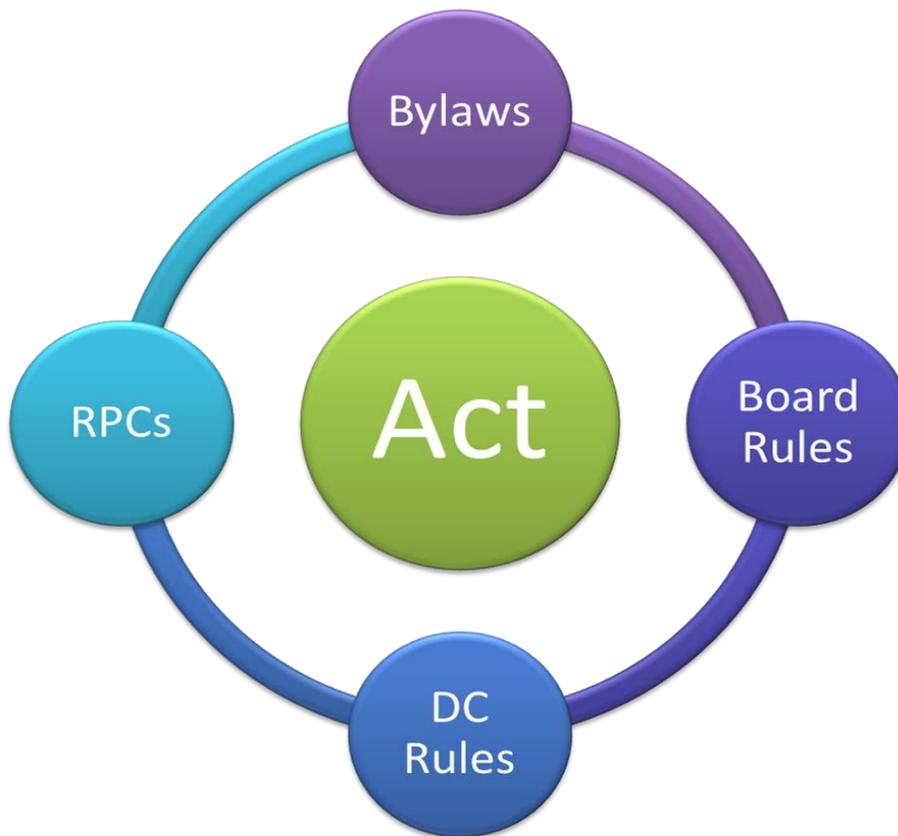


## INTRODUCTION

Registrants are subject to a regime of regulation defined as Rules which, “means and includes any right, requirement, obligation of a registrant or duty or power of the Institute that is set out in the Act, a Bylaw, a Board rule, a Discipline Committee rule and the Rules of Professional Conduct, as amended from time to time.”

The **rules work together in regulation**, with the **Act at the core** of the Boards’ ability to generate rules. If the Act does **not require or permit** a rule in a particular aspect of regulation or Institute function the rule cannot be made.



**INSTITUTE OF  
CHARTERED PROFESSIONAL ACCOUNTANTS  
OF SASKATCHEWAN  
RULES**

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## I. REGULATORY BYLAWS (1-99)

### A. TITLE

1.1 These Bylaws may be cited as *The Accounting Profession Regulatory Bylaws, 2018* (Saskatchewan).

### B. INTERPRETATION

2.1 For the purpose of these Bylaws, except where otherwise stated,

- (a) “accounting services” means analysis, interpretation, advice or counsel related to financial information or a financial reporting standard contained in or applicable to general purpose financial statements and does not include:

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- (i) the practice of professional accounting;
  - (ii) management accounting; or
  - (iii) bookkeeping;
- (b) “Act” means *The Accounting Profession Act*, (Saskatchewan) as amended from time to time;
- (c) “assurance engagement” means performing an assurance engagement and issuing an assurance report in accordance with the Standards of Professional Practice published by CPA Canada, as amended from time to time, or an assurance engagement or a report purporting to be performed or issued, as the case may be, in accordance with those standards;
- (d) “audit engagement” means performing an audit engagement and issuing an auditor’s report in accordance with the Standards of Professional Practice published by CPA Canada, as amended from time to time, or an audit engagement or a report purporting to be performed or issued, as the case may be, in accordance with those standards;
- (e) “Board rule” means a rule approved by the Board consistent with and permitted under specific provisions in the Act or Bylaws;
- (f) “bookkeeping” means the preparation or maintenance of an entity’s accounting records including a trial balance and reports produced directly from such records;
- (g) “Bylaws” mean these Bylaws and any other Bylaws of the Institute that may be in force from time to time;
- (h) “cancellation” or “cancelled” means an action taken to strike a registrant’s name from the register of the Institute or to terminate a registrant’s licence;
- (i) “Certified Public Accountant certificate” means a 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 CPA designation granted by the Institute to obtain the Certified Public Accountant certificate granted by that state board;
- (j) “Chief Executive Officer” and “CEO” mean the individual appointed by the Board pursuant to Bylaw 114.1 of *The Accounting Profession Administrative Bylaws*;
- (k) “client” means a person, other than the member’s employer, who in the view of a reasonable observer enters into or places reliance on a relationship or engagement for professional services with a member or firm;
- (l) “compilation engagement” means an engagement completed or purporting to be completed in accordance with the Standards of Professional Practice published by CPA Canada, for the compilation of a financial statement, as amended from time to time;
- (m) “condition” means a specific obligation of a registrant which is mutually agreed upon between the Institute and the registrant;
- (n) “CPA Canada” means the national organization of Chartered Professional Accountants in Canada;
- (o) “CPA Canada competency map” means the competencies required of a registrant on the path to, and upon, certification as a Chartered Professional Accountant, as established and amended from time to time. The competency map will also form the basis for practical experience requirements;
- (p) “CPA Canada professional education program” means a graduate level program developed and delivered based on the CPA Canada competency map as amended from time to time;

