may by a two-thirds vote of Council be admitted as a fellow posthumously. [September 2011]
- 63.3 A member who has been admitted as a fellow under bylaw 63.1 and who ceases to be a member in good standing shall by a two-thirds vote of Council cease to be a fellow of the Institute. [September 2011]
- 64.1 Where a member:
- (a) is declared to be a mentally disordered person or incapable of managing their affairs pursuant to any law in Canada; or
  - (b) is admitted or detained in a facility pursuant to the provisions of The Mental Health Services Act (Saskatchewan), or any similar law in Canada;
- a 'regulatory suspension' shall apply to the member upon the date of the declaration or date of admission to or detention in a facility. [September 2011]
- 64.2 Council shall accept as conclusive proof, the following:
- (a) a certified copy of a Court Order or a Declaration pursuant to the provisions of The Mentally Disordered Persons Act (Saskatchewan), or pursuant to any similar law in Canada;
  - (b) a certified copy of a Certificate of Incompetence issued pursuant to the provisions of The Mental Health Services Act (Saskatchewan), or a document of similar effect pursuant to any similar law in Canada; or

- (c) a certified copy of the Certificate or Certificates required pursuant to The Mental Health Services Act (Saskatchewan) or documents of similar effect pursuant to any similar law in Canada, that resulted in the admission or detention of the person.  
[September 2011]

64.3 Where a person is suspended pursuant to bylaw 64.1 and:

- (a) the person has been declared by a court to be of sound mind and capable of managing their affairs pursuant to the provisions of The Mentally Disordered Persons Act (Saskatchewan) or any similar law in Canada; or
  - (b) a Certificate of Competence has been issued pursuant to the provisions of The Mental Health Services Act (Saskatchewan) or any similar document pursuant to any similar law in Canada for the person; or
  - (c) the person has been released from the facility pursuant to The Mental Health Services Act (Saskatchewan) or any similar law in Canada;
- Council may reinstate that person as a member on terms and conditions as prescribed by Council.

[September 2011]

65.1 A member, student, professional corporation or firm shall advise the Institute, in writing, within thirty (30) days if the member, student, professional corporation or firm:

- (a) has made an assignment or a proposal pursuant to the Bankruptcy and Insolvency Act (Canada);
- (b) has been served with a petition pursuant to the Bankruptcy and Insolvency Act (Canada);
- (c) has been found guilty of violating the provisions of the Bankruptcy and Insolvency Act (Canada) notwithstanding whether the person has filed or may file an appeal; or
- (d) has any Writ of Execution issued by a court in Canada relating to a debt of the said member, student, professional corporation or firm in the amount exceeding one thousand dollars (\$1000) which has remained unsatisfied for a period of fifteen (15) days from the date of the personal service of a filed copy of the Writ of Execution.

[September 2011]

65.2 Upon receipt by the Institute of the notification from the member, student, professional corporation or firm referred to in bylaw 65.1 or upon receipt of other information that indicates any of the clauses (a) to (d) of bylaw 65.1 may apply to a member, student, professional corporation or firm, the Institute shall refer the matter to the Registration Committee for review and determination under bylaw 165.1.

[September 2011]

65.3 The member, student, professional corporation or firm to whom bylaw 65.1 applies shall prepare a written report, setting out:

- (a) the background leading to and the circumstances surrounding the financial difficulty;
- (b) the member's, student's, professional corporation's or firm's financial circumstances and means of livelihood;

- (c) the member's, student's, professional corporation's or firm's ability to continue practicing their profession;
- (d) any other information requested by the Registration Committee for the purpose of its review under bylaw 165.1; and
- (e) any other information that the member, student, professional corporation or firm considers relevant to the review determination by the Registration Committee.

[September 2011]

The member, student, professional corporation or firm shall submit the report to the Institute within thirty (30) days of the earlier of:

- (i) the date of the notification to the Institute under bylaw 65.1, or
- (ii) the receipt of the request for the report from the Institute.

[September 2011]

65.4 A member, student, professional corporation or firm who fails to comply with bylaws 65.1 or 65.3 shall pay a late fee as prescribed by Council.

[September 2011]

66.1 Except as specifically provided in bylaw 165.1 where a member, student, professional corporation or firm:

- (a) has not paid a late fee assessed by the Institute under these bylaws within thirty (30) days of notice of late fee; or
- (b) has not complied with the bylaw underlying the assessment of the late fee within thirty (30) days of the date on which compliance was first required;

the following shall apply:

- (i) in the case of a member their membership shall be suspended;
- (ii) in the case of a student, their registration shall be cancelled;
- (iii) In the case of a firm, their practice office registration shall be cancelled;
- (iv) In the case of a professional corporation, their registration shall be cancelled;

until the time they comply with applicable bylaws.

[September 2011]

66.2 A member, student, professional corporation or firm that:

- (a) has been suspended; or
- (b) has their registration cancelled;

under the bylaws and that complies with the bylaw(s) underlying the regulatory suspension or registration cancellation and pays all fees prescribed by Council within sixty (60) days of the notice of the suspension or registration cancellation, shall have its membership or registration reinstated.

[September 2011]

- 66.3 Where a bylaw provides that a regulatory suspension be applied to the member, the matter shall be referred to Council for determination. [April 2009]
- 66.4 Except as otherwise provided in the Act or the bylaws, where a bylaw provides that:
- (a) a late fee be assessed;
  - (b) a student's registration be cancelled;
  - (c) a firm's practice office registration be cancelled; or
  - (d) a professional corporation's registration be cancelled;
- due to failure to comply with a bylaw, that determination shall be made by the Institute. [September 2011]
- 66.5 The determination whether a member, student, professional corporation or firm has complied with the requirements of bylaw 66.2 and that membership or registration be reinstated shall be made by the Institute. [September 2011]
- 67.1 A member, student, professional corporation or firm that, as a result of the application of the bylaws;
- (a) has their professional practice or professional activities restricted under bylaw 165.1;
  - (b) has their registration as a student cancelled under bylaw 66.1;
  - (c) has its practice office registration cancelled under bylaw 66.1, 116.1 or 165.1; or
  - (d) has its professional corporation registration cancelled under bylaw 66.1 or 165.1;
- shall have a right to appeal to Council said determination by the Institute. [September 2011]
- 67.2 The appeal to Council shall be in writing and include information as prescribed by Council and shall be delivered to the Institute within sixty (60) days of receipt by the member, student, professional corporation or firm of the notice of professional practice restriction, professional activities restriction or registration cancellation. [September 2011]
- 67.3 The right of appeal specified in bylaw 67.1 shall not apply to:
- (a) the recommendation of the Professional Conduct Committee contained in the report to the Discipline Committee under Subsection 20(2) of the Act;
  - (b) the determination of the member's guilt under subsection 22(3) of the Act; or
  - (c) an order under Section 23 of the Act. [September 2011]

67.4 Where a member, student, professional corporation or firm:

- (a) has been suspended;
- (b) has their professional practice or professional activities restricted under bylaw 165.1;
- (c) has their registration as a student cancelled under bylaw 66.1;
- (d) has its practice office registration cancelled under bylaw 66.1, 116.1 or 165.1; or
- (e) has its professional corporation registration cancelled under bylaw 66.1 or 165.1;

the secretary shall notify the member, student, professional corporation or firm as prescribed by Council. The secretary shall publish a notice of suspension, practice or professional activity restriction, or registration cancellation as prescribed by Council, after the right to appeal has been exhausted or has expired.

[September 2011]

67.5 Bylaws 67.4 and 68.5 shall not supersede the terms of a discipline order issued under subsection 23(1) of the CA Act.

[April 2009]

68.1 Where a member wishes to resign their membership in the Institute, the member shall submit the request in writing. The request shall contain the information as prescribed by Council and shall be accompanied by the member's membership certificate.

Where the certificate is not available for return to the Institute, the member shall provide an affidavit in the form prescribed by Council.

[September 2011]

68.2 Council shall not accept an application from a member to resign from membership where:

- (a) the member's practising unit is the subject to a practice re-inspection as specified under bylaw 156.1 or has been notified of a practice inspection under bylaw 159.1;
- (b) the member's professional conduct is
  - (i) the subject of an investigation by the Professional Conduct Committee, or
  - (ii) the subject of a complaint made by the Professional Conduct Committee under section 20 of the Act;
- (c) the member has not fully complied with an order of the Discipline Committee or a directive of Council; or
- (d) the member is in arrears in respect of any Institute fee.

[September 2011]

68.3 Council may approve conditions which must be satisfied by the member before an application to resign is accepted.

[September 2011]

68.4 A resignation shall take effect on the day set by Council.

68.5 Where a member has resigned, the secretary shall provide a notice of the cancellation of membership as prescribed by Council.

[April 2009]

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USE OF CERTIFIED PUBLIC ACCOUNTANT DESIGNATION

70.1 The Chief Executive Officer or their designate may authorize a member to use the designation "Certified Public Accountant" or the initials "CPA" upon initial application by the member and therefore upon renewal of the member's CPA license or permit issued by the applicable jurisdiction in the United States where the member provides:

- (a) satisfactory evidence that they are a member in good standing in the applicable jurisdiction in the United States of America; and
- (b) a completed application in the form prescribed by the Council and pays the application fees prescribed by the Council.

An application, after the initial application shall be made at least once every year.

[September 2011]

70.2 A member whose application is approved under bylaw 70.1 must use the designation "Certified Public Accountant" or the initials "CPA" only:

- (a) when accompanied by and following "Chartered Accountant" or "CA"; and
- (b) when the designation also discloses the name of the applicable CPA jurisdiction in the United States of America in the following manner: "Chartered Accountant, Certified Public Accountant (State)", "CA, CPA (State)", as applicable.

70.3 Authorization for the use of the designation "Certified Public Accountant" or the initials "CPA" granted under bylaw 70.1 shall immediately be revoked and the member shall discontinue use of such designation or initials as soon as the member is no longer in good standing with or has had their membership revoked by the applicable CPA jurisdiction in the United States of America.

71.1 Unless otherwise specifically provided in the Act or bylaws, any document, including any notice, letter or form, required to be given or sent to a member, student, professional corporation or firm by the Institute pursuant to the Act or bylaws, may be delivered:

- (a) personally to the member, student, professional corporation or firm;
- (b) by mail, addressed to the member, student, professional corporation or firm at their last designated mailing address, or if no address has been designated, at the last address appearing in the records of the Institute, if any;
- (c) where a facsimile number has been designated by the member, student, professional corporation or firm, by facsimile transmission addressed to them at that designated facsimile number;

- (d) where an electronic address has been designated by the member, student, professional corporation or firm, by electronic transmission addressed to them at that designated electronic address; or
- (e) where a street address has been designated by the member, student, professional corporation or firm, by courier addressed to their designated street address.  
[September 2011]

71.2 A document shall be deemed to be received by the member, student, professional corporation or firm:

- (a) on the day it is personally delivered;
- (b) on the tenth (10<sup>th</sup>) calendar day after the day it is mailed;
- (c) on the business day next following the day of the facsimile transmission;
- (d) on the business day next following the day of electronic transmission; or
- (e) on the business day next following the day of delivery by courier.  
[September 2011]

71.3 Unless otherwise specifically provided in the Act or bylaws, any documents, including any notice, letter or form, required to be given or sent to the Institute by a member, student, professional corporation or firm pursuant to the Act or bylaws may be delivered personally, by mail, facsimile, electronic transmission, courier or any electronic medium by which the Institute is able to receive data, provided that;

- (a) anything required to be in a form prescribed by the Council is in such form;
- (b) anything required to be signed is signed; and
- (c) anything required to be received at the Institute within a prescribed time or by a prescribed date is delivered by the member, student, professional corporation or firm within said time or by said date.  
[September 2011]

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### **C. 2 Education, Experience & Evaluation**

75.1 Effective January 1, 2001, the Institute entered into an agreement with the CA School of Business (CASB) to administer all pre-qualification requirements for student covering education, experience and evaluation.

75.2 A student of the Institute shall register as a student of CASB and shall adhere to the bylaws of CASB and the bylaws of the Institute and the policies prescribed by Council.

75.3 Students registered with CASB shall be deemed to be a student of the Institute where their CASB registration form designates Saskatchewan as the province of governance or the student is employed in Saskatchewan.

75.4 Any appeals initiated by students registered with CASB shall be dealt with by CASB.

DEFINITIONS

76.1 In bylaws 75 to 79,

- (a) "approved training office" means an organization or public practice office, in Saskatchewan, which has been approved by the Practice Appraisal Committee to train Institute students;
- (b) "prescribed experience" means the combination of the term in months, and the variety of practical experience as prescribed by Council;
- (c) "training principal" means the member within an approved training office who is responsible for the training of one or more students registered with the Institute and who is approved pursuant to bylaw 155.1;
- (d) "registration application" means an application to register or reregister as a student of the Institute;
- (e) "student" means a person who is registered or intends to register with CASB and is deemed to be a student of the Institute pursuant to Bylaw 75.2.

Student responsibility

- 77.1 A student may satisfy the requirements for prescribed experience only while employed by an approved training office.
- 77.2 A student must meet the prescribed experience requirements prior to making an application to become a member pursuant to bylaw 61.1.
- 77.3 A student must complete satisfactorily the CASB Program including the uniform evaluation prior to making an application to become a member pursuant to bylaw 61.1.
- 77.4 A student who is successful in the uniform evaluation and who has completed the prescribed experience must file a record of CA qualifying experience at the time of applying for admission to membership.