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- (q) “CPA Canada practical experience requirements” means the term of paid employment during which a candidate demonstrates the attainment of professional knowledge, skills, values, ethics and attitudes required for entry to the CPA Canada profession, as established and amended from time to time;
- (r) “Discipline Committee rule” means a rule approved by the Discipline Committee which is consistent with specific provisions in the Act or Bylaws and permitted under subsection 30(3) of the Act;
- (s) “experience verification program” means a training program which is not the pre-approved program;
- (t) “finance services” means providing advice related to treasury management, capital budgeting, business valuation or corporate finance transactions;
- (u) “former registrant” means a person whose registration with the Institute has been cancelled;
- (v) “immediate family member” means a spouse (or equivalent) or dependent;
- (w) “Legacy body” means The Institute of Chartered Accountants of Saskatchewan, The Society of Management Accountants of Saskatchewan and The Certified General Accountants Association of Saskatchewan, collectively or separately;
- (x) “Legacy designation” means a designation held by a member pursuant to section 59 of the Act;
- (y) “management accounting” means identifying management information requirements and developing the required systems and includes:
  - (i) planning;
  - (ii) forecasting;
  - (iii) budgeting;
  - (iv) management reporting;
  - (v) cost and revenue management; and
  - (vi) analysis or advice with respect to the foregoing;
- (z) “Mutual Recognition Agreement” or “Reciprocal Membership Agreement” means an agreement to facilitate a reciprocal granting of professional designations between CPA Canada and another international professional accounting body with eligibility requirements based on an extensive review of each other's accreditation policies and programs;
- (aa) “non-practice” means that for a twelve (12) month period ending in the fiscal year of CPA Saskatchewan, the member was:
  - (i) not engaged in the practice of the profession; and
  - (ii) not relied upon based on his qualification as a professional accountant;
- (bb) “other regulated services” means any of the following professional services:
  - (i) accounting services;
  - (ii) bankruptcy and insolvency trusteeship or administration;
  - (iii) compilation engagements;
  - (iv) engagement quality control reviews;
  - (v) finance services;
  - (vi) forensic accounting;
  - (vii) management accounting; and
  - (viii) taxation services;and does not include the practice of professional accounting;

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- (cc) “practice leader” means any member with the authority on behalf of a firm to sign or issue a report, opinion or advice related to the practice of professional accounting or other regulated services;
- (dd) “practice of the profession” or “professional service” means any service provided by a member related to a technical competency as set out in the CPA Canada competency map;
- (ee) “practice of professional accounting” means any of the sub-categories of professional service outlined in subsection 18(1) of the Act;
- (ff) “practice inspection” means inspecting the application of Standards of Professional Practice and the manner and methods of practice of registered and licensed firms by the Institute;
- (gg) “pre-approved program” means a training program of an employer approved by the applicable regulatory committee prior to the employer offering employment to a candidate;
- (hh) “professional corporation” means a corporation that has been incorporated and is in good standing pursuant to *The Business Corporations Act* (Saskatchewan) and meets the requirements of *The Professional Corporations Act* (Saskatchewan);
- (ii) “Provincial Institute” means a regulatory body for professional accountants established pursuant to legislation in any province or territory of Canada and The Institute of Chartered Professional Accountants of Bermuda;
- (jj) “public appointee” means a person appointed to the Board pursuant to section 9 of the Act;
- (kk) “public representative” means a person appointed by the Board to a regulatory committee pursuant to Bylaw 112.2 of *The Accounting Profession Administrative Bylaws*;
- (ll) “resignation” or “resign” means a voluntary application made by a registrant to cancel his registration or license and approved in accordance with the Rules;
- (mm) “restriction” means a limitation imposed by the Institute on the registration or licence of a registrant;
- (nn) “Rule” means any right, requirement or obligation of a registrant or duty or power of the Institute that is set out in the Act, a Bylaw, a Board rule, a Discipline Committee rule and the Rules of Professional Conduct, as established or amended from time to time;
- (oo) “Standards of Professional Practice” means assurance, audit, financial reporting, accounting and other standards pronounced by the Accounting Standards Boards or the Auditing and Assurance Standards Board and published in the CPA Canada Handbook and further includes other standards, as amended from time to time, approved and published by CPA Canada;
- (pp) “suspend” or “suspension” means an action taken by the Institute to temporarily or conditionally remove a registrant’s rights and privileges established pursuant to the Rules;
- (qq) “taxation service” means providing advice or interpretation with respect to taxation matters;
- (rr) “training program” means a training program which meets the standards and criteria of CPA Canada practical experience requirements and approved by the applicable regulatory committee;
- (ss) “trust account” means an account established at a financial institution by a registrant under the terms of a trust agreement;
- (tt) “trust agreement” means any agreement between a registrant and another person which specifies the parameters relating to the handling and administration of trust assets, including but not limited to an agreement which may establish a legal trust for which the registrant is the trustee, or an agreement which may establish any other relationship whereby the registrant receives trust assets;

(uu) "trust assets" means all assets owned by another person which are delivered to or placed in the possession or custody of a registrant to be held or otherwise dealt with on behalf of the other person;

(vv) "Rules of Professional Conduct" means the obligations and requirements for professional conduct and professional competence of registrants established by CPA Canada;

2.2 Bylaws and Board rules pertaining to members or firms providing services as a professional accountant through or in the name of a professional corporation shall apply to the professional corporation.

2.3 Singular includes plural, and *vice versa*.

2.4 Masculine includes feminine, and *vice versa*.

2.5 "In writing" applies to both paper and electronic form.

2.6 Headings are for convenience and reference only.

2.7 Terms defined in the Act have the same meaning in these Bylaws.

## C. REGISTRANTS

### General

#### Confidentiality

3.1 A registrant performing duties or exercising powers established by the Rules shall keep confidential all information and records obtained or maintained, except where the Rules require or allow the registrant to disclose information, or to report or take official action on the information and records.

3.2 Bylaw 3.1 does not apply to information or records where disclosure is made:

- (a) to the registrant's legal counsel;
- (b) with the consent of the person to whom the information or record applies;
- (c) to the extent that the information or record is otherwise available to the public; or
- (d) as may otherwise be required by the law or to the extent set out in the Rules.