Approved Training Office responsibility

- 78.1 A public practice office or an organization shall apply to the Institute for approval for employment of one or more students prior to offering employment to a student. The application shall be in a form prescribed by Council and shall include the name of the member designated as the training principal of the public practice office or organization.
- 78.2 An approved training office shall apply to the Institute for approval to train an additional student prior to offering employment to a student if such employment would result in the number of students employed by the office exceeding the number for which the office has been approved. Students who have met the prescribed experience requirements and who have written the uniform evaluation shall be excluded in determining the number of students.
- 78.3 Upon receipt of an application for approval to train students under bylaw 78.1 or 78.2, the Practice Appraisal Committee shall conduct an inspection of the practice office or the organization pursuant to bylaw 157.1.

[April 2009]

78.4 A member or firm who fails to comply with bylaws 78.1 or 78.2 shall pay a late fee as prescribed by Council.

[April 2009]

Training Principal responsibility

79.1 A training principal shall be a member in good standing and shall have qualifications as prescribed by Council.

79.2 The member, if a sole practitioner, shall be devoted full-time to the practice of public accounting.

79.3 The training principal shall ensure that the approved training office complies with Bylaw 78.1.

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**C.3 Continuing Professional Development Requirements**

85.1 Each member who has not been exempted from the minimum requirement pursuant to bylaw 90.1 shall complete continuing professional development relevant and appropriate to the member's professional practice and professional activities, and shall demonstrate compliance with the requirements as set out in bylaw 85.2.

[April 2009]

85.2 The minimum amount of continuing professional development that a member must complete, unless otherwise exempted, shall be:

- (a) twenty (20) hours annually, and
- (b) 120 hours in every three (3) year period.

At least ten (10) hours of the twenty (20) hour annual requirement and at least sixty (60) hours of the 120 hour triennial requirement shall consist of verifiable continuing professional development. The remaining hours may consist of unverifiable continuing professional development. The three (3) year period shall be a three (3) year rolling period consisting of the current year and two (2) previous years in accordance with bylaw 93.1.

[April 2009]

85.3 Verifiable continuing professional development and unverifiable continuing professional development are as prescribed by Council.

[April 2009]

86.1 Each member subject to bylaw 85.1 shall submit annually, a compliance declaration stating whether the requirements of bylaw 85.2 have been met. The compliance declaration shall be submitted in the form and before the date prescribed by Council.

[April 2009]

Exceptional circumstances

87.1 A member who is not able to fulfill some or all of the continuing professional development requirements due to special circumstances shall document and explain such circumstances in writing in conjunction with the member's compliance declaration.

87.2 The Institute shall waive all or a portion of the member's continuing professional development requirements under bylaw 85.2 if the special circumstances reported by the member qualify as exceptional circumstances as prescribed by Council. [April 2009]

88.1 Upon written request from the Institute, the member shall submit to the Institute documentation of completion of the requirements of bylaw 86.1, within the time specified in the Institute's request. [April 2009]

Member declaration indicates non-compliance

89.1 Upon receipt of a member's compliance declaration under bylaw 86.1 or a member's documentation under bylaw 88.1 that indicates the member did not fulfill the requirements under bylaw 85.1, after considering any waiver under bylaw 87.2, the Institute shall:

- (a) consider and approve a plan proposed by the member to remedy any deficiencies in an appropriate manner over a reasonable period of time; or
- (b) refer the matter to a committee designated by Council under bylaw 165.1. [April 2009]

89.2 Notwithstanding bylaw 89.1 clause (b), where a member fails to comply with bylaws 85.1 and 85.2, including failure to comply with a continuing professional development plan approved by the Institute under bylaw 89.1 clause (a), the Institute shall report the matter to the Professional Conduct Committee. [April 2009]

90.1 A member shall be exempt from the provisions of bylaw 85.1 and 85.2 if:

- (a) the member resides and is employed outside Saskatchewan and is a member of another provincial institute or a recognized accounting body outside Canada which has continuing professional development requirements substantially similar to the Institute; or
- (b) the member meets the exemption requirements, as prescribed by Council.

91.1 A member who fails to comply with bylaw 86.1 or 88.1 shall pay a late fee as prescribed by Council. [April 2009]

92.2 Effective Date  
The provisions of bylaws 85.1 to 93.1 are effective as of January 1, 2007.

93.1 Commencement date for rolling period  
The first three (3) year rolling period will commence on the effective date or, in the case of a new member, on January 1 in the year the new member is admitted to membership.

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#### **C.4 Trust Asset Administration**

100.1 Bylaws 100.1 to 104.1 regarding trust arrangements are passed pursuant to Paragraph (bb) of Subsection 13(1) of the Act. Bylaws 100.1 to 104.1 set out the requirements to be

- observed by members or firms residing in Saskatchewan involved in trust arrangements.
- 101.1 Each trust relationship shall be documented in writing with the client providing written instructions to the member or firm clearly outlining the specific terms and conditions attached to the trust. In the event that the client does not supply the required written instructions, the member or firm shall by letter to such client clearly set forth the member's or firm's understanding of the specific terms and conditions of the trust. The onus is on the member or firm to assure that such terms and conditions are clearly set out in writing.
- 101.2 In the absence of specific written instructions to the contrary, trust funds received by a member or firm shall be promptly deposited in one or more trust accounts at a chartered bank, credit union or trust company. All such trust accounts shall be clearly designated as "trust account" or "client's account" on the records of the member or firm, the chartered bank, credit union or trust company and on all deposit slips and cheques used in connection therewith.
- 101.3 All receipts and disbursements of trust funds shall be properly documented and the member or firm shall maintain proper records of all trust account transactions clearly distinguishing the funds of each client from those of each other client and from the member's or firm's own funds.
- 101.4 Trust records shall be maintained in Saskatchewan.
- 101.5 All withdrawals or disbursements from a trust account shall be accordance with the specific trust arrangement and properly required for
- (a) payment to or on behalf of the client;
  - (b) payment with respect to the member's or firm's fees for services rendered and disbursements for which a billing has been submitted.
- 101.6 Trust accounts shall under no circumstances be overdrawn and at no time shall outstanding cheques or other withdrawals exceed the balance of funds in such trust account.
- 101.7 Trust accounts maintained at chartered banks, credit unions or trust companies shall be reconciled monthly where there are numerous transactions and in any event shall be reconciled not less frequently than once every three (3) months.
- 101.8 Interest earned on funds in trust accounts and received by a member or firm shall, in the absence of a specific written agreement to the contrary, be accounted for to the client or clients on whose trust funds such interest was earned.
- 101.9 Trust assets, wherever possible, shall be registered in the name of the member or firm and such registration shall clearly indicate a name or file number which will positively identify the specific trust under which such trust assets are held. As custodian of such trust assets, the member or firm shall take whatever prudent steps are required for their protection, including adequate insurance coverage where applicable and proper safekeeping of securities and other negotiable instruments.
- 102.1 A member or firm, before April 1 each year, shall notify the Institute on a form prescribed by Council if the member or firm held trust funds or trust assets during the twelve (12) months

preceding April 1 and certify that the member or firm complied with the provisions of bylaws 101.1 – 104.1.

[April 2009]

102.2 A member or firm who fails to comply with bylaw 102.1 shall pay a late fee as prescribed by Council.

[April 2009]

103.1 The requirements of bylaws 101.1 to 104.1 do not apply to a member acting as executor who is appointed executor in a personal capacity rather than as a member of the Institute.

104.1 For purposes of bylaws 101.1 to 103.1,

- (a) "trust funds" include all monies received by cheque or otherwise by a member or firm to be held or disbursed in accordance with instructions received from the client from whom or on behalf of whom such monies are received but do not include advances received from or on behalf of clients with respect to fees for services to be rendered to such client nor third party cheques held by the member or firm.
- (b) "trust assets" include all assets other than trust funds delivered to or placed in the custody of a member or firm to be held or otherwise dealt with or on behalf of the client with respect to whom such assets are delivered or placed in custody.
- (c) "member" includes a member associated with a corporation carrying on a related function handling trust funds.

#### **C.5 Professional Incorporation & Limited Liability Partnership**

108.1 A member shall not engage in professional practice at any time under any name containing the words "professional corporation" or the abbreviation "prof. corp." or "p.c." unless that member is the holder of a valid professional corporation registration permit issued by the Institute.

[April 2009]

108.2 Prior to commencing professional practice through a professional corporation, a member shall:

- (a) file an application for a professional corporation registration permit as prescribed by Council;
- (b) pay the fee prescribed by Council;
- (c) satisfy the Institute that:
  - (i) the corporation is in good standing with the Registrar as defined in The Business Corporations Act (Saskatchewan);
  - (ii) the corporation has the legal capacity to carry on business in accordance with the bylaws;
  - (iii) the name of the corporation is in accordance with the bylaws and contains the words "professional corporation" or the abbreviation "prof. corp." or "p.c." and the words chartered accountant or the designation C.A.;
  - (iv) the legal and beneficial ownership of all the shares complies with the provisions of The Professional Corporations Act (Saskatchewan);

- (v) voting shares of the professional corporation have not been pledged or are not subject to a voting trust agreement or proxy or any other type of agreement that vests in a person who is not a member of the Institute the authority to exercise the voting rights attached to any shares.
- (vi) each person who is employed or engaged by a professional corporation, and who is not a member, is under the direction and supervision of a member;
- (vii) insurance coverage relating to the services provided through the professional corporation is maintained in accordance with the bylaws.

[April 2009]

108.3 A member who wishes to continue professional practice through a professional corporation shall, prior to the date prescribed by Council:

- (a) file an application for renewal of the professional corporation registration permit as prescribed by Council;
- (b) pay a fee as prescribed by Council;
- (c) satisfy the Institute that the corporation complies with the conditions specified in bylaw 108.2.

[April 2009]

108.4 A member who engages in professional practice through a professional corporation shall notify the Institute in writing, in the event any conditions specified in bylaw 108.2 cease to be fulfilled. The notice to the Institute shall be provided within fifteen (15) days of the first day any condition ceases to be fulfilled.

[April 2009]

108.5 A permit may be cancelled by the Institute if any of the conditions specified in bylaw 108.2 cease to be fulfilled.

[April 2009]

108.6 In the event all members who are holders of voting shares of a professional corporation are suspended under any of the bylaws, the Institute shall cancel the permit of the professional corporation.

[April 2009]

108.7 The Institute may cancel the permit of a professional corporation:

- (a) upon written request by the professional corporation as evidenced by resolution passed by a majority of the directors thereof;
- (b) if the permit of the professional corporation has not been renewed in accordance with bylaw 108.3;
- (c) if a member who is a voting shareholder of the professional corporation is no longer in good standing with or has had their membership revoked by the Institute;
- (d) upon the death of all the members who are the voting shareholders of the professional corporation.

[April 2009]

108.8 A member, student or firm who fails to comply with bylaws 108.1, 108.2, 108.3 or 108.4 shall pay a late fee as prescribed by Council.

[April 2009]

108.9 The relationship of a member to a professional corporation, whether as shareholder, director, officer or employee, does not affect, modify or diminish the application to the member of the Act and the bylaws. Without limiting the generality of this bylaw:

- (a) Nothing contained in this part affects, modifies or limits any law applicable to the fiduciary, confidential and ethical relationships between a member and a person receiving the professional services of a member;
- (b) The liability of a member to a person who receives services from the member is not affected by the fact that the services were provided by the member as an employee of, or on behalf of, a professional corporation;
- (c) Each member who practices through a professional corporation is responsible to ensure that the professional corporation complies with the bylaws.

[April 2009]

109.1 Eligibility Requirements for Registration as a Saskatchewan Limited Liability Partnership.

Every firm which has registered one or more offices pursuant to bylaw 110.1 is eligible to be registered as a Saskatchewan limited liability partnership (LLP) under Part IV of The Partnership Act (Saskatchewan).

109.2 Eligibility Requirements for Registration as an Extra-Provincial Limited Liability Partnership.

A partnership that:

- (a) has the status of a limited liability partnership under the laws of a jurisdiction outside Saskatchewan; and
- (b) consists of one (1) or more Saskatchewan partners who have registered one (1) or more offices pursuant to bylaw 110.1;

is eligible to be registered as an extra-provincial limited liability partnership under Part IV of The Partnership Act (Saskatchewan).

109.3 LLPs must provide to the Institute proof of registration as a limited liability partnership under The Partnership Act (Saskatchewan). Upon receipt of proof of registration, the firm name registered with the Institute will be changed by adding the phrase "limited liability partnership" or its abbreviation "LLP" or "Societe a Responsibilite Limitee" or its abbreviation "SRL", as the case may be, to conform with the registration under the Partnership Act.

109.4 The name of an LLP registered under The Partnership Act (Saskatchewan) must include, at the end of the name, the phrase "limited liability partnership" or its abbreviation "LLP" or "Societe a Responsibilite Limitee" or its abbreviation "SRL". Such phrase or abbreviation must always be shown as part of the firm name.

- 109.5 Failure to comply with the provision in bylaw 109.4 will constitute a violation of bylaw 118.1 – Practice Names.
- 109.6 The improper use of the words “limited liability partnership” or its abbreviation “LLP” or “Societe a Responsibilite Limitee” or its abbreviation “SRL”, will constitute a violation of bylaw 118.1 – Practice Names.
- 109.7 An LLP which ceases to be registered as an LLP under The Partnership Act (Saskatchewan) or which fails to carry the level of insurance or other protection required by bylaw 112 must immediately notify the Institute in writing. The registration of the firm name with the Institute will be changed by deleting the phrase “limited liability partnership” or its abbreviation “LLP” or “Societe a Responsibilite Limitee” or its abbreviation “SRL”, as the case may be.