3.3 The Institute may provide information about a registrant, suspended registrant or former registrant to another Provincial Institute in which the person is currently registered or applying for registration, upon request from that other Provincial Institute.

3.4 The Institute may provide the information contained in the register under subsection 19(1) or section 50 of the Act about a registrant, suspended registrant or former registrant to CPA Canada.

Compliance

4.1 An individual who is submitting information to the Institute relating to his application for or renewal of registration, licence, or re-instatement shall not sign or associate with any letter, report, statement or representation which the applicant knows, or should know, is false or misleading.

4.2 A registrant or suspended registrant who becomes aware of his non-compliance with the Rules shall declare that non-compliance to the Registrar within thirty (30) days.

4.3 Each registrant by his application for and continuance of registration shall be deemed to have agreed to comply with the Rules.

4.4 Upon receipt of a notice in writing from the Institute, a registrant or suspended registrant shall submit to the Institute any documents or records required pursuant to the Rules in a manner and within the time specified in the Rules or notice.

Delivery of Notice

5.1 In addition to the methods of service of notices prescribed by section 53 of the Act and unless otherwise specifically provided in the Rules, any document, notification, letter or other form required to be given or sent to a registrant or suspended registrant by the Institute pursuant to the Rules may be delivered or served as the case may be when:

- (a) a facsimile number has been designated by the registrant or suspended registrant, by facsimile transmission addressed to the designated facsimile number; or
- (b) an electronic address has been designated by the registrant or suspended registrant, by electronic transmission addressed to the designated electronic address.

5.2 A document, notification, letter or other form shall be deemed to be received by the registrant or suspended registrant on the:

- (a) day it is personally delivered;
- (b) tenth (10th) calendar day after the day it is mailed;
- (c) business day next following the day of the facsimile transmission;
- (d) business day next following the day of the electronic transmission; or
- (e) business day next following the day of the delivery or service by courier.

5.3 A document, notification, letter or other form required to be given or sent to the Institute by a registrant or suspended registrant pursuant to the Rules may be:

- (a) delivered or served personally on the Registrar; or
- (b) sent by mail, facsimile, electronic transmission, courier or any electronic medium by which the Institute is able to receive data, to the attention of the Registrar;

provided that anything required to be in a form approved by the applicable regulatory committee is in such form, that anything required to be signed is signed, and that anything required to be received at the Institute within a period of time or by a specific date is received within such time or by such date.

### Special Meetings

6.1 A special meeting of the members of the Institute shall be held at such place and time in Saskatchewan as the Board may determine.

6.2 The Board shall convene a special meeting within sixty (60) days of a request in writing of at least one percent (1%) of members but not less than fifty (50) members. Such written request shall be delivered to the Registrar, which includes signatures from all members requesting the meeting and states the nature of the business that is proposed to be considered at the meeting.

**7-9 are left blank at this time.**

### Application and Qualifications

10.1 Application for registration shall be in the form approved by the applicable regulatory committee and filed as specified by the Rules. The applicable regulatory committee may, in its discretion, waive the use of the form in special circumstances.

10.2 The Board shall establish Rules for the procedures for registration of persons, including the terms or conditions on the registration of those persons or any category of persons, as registrants.

10.3 A registrant may apply in writing to the Registrar to have any conditions on his registration amended or removed.

10.4 To maintain registration, a registrant shall provide information and make declarations annually in the form approved by the applicable regulatory committee.

### Candidates

11.1 To qualify for registration as a candidate of the Institute an individual shall provide evidence of successful completion of:

- (a) an undergraduate or graduate degree; and
- (b) specified subject area coverage as outlined in the CPA Canada competency map approved by the Board.

11.2 The Board may approve an educational institution to administer the registration of candidates and the delivery of the CPA Canada professional education program.

11.3 An individual who is approved for registration as a candidate pursuant to Bylaw 11.1 by the Institute shall be accepted by an educational institution referenced under Bylaw 11.2.

11.4 An individual who is a member:

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- (a) of a professional accounting body with which CPA Canada maintains a Mutual Recognition Agreement or a Reciprocal Membership Agreement; or
  - (b) who holds a Certified Public Accountant certificate;
- and who provides evidence of being a member in good standing with said professional accounting body or the state board of accountancy shall be registered as a candidate of the Institute.

11.5 An employer shall apply to the applicable regulatory committee to train candidates in a pre-approved program.

11.6 The Board may establish Rules for the training program.

11.7 A candidate is not a member of the Institute and has none of the rights associated with registration as a member.

### Members

12.1 To qualify for registration as a member of the Institute a candidate or individual shall, upon application, meet the requirements specified in Bylaws 12.2, 12.3, 12.4, 12.7 or 12.10.

#### *Membership application from a Candidate*

12.2 An individual who is a candidate under Bylaw 11.1 and who provides evidence of successful completion of:

- (a) all courses and examinations that constitute the program of professional education as approved and published by the Board and by CPA Canada, and which meets the standards specified in the CPA Canada professional education program; and
- (b) all components of required practical experience as approved and published by the Board and by CPA Canada, and which meets the standards specified in the CPA Canada practical experience requirements;

shall be registered as a member of the Institute.

#### *Membership application from a Candidate under a Mutual Recognition Agreement or Reciprocal Membership Agreement.*

12.3 An individual who is a candidate under Bylaw 11.4 and completes the education and experience requirements specified by the Board in the Rules shall upon application be registered as a member of the Institute.

#### *Membership application under Labour Mobility*

12.4 Subject to Bylaws 12.5 and 12.6:

- (a) for purposes of subclause 20(2)(c)(i) of the Act, an individual providing evidence of registration in good standing equivalent to a professional accountant pursuant to the legislation of another jurisdiction in Canada, shall be registered as a member of the Institute; and

- (b) for the purposes of subsections 20(4) and (5) of the Act, an individual providing evidence of registration in good standing for a category of practice in another jurisdiction in Canada, shall be deemed to have demonstrated competence and proficiency in that category of practice.

12.5 An individual referenced in Bylaw 12.4 may be required to provide evidence of:

- (a) professional liability coverage;
- (b) a criminal background check or a posted bond;
- (c) good moral character; and
- (d) knowledge of the Rules.

12.6 An individual referenced in Bylaw 12.4 who is restricted in any category of practice or who has conditions placed on any category of practice in another jurisdiction in Canada, shall have the equivalent restrictions or conditions in Saskatchewan.

*Membership application from Bermuda*

12.7 Subject to Bylaws 12.8 and 12.9, an individual providing evidence of registration in good standing:

- (a) in the Institute of Chartered Professional Accountants of Bermuda may be registered as a member of the Institute; and
- (b) in a category of practice in the Institute of Chartered Professional Accountants of Bermuda may be deemed to have demonstrated competence and proficiency in that category of practice.

12.8 An individual referenced in Bylaw 12.7 may be required to provide evidence of:

- (a) professional liability coverage;
- (b) a criminal background check or posted bond;
- (c) good moral character; and
- (d) knowledge of the Rules.

12.9 An individual referenced in Bylaw 12.7 who is restricted in any category of practice or who has conditions placed on any category of practice by the Institute of Chartered Professional Accountants of Bermuda, may have the equivalent restrictions or conditions in Saskatchewan.

*Membership application from a former member*

12.10 An individual whose registration as a member was cancelled shall upon application, to the applicable regulatory committee for determination, provide evidence of:

- (a) good moral character;
- (b) competence; and
- (c) knowledge of the Rules.

12.11 The Board may establish Rules for registration of individuals whose registration as a member was previously cancelled.

Categories of Practice

13.1 There are four (4) categories of practice of the profession:

- (a) the practice of professional accounting to or for the benefit of a client;
- (b) other regulated services to or for the benefit of a client;
- (c) professional service to or for the benefit of a client other than the practice of professional accounting or other regulated services; and
- (d) professional service to or for the benefit of an employer.

13.2 A member prior to practicing professional accounting or providing other regulated services to or for the benefit of a client, shall apply for a registration of a firm in accordance with Bylaw 14.1 except when exempt pursuant to Bylaw 14.2.

13.3 A member prior to practicing professional accounting shall also apply for a licence in accordance with Bylaws 16.2 or 17.1, except when exempt pursuant to subsection 18(3) of the Act.

Firm

14.1 To qualify for registration as a firm of the Institute, a member, or group of members, shall upon application provide:

- (a) evidence of experience and education in each sub-category of professional service;
- (b) a list of practice leaders, members and candidates providing professional service through the firm;
- (c) evidence of professional liability insurance pursuant to Bylaw 24.1;
- (d) evidence of the legal structure of the firm; and
- (e) any other information specified in the Rules.

14.2 Subject to Bylaw 14.3, a member providing other regulated services qualifies for an exemption from registration of a firm when the professional service provided is:

- (a) to three (3) or fewer clients;
- (b) as an officer or director in a volunteer capacity;
- (c) to or through a registered firm; or
- (d) governed by another professional regulatory body established pursuant to legislation in Saskatchewan.

14.3 A member shall submit a declaration regarding his eligibility for exemption under Bylaw 14.2 in the form approved by the applicable regulatory committee which shall indicate:

- (a) the subclause in Bylaw 14.2 which applies; and
- (b) his professional services are not advertised, marketed or otherwise promoted to the public other than by an application for employment.

## INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN RULES

14.4 Upon receipt of a notice in writing from the Institute and within the time specified in the Rules or notice, a member shall submit to the Institute evidence with particulars of compliance with the requirements specified in Bylaws 14.2 and 14.3.

14.5 Each firm shall have a name which:

- (a) is not misleading;
- (b) does not contravene professional good taste; and
- (c) is in accordance with the Rules established by the Board.

14.6 A firm whose name, title or description includes reference to a Legacy designation shall include the designation "Chartered Professional Accountant" or "Comptable Professionnel Agréé" or the initials "CPA".

14.7 The Registrar may approve a firm registration only if the name complies with Bylaw 14.5 and 14.6.

14.8 A candidate shall not apply to register a firm.

### Professional Corporation

15.1 A member or firm intending to practice in the name of a professional corporation shall apply for a professional corporation permit pursuant to *The Professional Corporations Act* in the form approved by the applicable regulatory committee and shall provide evidence:

- (a) of the good standing of the corporation as defined in *The Business Corporations Act*;
- (b) of compliance with the provisions of *The Professional Corporations Act*;
- (c) legal and beneficial ownership of the shares;
- (d) that the registered directors are members;
- (e) that each person who is not a member or firm employed or engaged by the professional corporation is under the direction and supervision of a member or firm; and
- (f) that professional liability insurance coverage relating to the services provided through the professional corporation is in accordance with the Rules.

15.2 Each professional corporation shall have a name which includes the designation "Chartered Professional Accountant(s)" or "Comptable Professionnel Agréé(s)" or initials "CPA(s)."

15.3 A suspended registrant shall not practice through a professional corporation.

15.4 Subject to Bylaw 15.5, a shareholder of a professional corporation who ceases to be a member pursuant to Bylaws 33.5 or 33.6 shall within thirty (30) days of cancellation of registration:

- (a) dispose of his shares; or
- (b) change the name such that it no longer references the designation "Chartered Professional Accountant" or "Comptable Professionnel Agréé", the initials of "CPA" or professional corporation.

15.5 A shareholder of a professional corporation who makes an application to the Board under Bylaw 38.1 may defer:

- (a) disposition of shares; or
- (b) changes to the name of the professional corporation

until such time as the review is complete.

#### Term and Renewal for a Professional Corporation

15.6 The term of a permit for a professional corporation shall be for a period of time which is the lesser of: one (1) year or the period of time between approval and December 31.

15.7 A member or firm continuing to practice in the name of a professional corporation shall apply annually for renewal in a manner established in the Rules.

15.8 The fee payable for a professional corporation permit upon initial application shall be \$150 and is due at the time of application.

15.9 The fee payable for a professional corporation permit upon renewal shall be \$75 and is due at the time of application.

#### Licensing

16.1 To qualify for a license a member or firm prior to practicing professional accounting shall upon application meet the requirements specified in Bylaws 16.2, 16.3, 16.4 or 16.5.