### **C.6 Members in Public Practice**

#### **PRACTICE REGISTRATION**

- 110.1 Each member or firm, prior to commencing the practice of public accounting, shall register their office or offices and pay the fee as prescribed by Council under bylaw 143.1.  
[April 2009]
- 110.2 Each firm to which 110.1 applies, shall designate a member in charge of the firm and each office of the firm. The designated member in charge of the firm or an office shall be responsible for the actions and conduct of the firm or office and its compliance with the bylaws.  
[April 2009]
- 110.3 Each firm shall within fifteen (15) days notify the Institute in writing of any changes in:
- (a) members who are owners of the firm;
  - (b) status of any office; or
  - (c) designated members in charge of the firm or office.
- [April 2009]
- 110.4 A member or firm that fails to comply with bylaws 110.1, 110.2 or 110.3 shall pay a late fee as prescribed by Council.  
[April 2009]
- 111.1 Each firm is required to carry professional liability insurance coverage in accordance with bylaws 112.1 through 117.1.  
[April 2009]
- 112.1 For each policy of insurance taking effect after September 1, 2006, each firm carrying on a practice of public accounting within Saskatchewan shall ensure that insurance is carried in an amount not less than:
- (a) \$1,000,000, where one member is engaged or employed in the practice of public accounting;
  - (b) \$1,500,000, where two or three members are engaged or employed in the practice of public accounting in the same firm; or

- (c) \$2,000,000, where four or more members are engaged or employed in the practice of public accounting in the same firm.

[April 2009]

112.2 Each firm that:

- (a) ceases the practice of public accounting; or
- (b) disposes of all or some of their practice of public accounting;

must ensure that insurance covering the professional services rendered prior to the cessation or disposition as required to be carried by the firm under bylaw 112.1, is maintained for six (6) years following such cessation, or disposition.

[April 2009]

113.1 Within thirty (30) days after a new firm is established by a member(s), that firm shall provide the Institute with a certificate from the insurer indicating the amount of insurance carried and the anniversary date of the policy of insurance referred to in bylaw 112.1.

[April 2009]

113.2 Within thirty (30) days of the anniversary date of any policy of insurance referred to in bylaw 112.1 the firm shall provide a certificate from the insurer indicating the amount of insurance carried and the new anniversary date of the policy.

[April 2009]

114.1 Each firm shall request that the insurer endorse the insurance contract to advise the Institute within fifteen (15) days:

- (a) of cancellation of the policy; or
- (b) of reduction in coverage below the minimum amount specified in bylaw 112.1.

[April 2009]

115.1 A firm, upon being advised by the insurer that the insurance coverage will be or has been cancelled or will be or has been reduced below the minimum level under 112.1, shall notify the Institute within fifteen (15) days of the cancellation or reduction of insurance coverage.

[April 2009]

116.1 A firm that has failed to comply with bylaws 111.1, 112.1 or 113.1 shall not engage in the practice of public accounting, and the Institute shall revoke the registration of the firm's practice office(s).

[April 2009]

116.2 A firm that has failed to comply with bylaws 113.2 or 115.1 shall pay a late fee as prescribed by Council.

[April 2009]

116.3 A firm whose practice office registration has been revoked under bylaw 116.1 and that complies with the bylaw underlying the suspension and pays the late fee prescribed by Council within sixty (60) days of the notice of practice restriction shall have its practice office registration reinstated.

[April 2009]

117.1 For purposes of bylaws 111.1 to 116.3

- (a) "firm" means a sole proprietorship, partnership, professional corporation association of members who carries or carry on the practice of public accounting, or carries or carry on related activities as defined by the Council; and
- (b) "insurance" means professional liability insurance as the context requires.

Practice Names

118.1 A member or firm shall engage in the practice of public accounting, or in the public practice of any function not inconsistent therewith, only under a name or style which

- (a) is not misleading;
- (b) is not self-laudatory;
- (c) does not contravene professional good taste; and
- (d) has been approved in a manner specified by the Council.

Use of descriptive style

119.1 The practice of public accounting shall be carried on under the descriptive style of "chartered accountant(s)"; unless it forms part of the firm name. Regardless of the functions actually performed, the use of "chartered accountant(s)" as part of the firm name or as a descriptive style, in offering services to the public, shall be regarded as carrying on the practice of public accounting for the purposes of these rules of professional conduct.

119.2 Notwithstanding bylaw 119.1, each office in Saskatchewan of any firm engaged in the practice of public accounting and composed of one or more members sharing a proprietary interest with other persons who are not professional colleagues shall not practice under the style of "chartered accountant(s)".

119.3 A related business or practice shall not be designated "chartered accountant(s)" or "public accountant(s)".

Association with firms

120.1 A member shall not associate in any way with any firm practising as chartered accountants in Saskatchewan unless:

- (a) all partners or voting shareholders resident in Saskatchewan are members or professional corporations,
- (b) at least one partner or voting shareholder is a member, and
- (c) all the partners or voting shareholders are members of a provincial Institute or, professional corporations or incorporated professionals; provided each such corporation or incorporated professional is recognized and approved for the practice of public accounting by the provincial Institute in the province concerned.

Operation of members' offices

- 121.1 Each office in Saskatchewan of any member or firm engaged in the practice of public accounting shall be under the personal charge and management of a member who shall normally be accessible to meet the needs of clients during such times as the office is open to the public.
- 121.2 A member shall not operate a part-time office except in accordance with such terms and conditions as established by Council.

Office by representation

- 122.1 A member or firm engaged in the practice of public accounting shall not hold out or imply that the member or firm has an office in any place where the member or firm is in fact only represented by another public accountant or a firm of public accountants and, conversely, a member or firm engaged in the practice of public accounting who only represents a public accountant or a firm of public accountants, shall not hold out or imply that the member or firm maintains an office for such public accountant or such firm.

Member responsible for a non-member in practice of public accounting

- 123.1 A member or firm engaged in the practice of public accounting who is associated in such practice with a non-member shall be responsible to the Institute for any failure of such non-member, in respect of such practice, to abide by the rules of professional conduct of the Institute. In the application of this rule, the rules of professional conduct are deemed to apply as if such non-member were a member.

Related business or practice, and member responsible for non-member in such business or practice

- 124.1 The rules of professional conduct, except rule 119.1 shall apply to a member or firm carrying on a related business or practice as if it were the practice of public accounting.
- 124.2 A member or firm engaged in a practice of public accounting to which another business or practice is related, or engaged in such related business or practice, shall be responsible to the Institute for any failure of a non-member who is associated with such related business or practice and who is under the member's or firm's management or supervision or with whom the member or firm shares proprietary or other interest in such related business or practice to comply with the rules of professional conduct. In the application of this bylaw, the rules of professional conduct are deemed to apply as if such related business or practice were the practice of public accounting and such non-member were a member.
- 124.3 A member may associate with a related business or practice as a proprietor, as a partner, or as a director, officer or shareholder of a corporation and may associate with a non-member for this purpose.

Association of member with non-members in public practice

- 125.1 A member or firm shall not associate in any way with a non-member in a practice of public accounting, or in a related business or practice, unless:
- (a) such association maintains the good reputation of the profession and its ability to serve the public interest; and

- (b) such business or practice establishes and maintains policies, procedures and arrangements suitable for ensuring:
  - (i) that every such non-member is knowledgeable of and complies with:
    - (A) the Institute's governing legislation, bylaws, regulations and rules of professional conduct; and
    - (B) the ethical and other regulations applicable to members of a recognized professional organization or regulated body of which the non-member is a member; and
  - (ii) that no style or presentation or communication is used which implies that the non-member is a member.

Practice of public accounting in corporate form

126.1 A member or firm shall not associate in any way with any corporation engaged in Canada or Bermuda in the practice of public accounting, except to the extent permitted in clauses (a), (b), (c) and (d) of bylaw 126.1 and bylaw 108.1:

- (a) A member or a member's public accounting firm may engage to provide to the corporation any of the services included in the definition of "practice of public accounting";
- (b) A member, other than a member engaged in the practice of public accounting, may associate with a corporation which provides taxation services involving advice, counsel or interpretation provided such services are only a small part of the corporation's activities;
- (c) A member or firm may associate with a professional corporation engaged in the practice of public accounting in Saskatchewan provided such corporation:
  - (i) is incorporated or contrived under The Business Corporation Act (Saskatchewan); and
  - (ii) holds a valid registration certificate under The Chartered Accountants Act, 1986, (Saskatchewan) and the bylaws of the Institute; and
  - (iii) complies with such other requirements as pertain in the circumstances;
- (d) A member or firm may associate with a professional corporation engaged in the practice of public accounting in a province other than Saskatchewan if the corporation is recognized and approved for such practice by the provincial institute in the province concerned and the corporation does not engage in the practice of public accounting in Saskatchewan;
- (e) A member may be associated with a corporation permitted to provide auditing services pursuant to an act of the Legislative Assembly of Saskatchewan.

Without limiting the generality of the foregoing, a corporation shall be deemed to be engaged in the practice of public accounting even though the corporation provides a service included in the definition of "practice of public accounting" only to another member or firm engaged in the practice of public accounting.

127-139 left blank

**C.7 Dues & Assessments**

- 140.1. Each person admitted as a member under bylaw 61.1, 61.2, 61.3 61.4 or 61.5 shall pay a fee as prescribed by Council.  
[April 2009]
- 141.1 Each member shall pay the annual membership fee as prescribed by Council.  
[September 2011]
- 141.2 Each member in addition to the fees pursuant to bylaws 140.1 and 141.1 herein shall pay the fee charged by The Canadian Institute of Chartered Accountants in respect of the member. The fee shall become due on the date prescribed by Council.  
[April 2009]
- 141.3 Each member or firm shall pay special fee assessments as prescribed by Council.  
[April 2009]
- 141.4 A member or firm shall be exempted from fees assessed pursuant to bylaws 141.1, 141.2 and 141.3 herein as prescribed by Council.  
[September 2011]
- 142.1 Each firm engaged in the practice of public accounting in Saskatchewan shall pay a practice inspection fee for each practice office in Saskatchewan as prescribed by Council.  
[April 2009]
- 143.1 Each firm engaged in the practice of public accounting shall pay an annual fee for each practice office in Saskatchewan as prescribed by Council.  
[April 2009]
- 143.2 Every organization approved under bylaw 78.3 as an approved training office shall pay an annual fee, in respect of each student registered with the Institute and employed by the organization, as prescribed by Council.  
[April 2009]
- 144.1 A member, firm, or organization that fails to comply with bylaws 141.1, 141.2, 141.3, 142.1, 143.1 or 143.2 shall pay a late fee as prescribed by Council.  
[April 2009]

## D. Committees

### D.1 General

- 150.1 Council shall select and appoint the members and chairs of the following committees for the term specified by Council:
- (a) the Discipline Committee,
  - (b) the Bylaws Committee,
  - (c) the Fees and Service Review Committee,
  - (d) the Practice Appraisal Committee,
  - (e) the Professional Conduct Committee,
  - (f) the Decision Review Committee, and
  - (g) the Registration Committee.
- [September 2011]**
- 150.2 The chair and a majority of the members of each committee shall be members of the Institute.
- [September 2011]**
- 151.1 Except where specially provided under the Act or the bylaws, a meeting of a committee shall be held, on reasonable notice, and at the time, and in the manner determined by the chair.
- [September 2011]**
- 151.2 Except where specifically provided under the Act or the bylaws, a majority of committee members shall constitute a quorum.
- [September 2011]**
- 151.3 For purposes of a decision of the committee a majority of the members of the committee participating and voting at the meeting of the committee, shall be members of the Institute.
- [September 2011]**
- 151.4 Subject to bylaw 151.3, every member of a committee participating at the meeting of the committee shall have a vote except the chair who shall have only a casting vote.
- [September 2011]**
- 152.1 Except as otherwise permitted under the Act or the bylaws, where any information comes to the attention of a member of a committee or other person acting on behalf of a committee and where that information relates to any activity or function of a committee, such information shall be confidential and shall not be disclosed to any person other than the members of the committee, members of Council and Institute staff.
- [September 2011]**
- 152.2 Council shall approve policies, including terms of reference, governing the processes used by each committee in the conduct of its activities. These policies shall be

consistent with any provision of the Act and bylaws that relates to the functions of each committee.

[September 2011]

152.3 The policies approved pursuant to bylaw 152.2 shall be provided to the members and be available to the public.

[May 2010]

152.4 Each committee shall have the authority to develop its own practices which shall not be inconsistent with any provisions of the Act, the bylaws, or Council policies.

[September 2011]

153.1 A member, student, professional corporation or firm shall provide information requested by a committee in fulfilling its responsibilities under the bylaws within the time specified in the committee's written request.

[September 2011]

153.2 A member, student, professional corporation or firm that fails to comply with bylaw 153.1 shall pay a late fee as prescribed by Council.

[September 2011]

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## **D.2 Practice Appraisal Committee**

155.1 The committee shall be responsible for and have the authority to:

- (a) direct the practice inspection process relating to:
    - (i) the compliance by each member engaged in the practice of public accounting with professional practice standards as specified in subsection 13(2) of the Act;
    - (ii) administration of trust assets by members; and
    - (iii) the compliance by each training office with the requirements under bylaws 77.1, 77.2 and 77.3 and related policies as prescribed by Council;
- [September 2011]
- (b) interview any member or student and to examine any member or firm document or other material relevant to the work of the committee and may delegate this authority to a practice inspector;
- [September 2011]
- (c) advise the practice office of its decision with respect to an appeal received under bylaw 160.1 prior to the commencement of the inspection of the practice office;
- [May 2010]
- (d) report to the practice office the inspection findings relating to the member's application of professional standards;
- [May 2010]
- (e) report to the member the inspection findings relating to the member's administration of trust assets; and
- [May 2010]

- (f) report to the approved training office the inspection findings relating to the training office's training environment and training processes.

[September 2011]

156.1 Where the committee has determined that a practice office has not performed professional services in accordance with the standards of the profession as specified in subsection 13(2) of the Act, the committee's report to the practice office shall require one (1) or more of the following:

- (a) the practice office develop a plan and implement practices to correct reported findings that indicate deficiencies in the application of standards and to prevent the occurrence of similar deficiencies;

[September 2011]

- (b) the practice inspector re-inspect the practice office within the following inspection year;

[May 2010]

- (c) the Institute submit a written complaint to the Professional Conduct Committee where the committee has determined that the failure to perform professional services in accordance with professional standards may have resulted in a breach of bylaws 202 (integrity and due care), 203.1 (professional competence) or 206.1 (compliance with standards of practice).

[May 2010]

156.2 Where the committee has determined that a member has not administered trust assets in accordance with the bylaws, the committee's report to the member shall require one (1) or more of the following:

- (a) the member develops a plan and implements practices to correct reported findings that indicate deficiencies in the application of administrative practices specified in the bylaws and to prevent the occurrence of similar deficiencies;

[September 2011]

- (b) the practice inspector re-inspect the member's trust asset administration within the following inspection year;

[May 2010]

- (c) the Institute submit a written complaint to the Professional Conduct Committee where the committee has determined that the failure to comply with the administrative practice specified in the bylaws may have resulted in a breach of bylaws 202 (integrity and due care) or 212 (handling property of others with due care).

[May 2010]

156.3 Where the committee had determined that the training office has not provided an appropriate training environment or maintained appropriate training processes, the committee's report to the training office shall require one (1) of the following:

- (a) the training office develop a plan and implement practices that appropriately address the reported findings relating to the training office's training environment and processes; or

- (b) the approval of one or more of the training office's training positions be cancelled as determined by Council.

[September 2011]

157 left blank

- 158.1 Where a firm is registered with the Institute under bylaw 110, and participates in the Canadian Public Accountability Board's (CPAB) Auditor Oversight Program established under Canadian Securities Administrators National Instrument 52-108, *Auditor Oversight*, information related to or arising out of the practice inspection of the firm can be shared with CPAB.

[May 2010]

- 159.1 A member or firm whose practice is to be inspected by the committee shall be given reasonable notice of the inspection and in that notice shall be advised of the name of the practice inspector conducting the inspection on behalf of the committee.

[September 2011]

- 160.1 A member or firm given notice under bylaw 159.1 may request that the committee review the assignment of the inspector named in the notice.

[September 2011]

- 160.2 A member, firm or organization that has received a report under bylaw 156.1, 156.2 or 156.3 may request the Decision Review Committee review the determination of the committee under clauses (a) and (b) of bylaw 156.1, clauses (a) and (b) of bylaw 156.2 or clauses (a) and (b) of bylaw 156.3.

[September 2011]

- 160.3 The Institute shall take no further action with respect to the inspection prior to the committee's decision related to a member or firms request under bylaw 160.1 or the Decision Review Committee's decision under bylaw 172.1.

[September 2011]

- 161.1 Where a member or firm fails to submit an appropriate and documented plan, referred to in bylaws 156.1, 156.2 or 156.3, to the Institute in accordance with the written request of the committee; the committee shall refer the matter to the Registration Committee for review and determination under bylaw 165.1.

[September 2011]

- 162.1 For purposes of bylaws 155.1 to 161.1, "committee" means the Practice Appraisal Committee.

[September 2011]

163-164 left blank

### **D.3 Registration Committee**

- 165.1 The Registration Committee shall review the report or information received or obtained by the Institute relating to a matter described in bylaws 61.8, 65.3, 89.1 or 161.1 and determine whether one or more of the following shall apply to the member, student, professional corporation or firm:

- (a) take no further action;

- (b) impose restrictions and conditions on the member's or firm's professional practice;
- (c) impose restrictions and conditions on the member's professional activities;
- (d) cancel one or more of the firm's practice office registrations;
- (e) remove the student's name from the register of students and impose conditions on subsequent re-registration;
- (f) cancel the professional corporation's registration permit;
- (g) recommend that Council suspend the membership of the member;
- (h) where the member, student, professional corporation or firm may have breached one or more of bylaws 190-218 referred to as standards of professional conduct, refer the matter to the Professional Conduct Committee.

[September 2011]

165.2 The Registration Committee shall prepare a written report to the member, student, professional corporation or firm of its findings and its determinations with regard to further action, including any regulatory consequences to be imposed. The report shall be prepared before the date prescribed by Council.

[September 2011]

165.3 A member, student, professional corporation or firm that has its professional practice or professional activities restricted under clauses (b) or (c) of bylaw 165.1 and that complies with the conditions relating to the regulatory restriction to the satisfaction of the Registration Committee and pays the late fee prescribed by Council within sixty (60) days of the notice of the regulatory restriction, shall have its regulatory restriction removed.

[September 2011]

166 left blank

#### **D.4 Fees and Services Review Committee**

167.1 The Fees and Services Review Committee shall be responsible for the review and determination specified in Section 42 of the Act.

[September 2009]

167.2 Upon receipt of a communication from a client of a member or firm engaged in the practice of public accounting, wherein a disagreement or matter in dispute is identified between the client and the member or firm, the committee shall consider the matter.

[February 2010]

167.3 Subject to the Act, bylaws and Council policies, the committee shall develop its own procedures for purposes of determining a fair and reasonable outcome or settlement of the matter.

[February 2010]

167.4 If the matter is the subject of a civil action taken by the client, the committee's consideration of the matter shall be deferred until the civil action and related appeals have been concluded.

[September 2011]

- 167.5 In the event the committee, during its investigation, obtains any evidence that the matter involves a breach of the Act, or standards of conduct bylaws 190 to 299 , the committee shall report the matter to the Professional Conduct Committee.  
[September 2011]
- 168.1 In regard to a matter that is in dispute, the committee may offer to facilitate a process between the client and the member or firm, in an attempt to have the client and the member or firm reach agreement on a reasonable outcome.  
[September 2011]
- 168.2 In regard to a matter that is in dispute, where the member or firm and the client cannot reach an agreement with assistance of the committee on a fair and reasonable outcome or settlement, the committee shall determine a fair and reasonable outcome.  
[September 2011]
- 168.3 The committee shall advise the client and the member or firm of the determination reached pursuant to subsection 42(2) of the Act and bylaw 168.2 within the time prescribed by Council.  
[September 2011]
- 169.1 Where the determination of the committee under subsection 42(2) of the Act or bylaw 168.2 requires action by the member or firm, the member or firm shall take said action within the time specified by the committee.  
[February 2010]
- 169.2 A member or firm that fails to comply with bylaw 169.1 shall pay a late fee as prescribed by Council.  
[February 2010]
- 170.1 The client or the member or firm may request the Decision Review Committee review the determination and direction made by the Fees and Service review committee under subsection 42(2) of the Act and bylaw 168.2.  
[September 2011]
- 171.1 For purposes of bylaws 167.1 to 170.1:
- a) "the committee" means the Fees and Services Review Committee;
  - b) "a client" means a person who has engaged a member or firm to provide professional services and includes a former client of the member or firm.
- [September 2011]

**D.5 Decision Review Committee**

- 172.1 The Decision Review Committee shall review the decision or determinations made by:
- (a) the Practice Appraisal Committee if a request for review is received under bylaw 160.2;
  - (b) the Fees and Services Review Committee if a request for review is received under bylaw 170.1; or
  - (c) the Professional Conduct Committee as specified in bylaw 177.5.

A decision of any committee chair made in the context of the above noted bylaws is

considered to be a decision of the respective committee for the purpose of the bylaws.  
[September 2011]

173.1 A request for review shall be in writing, shall include information as prescribed by Council and shall be delivered to the Institute within thirty (30) days of receipt by the client, the complainant, the member or firm of the notice or report of the decision of any committee or committee chair.

[September 2011]

174 left blank

**E. Complaints & Discipline**

175.1 Where the Institute receives information that indicates an apparent breach of a bylaw and includes the name of the alleged offending member, student or firm is provided, the Institute shall advise the Professional Conduct Committee, except as limited to bylaw 211.1.

[May 2011]

176.1. The Professional Conduct Committee shall in the execution of its duties under Section 20(1) of the Act and without limiting the generality thereof have authority:

- (a) to require a member, student or firm to provide books, documents and files in their possession, custody or control whether in paper or electronic form;
- (b) to establish the practices and procedures necessary to carry out its function and responsibilities;
- (c) to approve the charge or charges to be heard by a discipline hearing panel, which charge or charges shall be included in a report to the Discipline Committee;
- (d) where the committee determines that the original charge or charges are not appropriate, to approve an amended charge or charges, which amended charge or charges shall be included in an amended report to the Discipline Committee.

[May 2011]

177.1 The chair of the Professional Conduct Committee shall have the authority:

- (a) to determine whether information received by the Institute represents a complaint under Subsection 20(1) of the Act;
- (b) to direct Institute staff to obtain additional information prior to making the determination under clause (a);
- (c) to refer the matter to a committee (other than the Professional Conduct Committee or the Discipline Committee) or Institute staff for intervention or resolution;
- (d) to determine the scope of the investigation required under subsection;
- (e) to determine the expanded scope of an investigation or the scope of an additional investigation where information comes to the attention of the investigators which indicates an expansion of an investigation or an additional investigation should be considered;
- (f) to determine that an investigation be discontinued where the complainant declines to provide information which is essential to complete an appropriate investigation;
- (g) to appoint to persons who shall investigate the complaint under subsection 20(1) of the Act; and

- (h) to appoint the person who shall prosecute the complaint under subsection 22(2) of the Act. [May 2011]
- 177.2 The complaint is deemed to be received by the Professional Conduct Committee under subsection 20(1) of the Act when the chair of the committee determines that an investigation shall be made under clause (a) of bylaw 177.1. The complaint becomes a complaint of the committee at that time and an investigation shall be completed, unless bylaw 177.1 clause (f) applies. [May 2011]
- 177.3 Where a decision is made by the Professional Conduct Committee other than by meeting of the committee, the report to the Discipline Committee shall be signed by a majority of the members of the committee in accordance with Subsection 20(3) of the Act. [May 2011]
- 177.4 For purposes of clause (g) of bylaw 177.1, and except as provided in bylaw 178.1 and 178.2, the chair of the professional conduct committee may authorize any person, including a member of the Professional Conduct Committee or Institute staff, to investigate a complaint. [May 2011]
- 177.5 The person who made the complaint under subsection 20(1) of the Act may request that the 'Decision Review Committee', appointed by Council under bylaw 150.1, review the decision made by the Professional Conduct Committee or its chair, where:
- (a) the Professional Conduct Committee has determined under subsection 20(2) of the Act that no further action is required; or
  - (b) the chair of the Professional Conduct Committee has determined under bylaw 177.1 that an investigation shall not be made or shall be discontinued.
- 178.1 A member of Council, the Discipline Committee and the Discipline Panel Pool shall not be appointed as an investigator. [May 2011]
- 178.2 A member of the Professional Conduct Committee or the Discipline Committee who has direct or indirect connection to the subject matter of any complaint, the complainant or the member, student or firm that is subject to the complaint shall not participate in the investigation or determination of that complaint. [May 2011]
- 179.1 The Discipline Committee shall direct the development of rules of procedure governing discipline hearings and shall have the authority to approve these rules. [May 2011]
- 180.1 The chair of the Discipline Committee shall have the authority to appoint the chair and members of the discipline hearing panel to hear a matter referred to the Discipline Committee under clause (a) of subsection 20(1) of the Act. The members of a discipline panel shall be persons selected from the Discipline Committee or the Discipline Panel Pool appointed by Council under bylaws 150.1. [May 2011]

180.2 For purposes of hearing an appeal under section 28 of the Act, an 'appeal hearing panel' shall consist of a majority of the members of Council.

[May 2011]

180.3 Except in the case of death or incapacity of a panel member or with the consent of the parties, no decision shall be made by the Discipline Hearing Panel or appeal hearing panel, unless all members present throughout the hearing participate in the decision.

[May 2011]

180.4 For purposes of maintaining order at hearings and preventing abuse of the established hearing process, the discipline hearing panel or appeal hearing panel shall have the authority to:

- (i) make such orders or give such directions in proceedings before it as it considers proper;
- (ii) exclude any person from the hearing including counsel appearing for a party at the hearing where that person does not comply with the directions or the rulings of the discipline hearing panel, or appeal hearing panel.

[May 2011]

180.5 Unless specified in a discipline order under subsections 23(1) and (2) of the Act, the sanctions in the order shall be effective upon receipt of the written order by the member. A sanction in a discipline order shall be effective as specified when read by the chair of the discipline panel at the conclusion of a hearing where the member or the member's counsel is in attendance.

[May 2011]

181.1 Where a member of the Institute is also a member of (or is applying for membership in) one or more other Institutes, the Institute shall notify these other institutes of the decision, determination or order:

- (a) under clause (b) of subsection 20(1) of the Act and clause (a) of bylaw 177.1, to commence an investigation into the member's conduct,
- (b) under clause (f) of bylaw 177.1, to discontinue an investigation into the member's conduct,
- (c) under subsection 20(2) of the Act, that no further action be taken with respect to the matter under investigation,
- (d) under subsection 20(2) of the Act, that the Discipline Committee hear and determine the complaint of the Professional Conduct Committee relating to the member's conduct.
- (e) under subsection 22(3) of the Act, as to whether the member is guilty of professional misconduct or a breach of a provision of the Act or the bylaws,
- (f) under subsections 23(1) and 23(2) of the Act, as to the sanction orders made against the member.
- (g) under subsection 23(1) of the Act, that the member failed to comply with the order.