16.2 Subject to Bylaw 16.1, an application for a licence for a member shall:

- (a) be made to the Registrar in the form approved by the applicable regulatory committee;
- (b) provide evidence that the member has:
  - (i) satisfactorily completed the practical experience that meets the requirements as established in the Rules;
  - (ii) achieved verifiable continuing professional development specific to the practice of professional accounting as established in the Rules; and
  - (iii) completed an assessment of competency in the practice of professional accounting as established in the Rules; and
- (c) include any other information requested by the Registrar.

16.3 An application for a licence for a firm shall:

- (a) be made to the Registrar in the form approved by the applicable regulatory committee;
- (b) include information on each licensed member; and
- (c) include any other information requested by the Registrar.

16.4 Further to Bylaw 24.1, a licensed firm shall maintain professional liability insurance as set out in the Rules.

16.5 A licensed member and firm shall:

- (a) apply for renewal to the Registrar in the form approved by the applicable regulatory committee;
- (b) provide evidence annually to the Registrar that during the last year the licensed member met the qualifications to maintain a licence established by the Rules; and
- (c) include any other information requested by the Registrar.

16.6 A member shall submit a declaration regarding his eligibility for exemption under subsection 18(3) of the Act in a form approved by the Registrar.

16.7 A licensed member or firm that at any time does not meet the requirements to maintain the licence shall notify the Registrar in writing within thirty (30) days from the date of non-compliance with the requirements.

16.8 The Registrar shall specify terms and conditions upon a licence as established by the Rules.

16.9 A licence issued to a member or firm shall:

- (a) be in a form approved by the Board;
- (b) specify the approved sub-category or sub-categories of the practice of professional accounting;
- (c) specify the conditions or restrictions of the licence as set out in the Rules; and
- (d) be signed by the Registrar.

16.10 Every licence shall remain the property of the Institute and the Institute may demand the immediate return of the licence when the registration or licence of a member or firm:

- (a) is resigned;
- (b) is suspended; or
- (c) is cancelled.

16.11 A licensed member or firm may apply in writing to the Registrar to have any conditions on his licence amended or removed.

16.12 Further to section 22 of the Act and Bylaws 21.1 and 21.2, a licensed firm may use the term "Licensed Professional Accountant" or "Comptable(s) professionnel(s) agréé(s) experts comptable(s) autorisé(s)" when signing assurance reports issued under the name of the licensed firm.

#### Labour Mobility Licensing

17.1 Notwithstanding Bylaws 25.1 and 25.9, an individual referenced in Bylaw 12.4 who is engaged in the practice of professional accounting and satisfies all the requirements in Bylaw 12.4, shall be provided a license upon application pursuant to subsection 20(4) of the Act.

17.2 An individual referenced in Bylaw 12.4, whose practice of professional accounting is restricted by another jurisdiction in Canada, shall have the equivalent restriction in Saskatchewan for purposes of subsections 20(4) and 20(5) of the Act.

### **Requirements and Obligations**

#### Register

18.1 The register is the responsibility of the Registrar and the Registrar shall report to the Board on matters related to the register at least annually.

18.2 The register for registrants and suspended registrants will include the information specified in subsection 19(1) and section 50 of the Act and any other information specified in the Rules.

18.3 Each registrant and suspended registrant shall advise the Institute in writing within thirty (30) days of any changes to his information in the register as required pursuant to Bylaw 18.2.

#### Certificate and Permit

19.1 A certificate issued to a member shall be in the form approved by the Board and shall be signed by the Chair and another officer designated by the Board and shall bear the seal of the Institute.

19.2 A permit issued to a firm or professional corporation shall be in the form approved by the Board and shall be signed by the Registrar.

19.3 The Registrar shall specify terms and conditions on a member's certificate or a firm's registration permit as established in the Rules.

19.4 Each certificate and permit shall remain the property of the Institute and the Institute may demand the immediate return of the certificate or permit held by a member or firm:

- (a) when the member or firm resigns from the Institute;
- (b) when the member or firm is suspended from the Institute; or
- (c) when the member's or firm's registration is cancelled by the Institute.

#### Honorary and Fellow Members

20.1 A member in good standing may, by a two-thirds (2/3) vote of the Board, be designated on the register as a fellow of the Institute.

20.2 A deceased individual who was a member in good standing during his lifetime may, by a two-thirds (2/3) vote of the Board be admitted posthumously as a fellow of the Institute.

20.3 A member who has been designated as a fellow on the register and who:

- (a) is suspended shall, by a two-thirds (2/3) vote of the Board, have his registration as a fellow of the Institute cancelled; or
- (b) ceases to be a member, shall cease to be a fellow of the Institute.

20.4 An individual may, by a two-thirds (2/3) vote of the Board, be designated on the register as an honorary member of the Institute.

20.5 An honorary member has none of the rights and privileges associated with registration as a member.

20.6 An individual who has been conferred honorary registration may have their honorary registration in the Institute cancelled by a two-thirds (2/3) vote of the Board.

#### Use of Designation

21.1 A member or firm may use the title “professional accountant” or the designation “Chartered Professional Accountant” or “Comptable Professionnel Agréé” or the initials “CPA”.

21.2 A member who is designated under Bylaw 20.1 may use the designation “Fellow Chartered Professional Accountant” or “Collegues comptable professionnel agréé” or the initials “FCPA”.

21.3 A member shall apply to the Registrar for use of the “Certified Public Accountant” designation and provide evidence of his Certified Public Accountant certificate.

21.4 Further to Section 22 of the Act, no member shall use the title “Accredited Public Accountant” or “Registered Industrial Accountant” or the initials “AAPA”, “ACA”, “APA”, “FAPA” or “RIA”.

21.5 A member approved by the Registrar under Bylaw 21.3 shall disclose the name of the applicable Certified Public Accountant jurisdiction in the United States of America in the following manner: “Chartered Professional Accountant, legacy designation, Certified Public Accountant (State)”, or “CPA, legacy initials, CPA (State)”, as applicable.

21.6 Subject to Section 59 of the Act, a member may use the legacy designation “Chartered Accountant”, “Certified Management Accountant” or “Certified General Accountant” or the initials “CA”, “CMA, or “CGA” only when the legacy designation is used in conjunction with the use of the designation “Chartered Professional Accountant” or the initials “CPA”.

#### Bankruptcy and Insolvency

22.1 A registrant shall advise the Institute, in writing, within thirty (30) days if the registrant:

- (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 said registrant has filed or may file an appeal; or
- (d) has had any judgment or enforcement charge issued against the registrant by a court in Canada relating to a debt in an amount exceeding one thousand dollars (\$1,000) which has remained unsatisfied for a period of fifteen (15) days from the date of the personal service of a filed copy of the judgment or enforcement charge.

22.2 The Board shall establish Rules for the review and determinations with respect to information submitted by a registrant under Bylaw 22.1.

Continuing Professional Development (CPD)

23.1 Every member shall participate in continuing professional development pursuant to the Rules.

23.2 The minimum hours requirement for continuing professional development is the standard as specified by CPA Canada, as amended from time to time. The current standard is one hundred and twenty (120) hours of continuing professional development every three (3) years and twenty (20) hours annually.

23.3 The minimum hours requirement for verifiable continuing professional development is the standard as specified by CPA Canada, as amended from time to time. The current standard is sixty (60) hours of verifiable continuing professional development every three (3) years and ten (10) hours annually.

23.4 The minimum hours requirement for verifiable continuing professional development specific to ethics is the standard as specified by CPA Canada, as amended from time to time. The current standard is four (4) hours of verifiable continuing professional development every three (3) years.

23.5 The Board may establish additional requirements or exemptions for verifiable and unverifiable continuing professional development.

23.6 A member may apply for an exemption of the requirements specified in Bylaws 23.2, 23.3 and 23.4.

23.7 A member who satisfies the criteria for exemption shall have all or a portion of the member's continuing professional development requirements waived.

23.8 A member shall submit a report in the form and within the time established by the applicable regulatory committee declaring whether the requirements for continuing professional development have been fulfilled.

23.9 Upon receipt of a notice in writing from the Institute, a member shall submit to the Institute documentation which is acceptable to the Institute and demonstrates completion of continuing professional development activities which fulfill the requirements under Bylaws 23.2, 23.3 and 23.4 with particulars, and within the time specified in the Rules or notice.

Professional Liability Insurance

24.1 Every firm shall carry professional liability insurance in accordance with the Rules established by the Board.

24.2 Every firm shall provide to the Institute a certificate of professional liability insurance coverage which states the amount of insurance carried, the anniversary date of the policy and any other information as set out in the Rules.

24.3 Every firm shall request an endorsement to the insurance contract to require the insurer to advise the Institute of a cancellation or reduction in coverage.

24.4 Every firm shall advise the Institute of a policy cancellation or reduction in coverage within fifteen (15) days of such cancellation or reduction.

24.5 Every firm that ceases to practice or disposes of all or some of its practice shall ensure that insurance covering its services rendered prior to the cancellation or disposition is maintained for six (6) years following such cancellation or disposition.

**25 and 26 are left blank at this time.**

#### Practice Inspection

27.1 Every firm shall be subject to practice inspection as established in the Rules.

27.2 Every firm shall be given reasonable notice of the inspection and such notice shall include the name of the practice inspector conducting the inspection.

27.3 Every firm given notice under Bylaw 27.2 may request a review of the assignment of the inspector named in the notice.

27.4 The decision for the outcome of a practice inspection shall be made by the applicable regulatory committee and may include one (1) or more of the following:

- (a) no further action required;
- (b) a corrective action plan be received from the firm within a specified time period set by the applicable regulatory committee;
- (c) a partial or full re-inspection be completed within a specified time period set by the applicable regulatory committee;
- (d) a referral to the applicable regulatory committee to restrict the practice of the member or firm or to reduce or suspend the firm's ability to train candidates; and
- (e) a written complaint be issued to the Professional Conduct Committee.

27.5 Where a licensed member or firm is registered with the Institute and participates in the Canadian Public Accountability Board's (CPAB) Auditor Oversight Program established under Canadian Securities Administrators National Instrument 52-108, Auditor Oversight, as amended from time to time, information related to or arising out of the practice inspection of the licensed member or firm shall be shared with CPAB.

#### Trust Asset Review

28.1 The Board shall establish Rules relating to the review of administration of trust assets by a registrant.

28.2 A registrant in the administration of trust assets shall at a minimum comply with:

## INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN RULES

- (a) the provisions of *The Trustee Act, 2009* (Saskatchewan) as amended from time to time;
- (b) the trust agreement; and
- (c) the Rules.

28.3 All records shall be made available in Saskatchewan for review by a practice inspector and the applicable regulatory committee.

28.4 A registrant shall notify the Institute annually on the form approved by the the applicable regulatory committee if the registrant holds a trust account or trust assets and shall declare whether the registrant complies with the provisions of the Rules.

28.5 A suspended registrant shall not administer trust assets.

### Resolution of Inquiries

29.1 The Board shall establish Rules relating to review and resolution of matters in dispute involving a registrant where the matters are such that professional misconduct or professional incompetence are not disclosed in an inquiry received in writing.

29.2 On receipt of an inquiry from a person with respect to services provided by a registrant or a statement of account of a registrant, the Institute shall review and attempt to resolve the matter in accordance with Rules established by the Board.

**30 is left blank at this time.**

## **D. RESTRICTIONS, SUSPENSIONS, RESIGNATIONS, CANCELLATIONS**

### Restriction

31.1 A restriction may be imposed where a registrant has not complied with a condition or a requirement specified in a Rule or a notice within the time specified in a Rule or a notice.

31.2 Upon satisfaction of the requirements specified in a notice of restriction, the registrant may apply in writing for removal of the restriction made or imposed pursuant to Bylaw 31.1.

31.3 The Board shall establish Rules to impose or remove a restriction on a registration or a licence.

### Resignation

32.1 A registrant or suspended registrant may apply to the Registrar to resign his registration from the Institute in the manner specified in the Rules.

32.2 Approval by the Registrar of a resignation shall not release the registrant or suspended registrant from indebtedness owing to the Institute.