(h) under subsection 28(1) or section 29 of the Act that the member has appealed the determination of the discipline hearing panel, and

(i) under subsection 28(5) of the Act as to the determination of the appeal body.  
[May 2011]

182.1 There is a rebuttable presumption that a member, student or firm that has agreed to any facts contained in a certified copy of the settlement agreement referred to in bylaw 102.3(b), which is filed with the other Institute, has also agreed to those facts for the purpose of any subsequent consideration of the same matter by the Professional Conduct Committee or a discipline panel.  
[May 2011]

183.1 Subject to bylaw 183.2, a member, student or firm shall not attempt to influence directly or indirectly the decision or determination of the Professional Conduct Committee, Discipline Committee, Discipline Hearing Panel, appeal hearing panel or chair thereof.  
[May 2011]

183.2 For purposes of bylaw 183.1, influence includes any attempt to cause Council, members of Council, members of a committee or staff of the Institute to influence the decision or determination of the committee or panel.  
[May 2011]

183.3 For purposes of bylaws 183.1 and 183.2, the following would not be considered attempts to influence a decision or determination:

- (i) providing information to and responding to enquiries of the Professional Conduct Committee or its investigators,
- (ii) presentation of evidence at a discipline hearing or appeal, or
- (iii) representation or argument at a discipline hearing or appeal.

[May 2011]

183.4 A member, student or firm shall not harass, threaten or attempt to coerce a person who has made or is considering making a complaint under subsection 20(1) of the Act.  
[May 2011]

184 to 189 left blank

**F. Standards of Professional Conduct**

190.1 Compliance with bylaws, regulations and rules

Members, students and firms shall comply with the bylaws, regulations and rules of professional conduct of the Institute as they may be from time to time and with any order or resolution of the Council or officers of the Institute under the bylaws.

Conviction of criminal or similar offenses

191.1 A member, student or firm who has been:

- (a) convicted of an offence of fraud, theft, forgery or tax evasion, or is convicted of an offence of conspiring or attempting to commit such offenses; or
- (b) found guilty of violating the provisions of any securities legislation; or
- (c) convicted of any criminal or similar offence for conduct in or relating to their professional capacity, or for conduct in circumstances where there was reliance on their membership in or association with the Institute; or,
- (d) discharged absolutely after pleading guilty to or being found guilty of an offence described in (a), (b) or (c) above;

shall notify the Institute of the fact of the conviction, finding of guilt or discharge, as the case may be, within fifteen (15) days after the right of appeal has been exhausted or has expired.

[April 2009]

191.2 When, through the disciplinary process of another provincial institute:

- (a) a member is suspended or expelled from membership in that Institute; or
- (b) a member's or firm's professional practice is restricted; or
- (c) a firm's practice of public accounting is restricted;

the member or firm shall notify the Institute in writing of the fact of the suspension, expulsion or practice restriction within fifteen (15) days after the right of appeal to the other provincial institute has been exhausted or has expired.

[April 2009]

191.3 Upon receipt of the notification referred to in bylaw 191.1 or information regarding the finding of guilt of a member by a court or regulatory body relating to offences or other violations described in bylaw 191.1, the Institute shall refer the matter to a committee designated by Council under bylaw 150.1.

[April 2009]

191.4 A member, student or firm who fails to comply with bylaws 191.1 or 191.2 shall pay a late fee as prescribed by Council.

[April 2009]

191.5 Notwithstanding bylaw 191.3, the Institute shall report the matter described in bylaws 191.1 and 191.2 to the Professional Conduct Committee.

[April 2009]

- 191.6 In respect of any charge under the rules of professional conduct, a certificate of conviction by any competent court or a certified copy of the original information or indictment with the endorsement of the conviction thereon signed by the official having custody thereof, shall be sufficient evidence of the conviction; and, a certified copy of the original information or indictment with the endorsement of the discharge thereon, signed by the official having custody thereof, shall be sufficient evidence of the discharge.  
**[April 2009]**
- 191.7 Notwithstanding any other provisions of the bylaws or the rules of professional conduct, in the event a member or firm is charged under rule 201.1 as a result of being suspended or expelled or having a restriction placed on the member or firm's right to practice through the disciplinary process of another provincial Institute, a copy of the relevant decision and order, purporting to be certified by the provincial Institute, shall be sufficient evidence of the facts and determinations certified therein.  
**[April 2009]**
- False or misleading applications
- 192.1 Each person who applies to become a member under bylaws 61.1 to 61.5, or who registers as a student under bylaw 75.3 shall not sign or associate with any letter, report, statement or representation relating to the application for admission or re-admission to membership, or relating to their application for registration or re-registration as a student, which, the applicant knows, or should know, is false or misleading.  
**[April 2009]**
- 192.2 Upon receipt of information that indicates that a member or student has failed to comply with bylaw 192.1, the Institute shall refer the matter to a committee designated by Council under bylaw 150.1.  
**[April 2009]**
- Cooperation with the Institute
- 193.1 A member, student or firm shall cooperate with the regulatory processes of the Institute .  
**[May 2011]**
- 193.2 At the written request of the Institute on behalf of a committee appointed by Council, a member, student or firm shall provide to the Institute any files, documents or other materials in their possession, custody or control which are described in the Institute's request. The information shall be provided within the time specified in the request.  
**[May 2011]**
- 193.3 A member, student or firm shall reply in writing to a written request from the Institute and within the time specified in the request.  
**[May 2011]**
- 193.4 A member, student or firm shall attend in the manner and at the time described in the Institute's request.  
**[May 2011]**
- 193.5 A member, student or firm that fails to comply with bylaws 193.1, 193.2 or 193.3 shall pay a late fee as prescribed by Council.  
**[May 2011]**

Hindrance, inappropriate influence and intimidation

- 194.1 A member, student or firm shall not, directly or indirectly hinder any regulatory process of the Institute or otherwise attempt to exert inappropriate influence or pressure on the outcome of a regulatory matter of the Institute.

[May 2011]

- 194.2 A member, student or firm shall not threaten or intimidate a complainant, witness, or any other person related to a regulatory matter of the Institute nor shall a member, student or firm threaten or intimidate officers, staff, volunteers or agents of the Institute acting on behalf of the Institute.

[May 2011]

Rules 195 to 199 left vacant.

## 200 STANDARDS OF CONDUCT AFFECTING THE PUBLIC INTEREST

Maintenance of reputation of profession

- 201.1 A member, student or firm shall act at all times in a manner which will maintain the good reputation of the profession and its ability to serve the public interest.

- 201.2 Notwithstanding any other provisions of the bylaws or these rules of professional conduct, in the event a member, student or firm is charged under rule 201.1 on account of an offence referred to in bylaw 191, when a certificate of conviction or certified copy of the original information or indictment as provided for in bylaws 66.1 to 66.5 with respect to the offence set out in bylaw 191 is filed with the discipline committee, there is a rebuttable presumption the member, student or firm charged failed to maintain the good reputation of the profession and its ability to serve the public interest.

- 201.3 Notwithstanding any other provisions of the bylaws or these rules of professional conduct, where a member or firm is charged under rule 201.1 on account of being suspended or expelled or having a restriction placed on the member's or firm's right to practice through the disciplinary process of another provincial Institute's and a certified copy of the other provincial institute's disciplinary decision and order is filed with the discipline committee, there is a rebuttable presumption that the member or firm charged failed to maintain the good reputation of the profession and its ability to serve the public interest.

Advocacy services

- 201.4 Before accepting an engagement to act as an advocate, a member or firm shall ensure that:

- (a) the service is not an assurance or specified auditing procedures engagement;
- (b) the advocacy role is apparent in the circumstances;
- (c) the position of the client is supportable; and
- (d) the position of the client can be argued or supported by the member or firm without the member or firm failing to comply with the independence standards required by rule 204 for other services which the member has engaged to provide.

Integrity and due care

- 202.1 A member, student or firm shall perform professional services with integrity and due care.

Objectivity

- 202.2 A member or student shall perform professional services with an objective state of mind. **[May 2010]**

Professional competence

- 203.1 A member shall sustain professional competence by keeping informed of, and complying with, developments in professional standards in all functions in which the member practises or is relied upon because of the member's calling.  
Independence

Assurance and Specified Auditing Procedures Engagements

- 204.1 A member or firm who engages or participates in an engagement:
- (a) to issue a written communication under the terms of an assurance engagement;  
or
  - (b) to issue a report on the results of applying specified auditing procedures;

shall be and remain independent such that the member, firm and members of the firm shall be and remain free of any influence, interest or relationship which, in respect of the engagement, impairs the professional judgment or objectivity of the member, firm or a member of the firm or which, in the view of a reasonable observer, would impair the professional judgment or objectivity of the member, firm or a member of the firm.

Identification of Threats and Safeguards

- 204.2 A member or firm who is required to be independent pursuant to rule 204.1 shall, in respect of the particular engagement, identify threats to independence, evaluate the significance of those threats and, if the threats are other than clearly insignificant, identify and apply safeguards to reduce the threats to an acceptable level. Where safeguards are not available to reduce the threat or threats to an acceptable level, the member or firm shall eliminate the activity, interest or relationship creating the threat or threats, or refuse to accept or continue the engagement.

Documentation

- 204.3 A member or firm who, in accordance with rule 204.2, has identified a threat that is not clearly insignificant, shall document a decision to accept or continue the particular engagement. The documentation shall include the following information:
- (a) a description of the nature of the engagement;
  - (b) the threat identified;
  - (c) the safeguard or safeguards identified and applied to eliminate the threat or reduce it to an acceptable level; and
  - (d) an explanation of how, in the member's or firm's professional judgment, the safeguards eliminate the threat or reduce it to an acceptable level.

Specific Prohibitions, Assurance and Specified Auditing Procedures Engagements

204.4 In addition to complying with rules 204.1, 204.2, 204.3, 204.5 and 204.6 a member or firm shall comply with the following specific prohibitions:

Financial interests

- (1) (a) A member or student shall not participate on the engagement team for an assurance client if the member or student, or the immediate family of the member or student, holds a direct financial interest or a material indirect financial interest in the client.
- (b) A member or student shall not participate on the engagement team for an assurance client if the member or student, or the immediate family of the member or student, holds, as trustee, a direct financial interest or a material direct financial interest in the client.
- (2) A member or firm shall not perform an audit or review engagement for an entity if the member, firm or a network firm, has a direct financial interest or a material indirect financial interest in the entity.
- (3) A member or firm shall not perform an audit or review engagement for an entity if a pension or other retirement plan of the firm or network firm has a direct financial interest or a material indirect financial interest in the entity.
- (4) A member who is a partner of a firm and who holds, or whose immediate family holds, a direct financial interest or a material indirect financial interest in an audit or review client shall not practice in the same office as the lead engagement partner for the client.
- (5) A member who is a partner or managerial employee of a firm and who holds, or whose immediate family holds, a direct financial interest or a material indirect financial interest in an audit or review client shall not provide a non-assurance service to the client, unless the non-assurance service is clearly insignificant.
- (6) (a) A member or firm shall not perform an audit or review engagement for an entity (the first entity) if the firm or a network firm has a financial interest in a second entity, and the member or firm knows that the first entity or a director, officer or controlling owner of the first entity also has a financial interest in the second entity, unless the respective financial interests of the firm or network firm and the first entity, the director, officer or controlling owner of the first entity are immaterial and the first entity cannot exercise significant influence over the second entity.
- (b) A member or student shall not participate on an engagement team for an audit or review client if the member or student has a financial interest in an entity and the member or student knows that the client or a director, officer or controlling owner of the client also has a financial interest in the entity, unless the respective financial interests of the member or student and the client, the director, officer or controlling owner of the client are immaterial and the client cannot exercise significant influence over the entity.

- (7) (a) A member or firm shall not perform an audit or review engagement for an entity if a partner or professional employee of the firm owns, or such person's immediate family owns, more than 0.1% of the securities of the entity or controls the entity.
- (b) A member who is a partner or professional employee of a firm shall not own more than 0.1% of the securities of, or control, an audit or review client of the firm.
- (8) A member or student shall not participate on the engagement team of an audit or review client if the member or student knows that his or her close family owns more than 0.1% of the securities of the client or controls the client.
- (9) A member or firm shall not perform an assurance engagement for an entity that is not an audit or review client if the member or firm holds:
  - (i) a direct financial interest or a material indirect financial interest in the entity; or
  - (ii) a material financial interest in another entity that has a controlling interest in the first entity.

Loans and guarantees

- (10) (a) A member or firm shall not perform an assurance engagement for a client if the firm, or a network firm in the case of an audit or review client, has a loan from or has a loan guaranteed by the client, except when the client is a bank or similar financial institution and the loan or guarantee is immaterial to the firm, the network firm, and the client, and the loan or guarantee is made under normal commercial terms and conditions and is in good standing.
- (b) A member or firm shall not perform an assurance engagement for a client that is not a bank or similar financial institution if the firm, or a network firm in the case of an audit or review client, has a loan to the client.
- (c) A member or firm shall not perform an assurance engagement for a client if the firm, or a network firm in the case of an audit or review client, guarantees a loan of the client.
- (11) (a) A member or firm shall not perform an assurance engagement for a client if the firm, or a network firm in the case of an audit or review client, has a loan from or has a loan guaranteed by:
  - (i) an officer or director of the assurance client; or
  - (ii) a shareholder of the assurance client who owns more than 10% of the equity securities of the client.
- (b) A member or firm shall not perform an assurance engagement for a client if the firm, or a network firm in the case of an audit or review client, has a loan to or guarantees a loan of:
  - (i) an officer or director of the assurance client; or
  - (ii) a shareholder of the assurance client who owns more than 10% of the equity securities of the client.

- (12) (a) A member or student who has a loan from or has a loan guaranteed by:
- (i) an assurance client, except a client that is a bank or similar financial institution where the loan or guarantee is made under normal commercial terms and conditions and the loan is in good standing,
  - (ii) an officer or director of the client, or
  - (iii) a shareholder of the client who owns more than 10% of the equity securities of the client,
- shall not participate on the engagement team for the client.
- (b) A member or student who has a loan to or guarantees the borrowing of
- (i) an assurance client that is not a bank or similar financial institution;
  - (ii) an officer or director of the client; or
  - (iii) a shareholder of the client who owns more than 10% of the equity securities of the client
- shall not participate on the engagement team for the client.

Close business relationships

- (13) (a) A member or firm shall not perform an audit or review engagement for an entity if the firm, or a network firm, has a close business relationship with the entity or its management unless the close business relationship is limited to a financial interest that is immaterial and the relationship is clearly insignificant to the firm or network firm and the entity or its management, as the case may be.
- (b) A member or firm shall not perform an assurance engagement that is not an audit or review engagement if the firm has a close business relationship with the assurance client or its management unless the close business relationship is limited to a financial interest that is immaterial and the relationship is clearly insignificant to the firm and the client or its management, as the case may be.
- (c) A member or student who has a close business relationship with an assurance client or its management shall not participate on the engagement team for the client unless the close business relationship is limited to a financial interest that is immaterial and the relationship is clearly insignificant to the member and the client or its management, as the case may be.

Family and personal relationships

- (14) A member or student shall not participate on the engagement team for an assurance client if the member's or student's immediate family is a director or officer of the client or an employee of the client in a position to exert direct and significant influence over the subject matter of the engagement, or was in such a position during any period covered by the engagement.
- (15) A member or student shall not participate on the engagement team for an audit client that is a listed entity if the member's or student's close family is in an accounting role or a financial reporting oversight role at the client, or was in such a position during any period covered by the engagement.

Employment with a listed entity audit client

- (16) A member or firm shall not perform an audit engagement for a listed entity if a person who participated in an audit capacity in an audit of the financial statements of the entity performed by the member or firm has accepted employment in a financial reporting oversight role with respect to the entity until a period of one year has elapsed from the date that the financial statements were filed with the relevant securities regulator or stock exchange.

Recent service with an assurance client

- (17) A member or student shall not participate on an engagement team for an assurance client if the member or student served as an officer or director of the client or was an employee thereof in a position to exert direct and significant influence over the subject matter of the engagement during the period covered by the assurance report.

Serving as an officer or director of an assurance client

- (18) A member or firm shall not perform an assurance engagement for an entity if a member of the firm serves as an officer or director for the entity.

Serving as an officer or director of an audit or review client

- (19) (a) A member or firm shall not perform an audit or review engagement for an entity if a member of a network firm serves as an officer or a director of the entity other than, in the case of an entity that is not a listed entity, serving as company secretary and the practice is specifically permitted under local law, professional rules or practice, and the duties and functions undertaken are limited to those of a routine and formal administrative nature.
- (b) A member or firm shall not perform an audit engagement for a listed entity, or a related entity, if a member of the firm or a network firm serves as an officer or a director of a related entity of the listed entity.

Long association of senior personnel with a reporting issuer audit client

- (20) (a) (i) A member shall not continue as the lead engagement partner or the engagement quality control reviewer on an audit engagement of a *reporting issuer* for more than seven years in total, and shall not thereafter resume or assume either such role until a further five years have elapsed.
- (ii) In the case of an audit engagement of a reporting issuer that is a mutual fund, the lead engagement partner and the engagement quality control reviewer shall not thereafter resume or assume either such role with the reporting issuer or another mutual fund that is in the same mutual fund complex as the reporting issuer until a further five years have elapsed.

[May 2011]

- (b) (i) A member, who is an audit partner on an audit engagement of a reporting issuer, other than an audit partner referred to in rule 204.4(20)(a), who, during the engagement period, provides more than ten hours of assurance services in connection with the annual financial statements or the interim financial information of

the reporting issuer or who is a subsidiary engagement partner with respect to the entity shall not continue in such role or roles for more than seven years in total and shall not thereafter perform the role of audit partner of the reporting issuer until a further two years have elapsed.

- (ii) In the case of an audit engagement of a reporting issuer that is a mutual fund, the audit partner shall not thereafter perform the role of audit partner of the reporting issuer or another mutual fund that is in the same mutual fund complex as the reporting issuer until a further two years have elapsed.

Audit committee approval of services to a listed entity audit client

- (21) A member or firm shall not provide a professional service to an audit client that is a listed entity, or to a subsidiary thereof, without the prior approval of the listed entity's audit committee.

Performance of management functions for an assurance client

- (22) (a) A member or firm shall not perform an assurance engagement for an entity if, during the engagement period, a member of the firm makes a management decision or performs a management function for the entity, including:
  - (i) authorizing, approving, executing or consummating a transaction;
  - (ii) having or exercising authority on behalf of the entity;
  - (iii) determining which recommendation of the member or firm will be implemented; or
  - (iv) reporting in a management role to those charged with governance of the entity.
- (b) A member or firm shall not perform an audit or review engagement for an entity, if a member of a network firm, during either the period covered by the financial statements subject to audit or review or the engagement period, makes a management decision or performs a management function for the entity including any of the services listed in paragraph 22(a)(i) to (iv);
- (c) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or review or the engagement period, a member of the firm or a network firm, makes a management decision or performs a management function for the entity, or a related entity, including any of the services listed in paragraph 22(a)(i) to (iv).

Preparation of journal entries and source documents

- (23) A member or firm shall not perform an audit or review engagement for an entity if, during either the period covered by the financial statements subject to audit or review or the engagement period, a member of the firm or a network firm:
  - (i) prepares or changes a journal entry, determines or changes an account code or a classification for a transaction or prepares or changes another accounting record without obtaining the approval of management of the entity; or
  - (ii) prepares a source document or originating data, or makes a change to such a document or data.

Preparation of accounting records and financial statements for a listed entity audit client

- (24) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, firm, a network firm or a member of the firm or a network firm provides accounting or bookkeeping services related to the accounting records or financial statements to be audited including:
- (i) maintaining or preparing the entity's, or related entity's, accounting records;
  - (ii) preparing the financial statements or preparing financial statements which form the basis of the financial statements on which the audit report is provided; or
  - (iii) preparing or originating source data underlying such financial statements,

unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of such financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the accounting or bookkeeping services will be subject to audit procedures.

Provision of valuation services to a listed entity audit client

- (25) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or a network firm, provides a valuation service to the client or the related entity, unless it is reasonable to conclude that the results of that service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the valuation service will be subject to audit procedures.

Provision of actuarial services to a listed entity audit client

- (26) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides an actuarial service to the client or a related entity, unless it is reasonable to conclude that the results of that service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the actuarial service will be subject to audit procedures.

Provision of internal audit services to a listed entity audit client

- (27) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides an internal audit service to the client or a related entity, that relates to the client's, or the related entity's, internal accounting controls, financial systems or financial statements unless it is reasonable to conclude that the results of that service will not be subject to audit procedures during the audit of the financial statements. In determining whether such a

conclusion is reasonable, there is a rebuttable presumption that the results of the internal audit service will be subject to audit procedures.

Provision of IT system services to a listed entity audit client

- (28) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm provides financial information systems design or implementation services and the services involve:
- (i) directly or indirectly operating, or supervising the operation of, the entity's or a related entity's information system, or managing the entity's or a related entity's local area network; or
  - (ii) designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the entity's or a related entity's financial statements or other financial information systems taken as a whole;
- unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the financial statements. In determining whether such a conclusion is reasonable, there is a rebuttable presumption that the results of the financial information systems design and implementation services will be subject to audit procedures.

Provision of expert services to a listed entity audit client

- (29) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides an expert opinion or other expert service for the entity or a related entity, or for a legal representative thereof, for the purpose of advocating the entity's or related entity's, interest in a civil, criminal, regulatory, administrative or legislative proceeding or investigation.

Provision of legal services to an audit or review client

- (30) A member or firm shall not perform an audit or review engagement for an entity if, during either the period covered by the financial statements subject to audit or review or the engagement period, the member, the firm, a network firm or a member of the firm or network firm provides a legal service to the entity in the resolution of a dispute or litigation in circumstances where the matters in dispute or subject to litigation are material in relation to such financial statements.

Provision of legal services to a listed entity audit client

- (31) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides a legal service to the entity or a related entity.

Human resource services for a listed entity audit client

- (32) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, the member, the firm, a network firm or a member of the firm or network firm, provides any of the following services to the entity or a related entity:

- (i) searching for or seeking out prospective candidates for management, executive or director positions;
- (ii) engaging in psychological testing, or other formal testing or evaluation programs;
- (iii) undertaking reference checks of prospective candidates for an executive or director position;
- (iv) acting as a negotiator or mediator on the entity's behalf with respect to employees or future employees with respect to any condition of employment, including position, status or title, compensation or fringe benefits; or
- (v) recommending or advising the entity or a related entity to hire a specific candidate for a specific job.

Provision of corporate finance and similar activities to an assurance client

- (33) (a) A member or firm shall not perform an assurance engagement for an entity if, during the engagement period, the firm, or a member of the firm, provides any of the following services to the entity:
- (i) promoting, dealing in or underwriting the entity's securities;
  - (ii) making investment decisions on behalf of the entity or otherwise having discretionary authority over the entity's investments;
  - (iii) executing a transaction to buy or sell the entity's investments; or
  - (iv) having custody of assets of the entity, including taking temporary possession of securities purchased by the entity.
- (b) A firm shall not perform an audit or review engagement for an entity if a network firm, during either the period covered by the financial statements subject to audit or review or the engagement period, provides any of the services listed in paragraph 33(a)(i) to (iv) to the entity.
- (c) A firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or review or the engagement period, a member of the firm or a network firm, provides any of the services listed in paragraph 33(a)(i) to (iv) to a related entity of the listed entity.

Pricing

- (34) A member or firm shall not provide an assurance service for a fee that the member or firm knows is significantly lower than that charged by the predecessor member or firm, or contained in other proposals for the engagement, unless the member or firm can demonstrate:
- (i) that qualified members of the firm have been assigned to the engagement and will devote the appropriate time to it; and
  - (ii) that all applicable assurance standards, guidelines and quality control procedures have been followed.

Compensation of audit partners of a listed entity audit client

- (35) A member or firm shall not perform an audit engagement for a listed entity if, during either the period covered by the financial statements subject to audit or the engagement period, an audit partner who is on the engagement team for the listed entity or a related entity earns or receives compensation based on the audit partner procuring any engagement that is not an assurance engagement from the listed entity or a related entity, unless the member firm or the firm has fewer

than five audit clients that are listed entities and fewer than ten partners.

Gifts and hospitality

- (36) A member or student who participates on an engagement team for an assurance client and the member's or student's firm shall not accept a gift or hospitality, including a product or service discount, from the client or a related entity, unless the gift or hospitality is clearly insignificant to the member, student or firm, as the case may be.

Members Must Disclose Prohibited Interests and Relationships

- 204.5 A member or student who has a relationship or interest, or who has provided a professional service, that is precluded by this rule shall advise in writing a designated partner of the firm of the interest, relationship or service.

A member or student who has been assigned to an engagement team for an assurance client shall advise, in writing, a designated partner of the firm of any interest, relationship or activity that would preclude the person from being on the engagement team.

Firms To Ensure Compliance by Partners and Professional Employees

- 204.6 A firm that performs an assurance engagement shall ensure that members of the firm do not have a relationship or interest, do not perform a service and remain free of any influence that would preclude the firm from performing the engagement pursuant to rules 204.1, 204.2, 204.4 or 204.7.

Independence: Insolvency Engagements

- 204.7 A member or firm who engages or participates in an engagement to act in any aspect of insolvency practice, including as a trustee in bankruptcy, a liquidator, a receiver or a receiver-manager, shall be and remain independent such that the member, firm and members of the firm shall be and shall remain free of any influence, interest or relationship which, in respect of the engagement, impairs the professional judgment or objectivity of the member, firm or member of the firm or which, in the view of a reasonable observer, would impair the professional judgment or objectivity of the member, firm or member of the firm.

Disclosure of Impaired Independence

- 204.8 A member or firm engaged in the practice of public accounting or any related function, who provides a service not subject to the requirements of rules 204.1 to 204.7, shall disclose any activity, interest or relationship which, in respect of the engagement, would be seen by a reasonable observer to impair the member's or firm's independence such that the professional judgment or objectivity of the member, firm or member of the firm would appear to be impaired, and such disclosure shall be made in the member's or firm's written report or other written communication accompanying financial statements or financial or other information and the disclosure shall indicate the nature of the influence or relationship and the nature and extent of the interest.

**DEFINITIONS**

- 204.9 For the purposes of rules 204.1 to 204.8 and the related Council Interpretations:
- (a) "accounting role" means a position in which a person may or does exercise more than minimal influence over:
    - (i) the contents of the financial statements; or
    - (ii) anyone who prepares the financial statements.