32.3 The Registrar shall not approve an application for resignation when the registrant or suspended registrant:

- (a) is the subject of an outstanding determination by a regulatory committee or the Board; or
- (b) is the subject of an investigation or a discipline proceeding of the Institute; or
- (c) has not complied fully with a disciplinary order.

32.4 The Registrar may not approve an application for resignation unless prior approval has been given by an applicable regulatory committee when the registrant has not:

- (a) paid in full any fee assessed by the Institute; or
- (b) participated in continuing professional development pursuant to the Rules.

32.5 The Board shall establish Rules for cancellation of a registration or licence when a registrant resigns.

### **Non-Disciplinary Enforcement**

#### **Suspension**

33.1 The Board shall establish Rules for suspension of registration rights where a registrant has not complied with:

- (a) a requirement specified in a Rule or a notice within the time specified in a Rule or a notice;  
or
- (b) a restriction imposed by the Rules made under Bylaw 31.1.

33.2 Bylaw 33.1 does not apply when the suspension is made pursuant to sections 29, 32 or 36 of the Act.

33.3 A registrant may submit a response in writing regarding the recommendation to suspend his registration rights as established in the Rules.

#### **Obligation of Suspended Registrants**

33.4 Further to section 52 of the Act, and Bylaw 33.1, during the period of suspension of registration rights, the suspended registrant shall continue to be responsible for all fees assessed by the Institute and to be subject to the authority of the Institute as fully and to the same extent as if registration rights had not been suspended.

#### **Cancellation**

33.5 When a suspended registrant continues to not comply with the Rule underlying the suspension for a period of one (1) year after the original date of non-compliance his registration shall be cancelled.

33.6 A registrant or suspended registrant who is not eligible to work in Canada shall have his registration cancelled.

33.7 A registrant or suspended registrant may submit a response in writing to the Board regarding the recommendation to cancel his registration or licence under the Rules established under Bylaw 33.8.

33.8 The Board shall establish Rules for cancellation of a registration or licence.

#### Reports and notice of restriction, suspension or cancellation

34.1 A written notice shall be sent to the registrant within thirty (30) days of a resignation, restriction, suspension or cancellation of a registration or a license, as the case may be.

34.2 Unless an application has been made under Bylaw 38.1, the Registrar shall publish a notice in accordance with the Rules pertaining to a registrant's resignation, restriction, suspension or cancellation, as the case may be, within sixty (60) days of the notice being sent to the registrant under Bylaw 34.1.

34.3 Unless an application has been made under Bylaw 38.1, the Registrar shall communicate to any other Provincial Institute with which the registrant is registered and to CPA Canada of the resignation, restriction, suspension or cancellation, as the case may be, within sixty (60) days of the notice being sent to the registrant under Bylaw 34.1.

34.4 A written report shall be sent to the employer of a person when their registration with the Institute is restricted, suspended, or cancelled.

**35 is left blank at this time.**

### **E. RE-ENTRY, RE-STATEMENT, REMOVAL OF RESTRICTIONS**

#### Re-entry

36.1 The process of re-entry is reserved for individuals who were candidates within the last ten (10) years and who had:

- (a) an application for resignation as a candidate approved; or
- (b) registration as a candidate suspended or cancelled because all attempts on evaluations were exhausted.

36.2 The application by an individual for re-entry as a candidate shall:

- (a) be in the form approved by the applicable regulatory committee in the Rules;
- (b) require the individual to restart the CPA Canada professional education program;
- (c) include evidence of the requirements for registration contained in Bylaw 11.1; and

(d) be considered in accordance with the Rules established by the Board.

### Re-instatement

37.1 Re-instatement of registration is reserved for an individual who is either:

- (a) a suspended registrant, or
- (b) a person described in subsection 41(1) of the Act.

37.2 An application by a suspended registrant for re-instatement of registration shall be considered in accordance with the Rules established by the Board when the individual has:

- (a) paid all amounts owing to the Institute;
- (b) satisfied any outstanding conditions or restrictions at the time of suspension; and
- (c) provided evidence that the individual is competent and of good character.

## **F. REVIEW BY THE BOARD**

### Review and Determination by the Board

38.1 The Board shall establish Rules for review of decisions made by the Registrar or an applicable regulatory committee.

38.2 Bylaw 38.1 does not apply to:

- (a) decisions or determinations made by the Professional Conduct Committee or Discipline Committee pursuant to sections 28, 31 or 32 of the Act;
- (b) appeals made pursuant to section 37 of the Act; or
- (c) applications for reinstatement made pursuant to section 41 of the Act.

**39 is left blank at this time.**

## **G. CONDUCT AND DISCIPLINE**

### Interpretations

40.1 For purposes of Bylaws 40.1 to 50.1, except as otherwise stated:

- (a) “formal complaint” means the complaint or charges contained in the report prepared by the Professional Conduct Committee for determination by the Discipline Committee under clause 28(2)(a) of the Act;
- (b) “complainant” means the person who provided a written complaint to the Institute pursuant to subsection 28(1) of the Act; and
- (c) “respondent” means the registrant whose conduct is the subject of the formal complaint made pursuant to clause 28(2)(a) of the Act.

- (d) “written complaint” means a document in writing received or obtained by the Institute from which an allegation of professional misconduct or professional incompetence of a registrant can be determined and which document contains the name of said registrant.

#### Receipt of Complaints

41.1 When the Board determines it is appropriate to request the Professional Conduct Committee to consider a complaint pursuant to subsection 28(1) of the Act, the Board shall direct the Registrar to prepare and forward the complaint in writing to the Professional Conduct Committee.

41.2 When a registrant or suspended registrant has not, in the opinion of the Registrar or applicable regulatory committee, taken reasonable steps to cooperate with the regulatory processes of the Institute, the Registrar may make a written complaint.