- (b) “affiliate” means an entity that has control over a client, or over which the client has control, or which is under common control with a client, including the client’s parent company and any subsidiaries.
- (c) “assurance client” means an entity in respect of which a member or firm has been engaged to perform an assurance engagement.
- (d) “assurance engagement” means an assurance engagement as contemplated in the *CICA Handbook – Assurance*.  
**[May 2011]**
- (e) “audit client” means an entity in respect of which a member or firm has been engaged to perform an audit of the financial statements. In the application of rule 204.4(1) to (12) “audit client” includes its related entities, and the reference to an assurance client, a client or an entity that is an audit client shall be read as including all related entities of the assurance client, client or entity as the case may be.
- (f) “audit committee” means the audit committee of the entity, or if there is no audit committee another governance body which has the duties and responsibilities normally granted to an audit committee.
- (g) “audit engagement” means an engagement to audit financial statements as contemplated in the *CICA Handbook – Assurance*.  
**[May 2011]**
- (h) “audit partner” means a person who is a partner in a firm or a person who has equivalent responsibility, other than a specialist or technical partner or equivalent who consults with others on the engagement team regarding technical or industry-specific issues, transactions or events, who is a member of the audit engagement team having responsibility for decision-making on significant auditing, accounting, and reporting matters that affect the financial statements, or who maintains regular contact with management and the audit committee, and includes the following:
- (i) the lead engagement partner;
  - (ii) the engagement quality control reviewer;
  - (iii) another partner who, during the engagement period, provides more than ten hours of assurance services in connection with the annual financial statements or interim financial information of the client; and
  - (iv) a subsidiary entity engagement partner.
- (i) “clearly insignificant” means trivial and inconsequential.
- (j) “close family” means a parent, non-dependent child or sibling.
- (k) “direct financial interest” means a financial interest:
- (i) owned directly by and under the control of an individual or entity (including those managed on a discretionary basis by others);
  - (ii) beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has control;

- (iii) owned through an investment club or by a private mutual fund in which the individual participates in the investment decisions.
- (l) “engagement quality control reviewer”, often referred to as reviewing, concurring or second partner, means the audit partner who, prior to issuance of the audit report, evaluates the significant judgments made by the lead engagement partner and other persons on an engagement team, the conclusions reached in formulating the audit report and other significant matters that have come to the partner’s attention.
- (m) “engagement team” means:
  - (i) each member of the firm participating in the assurance engagement;
  - (ii) all other members of the firm who can directly influence the outcome of the assurance engagement, including:
    - (a) those who recommend the compensation of, or who provide direct supervisory, management or other oversight of, the assurance engagement partner in connection with the performance of the assurance engagement. For the purposes of an audit engagement this includes those at all successively senior levels above the lead engagement partner through to the firm’s chief executive officer;
    - (b) those who provide consultation regarding technical or industry-specific issues, transactions or events for the assurance engagement; and
    - (c) those who provide quality control for the assurance engagement; and
  - (iii) in the case of an audit client, all persons in a network firm who can directly influence the outcome of the audit engagement.
- (n) “financial interest” includes a direct or indirect ownership interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.
- (o) “financial reporting oversight role” means a position in which a person may or does exercise influence over:
  - (i) the contents of the financial statements; or
  - (ii) anyone who prepares the financial statements.
- (p) “firm” means a sole practitioner, partnership, professional corporation or association of members who carries or carry on the practice of public accounting, or carries or carry on related activities as defined by the council.
- (q) “fund manager” means, with respect to a mutual fund, an entity that is responsible for investing the mutual fund’s assets, managing its portfolio trading and providing it with administrative and other services, pursuant to a management contract.
- (r) “immediate family” means a spouse (or equivalent) or dependant.
- (s) “indirect financial interest” means a financial interest beneficially owned through a collective investment vehicle such as a mutual fund, estate, trust or other intermediary over which the beneficial owner has no control.

- (t) “lead engagement partner” means the audit partner having primary responsibility for an audit or review engagement.
- (u) “listed entity” means an entity whose shares, debt or other securities are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body, other than an entity that has, in respect of a particular fiscal year, market capitalization and total assets that are each less than \$10,000,000. An entity that becomes a listed entity by virtue of the market capitalization or total assets becoming \$10,000,000 or more in respect of a particular fiscal year shall be considered to be a listed entity thenceforward unless and until the entity ceases to have its shares or debt quoted, listed or marketed in connection with a recognized stock exchange or the entity has remained under the threshold for a period of two years.
- In the case of a period in which an entity makes a public offering:
- (i) the term “market capitalization” shall be read as referring to the market price of all outstanding listed securities and publicly traded debt measured using the closing price on the day of the public offering; and
  - (ii) the term “total assets” shall be read as referring to the amount of total assets presented on the most recent financial statements prepared in accordance with generally accepted accounting principles included in the public offering document.
- (v) “market capitalization” in respect of a particular fiscal year means the average market price of all outstanding listed securities and publicly traded debt of the entity measured at the end of each of the first, second and third quarters of the prior fiscal year and the year-end of the second prior fiscal year.
- (w) “member of a firm” or “member of the firm”, as the case may be, means a person, whether or not a member of a provincial Institute or Ordre, who is:
- (i) a sole practitioner;
  - (ii) a partner, professional employee or student of the firm;
  - (iii) an individual engaged under contract by the firm to provide services that might otherwise be provided by a partner or professional employee of the firm;
  - (iv) an individual who provides to the firm services which are referred to in rule 204.1 and includes any corporate or other entity through which the individual contracts to provide such services; or
  - (v) a retired partner of the firm who retains a close association with the firm.
- (x) “mutual fund” means a mutual fund that is a reporting issuer under the applicable Canadian provincial or territorial securities legislation.
- (y) “mutual fund complex” means:
- (i) a mutual fund that has the same fund manager as a client;
  - (ii) a mutual fund that has a fund manager that is controlled by the fund manager of a client; and
  - (iii) a mutual fund that has a fund manager that is under common control with the fund manager of a client.

- (z) “network firm” means an entity under common control, ownership or management with a firm, or any entity that a reasonable observer who has knowledge of the facts would conclude to be part of a firm nationally or internationally. A network firm does not include an entity that constitutes a related business or practice, as defined, in Canada.
- (aa) “office” means a distinct sub-group of a firm, whether organized on geographical or practice lines.
- (bb) “reporting issuer” means an entity that is deemed to be a reporting issuer under the applicable Canadian provincial or territorial securities legislation whose shares, debt or other securities are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body, other than an entity that has, in respect of a particular fiscal year, market capitalization and total assets that are each less than \$10,000,000. An entity that becomes a listed entity reporting issuer by virtue of the market capitalization or total assets becoming \$10,000,000 or more in respect of a particular fiscal year shall be considered to be a listed entity reporting issuer thenceforward unless and until the entity ceases to have its shares, units or debt quoted, listed or marketed in connection with a recognized stock exchange or the entity has remained under the market capitalization or total assets threshold for a period of two years.

In the case of a period in which an entity makes a public offering:

- (i) the term “market capitalization” shall be read as referring to the market price of all outstanding listed securities and publicly traded debt measured using the closing price on the day of the public offering; and
- (ii) the term “total assets” shall be read as referring to the amount of total assets presented on the most recent financial statements prepared in accordance with generally accepted accounting principles included in the public offering document.

In the case of a reporting issuer that does not have listed securities or publicly traded debt, the definition of reporting issuer shall be read without reference to market capitalization.

- (cc) “related entity” means:
  - (i) in the case of a client that is a reporting issuer, an entity that has control over the client, or over which the client has control, or that is under common control with the client, including the client's parent company and any subsidiaries;
  - (ii) in the case of a client that is not a reporting issuer
    - (a) an entity over which the client has control;
    - (b) an entity that has control over the client provided the client is material to such entity; and
    - (c) an entity that is under common control with the client provided that such entity and the client are both material to the controlling entity;
  - (iii) in any case an entity over which a client has significant influence, unless the entity is not material to the client; and

- (iv) in any case an entity that has significant influence over a client, unless the client is not material to the entity.
- (dd) “review client” means an entity in respect of which a member or firm conducts a review engagement. In the application of rule 204.4(1) to (12) “review client” includes its affiliates, and the reference to an assurance client, a client or an entity that is a review client shall be read as including all affiliates of the assurance client, client or entity, as the case may be.
- (ee) “review engagement” means an engagement to review financial statements as contemplated in the *CICA Handbook – Assurance*.  
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- (ff) “specified auditing procedures engagement” means an engagement to perform specified auditing procedures contemplated in the *CICA Handbook – Assurance*.  
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- (gg) “subsidiary entity engagement partner” means the lead engagement partner for an audit engagement related to the annual financial statements or interim financial information of an entity that is a subsidiary or joint venture of an audit client and whose assets or revenues constitute 20% or more of the assets or revenues of the audit client’s respective consolidated assets or revenues.
- (hh) “total assets” in respect of a particular fiscal year means the amount of total assets presented on the third quarter of the prior fiscal year’s financial statements prepared in accordance with generally accepted accounting principles that are filed with a relevant securities regulator or stock exchange. In the case of an entity that is not required to file quarterly financial statements, total assets in respect of a particular fiscal year means the amount of total assets presented on the annual financial statements of the second previous fiscal year prepared in accordance with generally accepted accounting principles that are filed with a relevant securities regulator or stock exchange.

Effective date and transitional provisions

Rules 204.1 to 204.8 shall take effect, no later than:

- (a) for an assurance engagement in respect of a particular reporting period of a client, for the first reporting period commencing after December 31, 2003; and
- (b) for any other assurance engagement and an engagement to issue a report of the results of applying specified auditing procedures where the engagement is commenced after December 31, 2003,

subject to the following transitional provisions, as may be applicable.

1. Provision of non-assurance services

The non-assurance services referred to in 204.4(22) to (33) do not include a service that has not been completed before January 1, 2004 where:

- (i) There exists on December 31, 2003 a binding contract for the member or firm to provide the service;
- (ii) The provision of the service is completed before January 1, 2005; and
- (iii) The provision of the service by the member or firm would not have contravened the provisions of rule 204.1 as it read prior to January 1, 2004.

2. Prior approval of audit and non-audit services

Rule 204.4(21) shall come into effect at the earlier of the following dates:

- (a) when Multilateral Instrument 52-110, which requires pre-approval by the audit committee of all non-audit services to be provided to the listed entity or to its subsidiaries, becomes a rule enforced by the relevant securities regulator; and
- (b) when the audit client has policies and procedures in place that require pre-approval by the audit committee of all non-audit services to be provided to the listed entity or to its subsidiaries.

3. Employment relationships

The reference to employment in rule 204.4(16) shall not apply to an employment relationship entered into by a person before January 1, 2004.

4. Compensation of audit partners

Rule 204.4(35) shall not apply to the compensation of an audit partner in respect of the fiscal period of the audit partner's firm that includes December 31, 2003.

5. Audit partner rotation

Notwithstanding the requirements of 204.4(20):

- (i) A lead engagement partner may continue in that role for a particular client up to and including the second fiscal year of the client commencing after December 31, 2003, notwithstanding that such partner has completed five or more years in that role, or in the role of engagement quality control reviewer, before that second fiscal year;
- (ii) An engagement quality control reviewer may continue in that role for a particular client up to and including the third fiscal year of the client commencing after December 31, 2003, notwithstanding that such partner has completed five or more years in that role, or in the role of lead engagement partner, before that third fiscal year;
- (iii) A partner referred to in rule 204.4(20)(b) may continue in the particular role for up to seven years after December 31, 2003 notwithstanding that such partner has completed seven or more years in that role before the fiscal year of the particular client commencing after December 31, 2003;

A member may commence the role of lead engagement partner for a particular client prior to the end of the client's second fiscal year commencing after December 31, 2003, and may continue in that role for five years, notwithstanding the number of years, if any, that the member was previously the engagement quality control reviewer for the particular client.

False or misleading documents and oral representations

205. A member, student or firm shall not

- (a) sign or associate with any letter, report, statement, representation or financial statement which the member, student or firm know, or should know, is false or misleading, whether or not the signing or association is subject to a disclaimer of responsibility, nor
- (b) make or associate with any oral report, statement or representation which the member, student or firm know, or should know, is false or misleading.

Compliance with professional standards

- 206.1 A member or firm engaged in the practice of public accounting shall perform professional services in accordance with generally accepted standards of practice of the profession.
- 206.2 A member who has responsibility for the preparation or approval of the general purpose financial statements of an entity shall ensure those financial statements are presented fairly in accordance with generally accepted accounting principles or such other accounting principles as may be required in the circumstances.
- 206.3 A member who, as a member of an entity's audit committee or board of directors, is required to participate in the review or approval of the entity's general purpose financial statements by such committee or board, shall carry out that responsibility with the care and diligence of a competent Chartered Accountant, enhanced by the skills and knowledge derived from the member's own career.

Unauthorized benefits

207. A member, student or firm shall not, in connection with any transaction involving a client or an employer, hold, receive, bargain for, become entitled to or acquire, directly or indirectly, any fee, remuneration or benefit for personal advantage or for the advantage of a third party without the knowledge and consent the client or employer, as the case may be.

Confidentiality of information

- 208.1 A member, student or firm shall not disclose any confidential information concerning the affairs of any client, former client, employer or former employer except:
- (a) when properly acting in the course of carrying out professional duties;
  - (b) when such information should properly be disclosed for purposes of rule 211 or rule 302;
  - (c) when such information is required to be disclosed by order of lawful authority or, in the proper exercise of their duties, by the council, the professional conduct committee, discipline committee and the fees review committee;
  - (d) when justified in order to defend, the member, student or firm or any associates or employees of the member, student or firm, as the case may be against any lawsuit or other legal proceeding or against alleged professional misconduct or in any legal proceeding for recovery of unpaid professional fees and disbursements, but only to the extent necessary for such purpose; or
  - (e) when the client, former client, employer or former employer, as the case may be, has consented to such disclosure.
- 208.2 A member, student or firm shall not use confidential information of any client, former client, employer or former employer, as the case may be, obtained in the course of professional work for such client or employer
- (a) for the advantage of the member, student or firm,
  - (b) for the advantage of a third party, or

- (c) to the disadvantage of such client or employer

without the knowledge and consent of the client, former client, employer or former employer.

- 208.3 A member or firm engaged to perform a particular service may contract for the services of a person not employed by the member or firm to assist in the performance of that service, provided the member or firm first obtains the written agreement of that person to carefully and faithfully preserve the confidentiality of any information acquired for the purposes of the engagement and not to make use of such information other than as shall be required in the performance of such services.

#### Borrowing from Clients

- 209.1 A member, student or firm shall not, directly or indirectly, borrow from or obtain a loan guarantee from a client unless either

- (a) the loan or guarantee has been made under normal commercial terms and conditions, and
- (i) the client is a bank or similar financial institution whose business includes lending money to the public; or
  - (ii) the client is a person or entity, a significant portion of whose business is the private lending of money; or
- (b) (i) in the case of a member or student, the client is a family member or an entity over which a family member exercises significant influence; or
- (ii) in the case of a firm, the client is a family member of a partner or shareholder of the firm or an entity over which a family member of a partner or shareholder of the firm exercises significant influence.

- 209.2 Rule 209.1 does not apply to:

- (a) the financing of a bona fide business venture between a member, student or firm and a client that is not an assurance client;
- (b) amounts received from a client as a retainer or as a deposit on account of future services to be provided by the member, student or firm; or
- (c) a loan received from a member or student's employer.

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- 209.3 For purposes of rule 209.1, a client includes a person or entity who has, within the previous two years, engaged the member or firm to provide a service and who relies on membership in the Institute as giving the member or firm particular competence to provide that service.

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#### Conflict of Interest

- 210.1 A member or firm engaged in the practice of public accounting or in a related business or practice shall, before accepting any professional engagement, determine whether there is any restriction, influence, interest or relationship which, in respect of the proposed engagement, would cause a reasonable observer to conclude that there will be a conflict as contemplated by rule 210.2.

- 210.2 Subject to the provisions of rule 210.3, a member, student or firm shall not accept, commence or continue any engagement to provide professional services to any client in circumstances where a reasonable observer would conclude that the member, or student or firm:
- (a) is in a position or has placed any person in a position where any of their interests conflicts with the interest of a client; or
  - (b) is in a position where the duty owed to one client creates a professional or legal conflict with the duty owed by the member, student or firm to another client.

210.3 Where the acceptance of a proposed engagement would result in a conflict under rule 210.2 or where a previously unidentified conflict under rule 210.2 arises or is discovered in the course of an existing engagement or engagements, the member or firm must decline the proposed engagement, or withdraw from all existing engagements that are affected, unless:

- (a)
  - (i) the member is able to rely upon conflict management techniques that are generally accepted and the use of such techniques will not breach the terms of an engagement with or duty to another client;
  - (ii) the member informs all affected clients of the existence of the conflict and the techniques that will be used to manage it; and
  - (iii) the member obtains the consent of all affected clients to accept or continue the engagement or engagements; or
- (b) the affected clients have knowledge of the conflict and their consent for the member to accept or continue the engagement is implied by their conduct, in keeping with common commercial practice.

210.4 For purposes of rule 210, a client includes any person or entity for whom the member, student or firm, or any other person engaged in the practice of public accounting or a related business or practice in association with the member, student or firm, provides or is engaged to provide a professional service.

Duty to report breach of rules of professional conduct

211.1 A member or firm shall promptly report to the professional conduct committee any information concerning an apparent breach of these rules of professional conduct, or any information raising doubt as to the competence, reputation or integrity of a member, student, applicant or firm, unless such disclosure would result in

- (a) the breach of a statutory duty not to disclose, or
- (b) the reporting of information by a member or firm exempted from this rule for the purpose and to the extent specified by council, or
- (c) the loss of solicitor-client privilege, or
- (d) the reporting of a matter that has already been reported, or
- (e) the reporting of a trivial matter.

211.1.1 As set out in rule 211.1(b), council may exempt a member from the duty to report to the professional conduct committee information obtained in the course of their employment at the Institute or in the course of their volunteer work at the Institute, and hereby exempts:

- (a) The Saskatchewan based representative on the inter-provincial Professional Liability Insurance Committee (PLIC) with respect to information acquired in the course of, or as a result of, the member's duties as a member of that committee.
- (b) The member who is a Director of AICA Services Inc., with respect to information acquired in the course of, or as a result of, the member's duties as a Director of AICA.
- (c) Any member on staff with the Institute.

211.2 A member or firm required to report under rule 211.1 and who is engaged, or is in consultation with a view to being engaged, with respect to a civil or criminal investigation need not report to the professional conduct committee any information obtained in the course of such engagement or consultation concerning an apparent breach of these rules of professional conduct or any information raising doubt as to the competence, reputation or integrity of a member, student or applicant or firm until such time as

- (a) the client has consented to the release of the information, or
- (b) the member or firm becomes aware that the information is known to third parties other than legal advisors, or
- (c) it becomes apparent to the member or firm that the information will not become known to third parties other than legal advisors.

#### Handling of trust funds and other property

212.1 A member or student who or a firm that, receives, handles or holds money or other property as a trustee, receiver or receiver/manager, guardian, administrator/manager or liquidator shall do so in accordance with the terms of the engagement, including the terms of any applicable trust, and the law relating thereto and shall maintain such records as are necessary to account properly for the money or other property; unless otherwise provided for by the terms of a trust, money held in trust shall be kept in a separate trust bank account or accounts.

#### Handling property of others

212.2 A member, student or firm in the course of providing professional services shall handle with due care any entrusted property.

#### Unlawful activity

213. A member, student or firm shall not knowingly associate with to any unlawful activity.

#### Fee quotations

214. A member or firm shall not quote a fee for any professional engagement unless adequate information has been obtained about the engagement.

Contingency fees

- 215.1 A member or firm engaged in the practice of public accounting or in a related business or practice shall not offer or engage to perform a professional service for a fee payable only where there is a specified determination or result of the service, or for a fee the amount of which is to be fixed, whether as a percentage or otherwise, by reference to the determination or result of the service, where the service is:
- (a) one in respect of which professional standards or rules of conduct require that the member be and remain free of any influence, interest or relationship which, in respect of the engagement, impairs the member's professional judgment or objectivity or which, in the view of a reasonable observer, would impair the member's professional judgment or objectivity; or
  - (b) a compilation engagement.
- 215.2 Rule 215.1 does not apply to a professional service for a fee fixed by a court or other public authority or to a professional service in respect of any aspect of insolvency practice, including acting as a trustee in bankruptcy, a liquidator, a receiver, or a receiver-manager.
- 215.3 Other than in respect of an engagement described in rule 215.1, a member or firm engaged in the practice of public accounting or in a related business or practice may offer or engage to perform a professional service for a fee payable only where there is a specified determination or result of the service, or for a fee the amount of which is to be fixed, whether as a percentage or otherwise, by reference to the determination or result of the service, provided:
- (a) the fee arrangement does not constitute an influence, interest or relationship which impairs or, in the view of a reasonable observer, would impair the professional judgment or objectivity of the member or a partner of the member in respect of an engagement described in rule 215.1(a); or
  - (b) the fee arrangement is not one which influences, or in the view of a reasonable observer would influence, the result of a compilation engagement performed by the member or a partner of the member for the same client; and
  - (c) the client has agreed in writing to the basis for determining the fee before the completion of the engagement.
- Payment or receipt of commissions
216. Other than in relation to the sale and purchase by a member or firm of an accounting practice, a member or firm engaged in the practice of public accounting or a student while employed by a member or firm engaged in the practice of public accounting shall not directly or indirectly pay to any person who is not an employee of the member or firm or who is not a public accountant a commission or other compensation to obtain a client, nor shall the member, student or firm accept directly or indirectly from any person who is not a public accountant a commission or other compensation for a referral to a client of products or services of others.

Advertising and promotion

217.1 A member or firm may advertise or seek publicity for the member's or firm's services, achievements or products and may seek to obtain new engagements and clients by various means, but shall not do so, directly or indirectly, in any manner:

(a) which the member or firm knows, or should know, is false or misleading or which includes a statement the contents of which the member or firm cannot substantiate; [May 2010]

(b) which makes unfavourable reflections on the competence or integrity of the profession or any member or firm; or [May 2010]

(c) which otherwise brings disrepute on the profession. [May 2010]

Endorsements

217.2 A member or firm may advertise or endorse any product or service of another person or entity that the member or firm uses or otherwise has an association with, provided the member or firm has sufficient knowledge or expertise to make an informed and considered assessment of the product or service. However, in doing so,

(a) the member or firm must act with integrity and due care; [May 2010]

(b) the member or firm must be satisfied that the endorsement  
(i) is not false or misleading or does not include a statement the contents of which the member or firm cannot substantiate;  
(ii) does not make unfavourable reflections on the competence or integrity of the profession or any member or firm, and  
(iii) does not otherwise bring disrepute on the profession, and [May 2010]

(c) when associating the CA designation with an endorsement, the member or firm must conduct sufficient appropriate procedures to support the assertions made about the product or service. [May 2010]

Retention of documentation and working papers

218. A member or firm shall retain for a reasonable period of time such working papers, records or other documentation which reasonably evidence the nature and extent of the work done in respect of any professional engagement.

Rules 219 to 299 left vacant.

300 Relations with fellow members and with non-members engaged in public accounting

Rule 301 left vacant.

Communication with predecessor

- 302.1 A member or firm shall not accept an engagement with respect to the practice of public accounting or the public practice of a function not inconsistent there with, where the member or firm is replacing another member, firm or other accountant recognized by statutory authority in Saskatchewan without first communicating with such person or firm and enquiring whether there are any circumstances that should be taken into account which might influence the decision whether or not to accept the engagement.
- 302.2 The incumbent member or firm shall respond promptly to the communication referred to in rule 302.1.
- 302.3 A member or firm responding to a communication pursuant to rule 302.2 shall inform the possible successor if suspected fraud or other illegal activity by the client was a factor in the member's or firm's resignation or if, in the member's or firm's view, fraud or other illegal activity by the client may have been a factor in the client's decision to appoint a successor.

Co-operation with successor

- 303.1 A member or firm shall upon written request of the client supply on a timely basis reasonable information to the member's or firm's successor about the work done or being assumed.
- 303.2 A predecessor member or firm on an engagement shall co-operate with the successor on the engagement, recognizing the client's interests are paramount, and shall transfer promptly to the client or, on the client's instructions, to the successor, all books, documents, and other property belonging to the client which are in the predecessor's possession.

Joint engagements

304. A member or firm accepting an engagement jointly with another member or firm shall accept joint and several responsibility for any portion of the work to be performed by either; no member or firm shall proceed in any matter within the terms of such joint engagement without due notice to the other member or firm.

Communication of special engagements to incumbent

- 305.1 A member or firm engaged in the practice of public accounting shall, before commencing any engagement for a client for which another member or firm is the duly appointed auditor or accountant, first notify such auditor or accountant of the engagement, unless the client makes an unsolicited request, evidenced in writing, that such notification not be given.

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- 305.2 Rule 305.1 applies only where the services to be provided under the terms of the engagement are included in the practice of public accounting.

Responsibilities on accepting engagements

- 306.1 A member or firm accepting an engagement, whether by referral or otherwise, from a client of a member or firm having a continuing professional relationship with that client shall not take any action which would tend to impair the position of the other member in the ongoing work with the client.

Responsibilities on referred engagements

- 306.2 A member or firm receiving an engagement for services by referral from another member or firm shall not provide or offer to provide any additional services to the referred client without the consent of the referring member or firm; the interest of the client being of overriding concern, the referring member or firm shall not unreasonably withhold such consent.

Rules 307 to 499 left vacant.

500 RULES OF PROFESSIONAL CONDUCT APPLICABLE ONLY TO FIRMS

Firm's maintenance of policies and procedures for compliance with professional standards

- 501.1 A firm shall establish, maintain and uphold appropriate policies and procedures designed to ensure that its public accounting services are performed in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the CICA Handbook.
- 501.2 A firm shall establish, maintain and uphold appropriate policies and procedures designed to ensure that its services are performed in accordance with generally accepted standards of practice of such business or practice, unless such standards of practice are specifically prohibited by the rules of professional conduct.

Firm's maintenance of policies and procedures

502. A firm shall establish, maintain and uphold appropriate policies and procedures designed to ensure that, in the conduct of the practice, the members and students of the Institute who are associated with the firm and any other employees of the firm or other persons with whom the firm contracts to carry out its professional services comply with the rules of professional conduct, and in particular:
- (a) conduct themselves in a manner which will maintain the good reputation of the profession and its ability to serve the public interest;
  - (b) perform their professional services with integrity and due care;
  - (c) comply with the independence requirements of the Institute;
  - (d) comply with the conflict of interest requirements of the Institute;
  - (e) sustain their professional competence and keep informed of and comply with developments in professional standards in all functions in which they practice or are relied on because of their calling;
  - (f) ensure only authorized individuals have access to and can authorize the release of financial and confidential information relating to clients;
  - (g) do not sign or associate themselves with any letters, reports, statements, representation or financial statements which they know or should know is false or misleading, whether or not the signing or association is subject to a disclaimer of responsibility, nor make or associate themselves with any oral report, statement or representation which they know or should know is false or misleading;

- (h) ensure that partners or others who are not professional colleagues, such as head office personnel,
  - (i) cannot supersede decisions of members relating to the performance of client engagements within the definition of the practice of public accounting, and
  - (ii) are familiar with and comply with The Chartered Accountants Act, 1986, (Saskatchewan), regulations, bylaws and rules of professional conduct of the Institute; and
- (i) ensure that members of the firm who are members of other professional associations comply with those associations' bylaws and code of ethics.

Association with firms

503 A firm engaged in the practice of public accounting shall not associate professionally with any other firm practising as chartered accountants in Saskatchewan unless:

- (a) all partners or voting shareholders of the other firm who reside in Saskatchewan are members,
- (b) at least one partner or voting shareholder of the other firm is a members, and
- (c) all the partners or voting shareholders of the other firm are professional colleagues or professional corporations or incorporated professionals provided each such corporation or incorporated professional is recognized and approved for the practiced of public accounting by the provincial Institute in the province concerned.