41.3 All Rules pertaining to Conduct and Discipline shall apply to a complaint received from the Registrar.

#### Professional Conduct Committee

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

- (a) to determine whether information received by the Institute is a written complaint;
- (b) to direct Institute employees or officers to obtain additional information prior to making the determination under Bylaw 42.1(a);
- (c) to review and assess, and direct Institute employees or officers, to review all the information obtained pursuant to Bylaws 42.1(a) and 42.1(b);
- (d) to refer the matter to a committee (other than the Professional Conduct Committee or the Discipline Committee), Institute employees or officers, for intervention, mediation, or resolution;
- (e) to appoint one or more persons who shall investigate the complaint;
- (f) to determine the scope of the investigation required under subsection 28(1) of the Act;
- (g) to determine the expanded scope of an investigation or the scope of an additional investigation where the investigators obtain information which suggests an expansion of an investigation or an additional investigation should be considered;
- (h) to determine that an investigation be discontinued where the complainant declines to provide information which is essential to complete an investigation; and
- (i) to appoint the person who shall prosecute the complaint under subsection 31(2) of the Act.

42.2 The complaint is deemed to be received by the Professional Conduct Committee under subsection 28(1) of the Act when the chair determines that it is a written complaint under Bylaw 42.1(a). The complaint becomes a complaint of the committee at that time and an investigation shall be completed unless Bylaw 42.1(h) applies.

#### Determinations of No Further Action

43.1 The Professional Conduct Committee reserves discretion in each situation to determine when an investigation has been completed.

43.2 Without restricting or limiting the discretion granted to the Professional Conduct Committee in subclause 28(2)(b)(ii) of the Act, the Professional Conduct Committee may make a recommendation that no further action be taken when:

- (a) it receives the registrant's written consent to the outcome, direction and conditions proposed by the Professional Conduct Committee; and
- (b) it directs the registrant to take or submit to one or more of the following actions:
  - (i) successfully complete professional development courses specified by the committee;
  - (ii) undergo a practice inspection;
  - (iii) not administer trust assets;
  - (iv) not perform specified services; or
  - (v) restrict his practice to only perform services specified by the committee.

#### Authority of the Professional Conduct Committee

44.1 The Professional Conduct Committee shall, in the execution of its duties under section 28 of the Act and without limiting the generality thereof, have authority:

- (a) to require a registrant to provide books, documents and files in the registrant's possession, custody or control whether in paper or electronic form;
- (b) to engage or employ a person including any employees or officers of the Institute to assist the committee in its investigation;
- (c) to approve the charge comprising the formal complaint to be heard by a discipline hearing panel, which charge shall be included in a report to the Discipline Committee; and
- (d) to approve an amendment to the formal complaint where the committee determines that the formal complaint fails to include all applicable instances of professional misconduct or professional incompetence, as the case may be, and which amendment shall be included in an amended report to the Discipline Committee.

44.2 No person who has a connection to the respondent, the complainant or the subject matter of the initial complaint, where an inference could be drawn that the connection could influence a decision of the person during the investigation or the decision of the committee relating to the complaint, shall be appointed as an investigator or participate as a member of the Professional Conduct Committee.

44.3 Bylaw 44.2 does not apply to a person whose connection results from the role as investigator or committee member.

#### Dispute Resolution

45.1 Before advising the Discipline Committee the matter has been resolved with the consent of the complainant and the registrant who is the subject of the investigation pursuant to subclause 28(2)(b)(i) of the Act, the Professional Conduct Committee shall obtain the complainant's written declaration that he will comply with any direction issued by the committee which it identifies as necessary to appropriately resolve the matter.

Discipline Committee

46.1 Subject to Bylaw 47.1, for purposes of exercising its powers, five (5) members of the Discipline Committee, one of whom shall be a public appointee or a public representative, shall be the quorum of the committee.

Discipline Hearing Panel

47.1 A Discipline Hearing Panel established by the Discipline Committee to hear and determine one or more formal complaints shall be approved by the chair of the Discipline Committee and shall consist of at least five (5) members of the Discipline Committee.

47.2 No person who has a connection to the respondent, the complainant or the subject matter of the formal complaint, where an inference could be drawn that the connection could influence that person's decision during the discipline hearing, shall be appointed to a discipline hearing panel.

47.3 The person appointed as chair of the discipline hearing panel shall be delegated authority from the chair of the Discipline Committee to administer the oaths or affirmations of witnesses giving testimony.

Parties to a Discipline Proceeding

48.1 The parties to a discipline proceeding are the respondent against whom the formal complaint has been made and the Professional Conduct Committee.

Discipline Committee Orders

49.1 Where the Discipline Committee determines that the respondent is guilty of professional misconduct or professional incompetence and makes an order pursuant to subsection 32(1) or subsection 32(2) of the Act, the committee shall inform the members and any other interested persons of its decision and order in the manner the committee considers appropriate.

Notification to other Institutes

50.1 Where the register indicates that a registrant:

- (a) is a member in another professional accounting body recognized by CPA Canada; or
- (b) is registered as the equivalent of a professional accountant pursuant to the legislation of another jurisdiction in Canada;

and where the registrant is subject to a formal complaint or to an order made pursuant to the Act, the Institute shall notify the other professional accounting body regarding the formal complaint or the order, as the case may be, in accordance with the procedures established in the Rules.

Notice of Conduct Investigations

51.1 Where a licensed member or firm is registered with the Institute and participates in the Canadian Public Accountability Board's (CPAB) Auditor Oversight Program established under Canadian Securities Administrators National Instrument 52-108, Auditor Oversight, as amended

from time to time, information related to or arising out of the conduct investigation of the licensed member or firm shall be shared with CPAB.

#### Notice of Suspension or Expulsion under the Act

52.1 Notice of a suspension or expulsion ordered pursuant to sections 29, 32 or 36 of the Act shall be published in accordance with the Rules established by the Board or the Discipline Committee.

**53-59 are left blank at this time.**

## **H. TRANSITIONAL PROVISIONS**

### Candidates

60.1 A Legacy body candidate who has not successfully completed his education or certification programs by the end of September 2015 shall be bridged into the CPA Canada certification program through transitional programs in accordance with the Rules.

60.2 The practical experience obtained by a Legacy body candidate that meets the criteria of a legacy body education program shall be valid in assessing total practical experience required in order to be registered as a member pursuant to Bylaw 12.2.

60.3 A Legacy body candidate who completes the Legacy designation education program commenced prior to the date the Act comes into force and who becomes a member, shall use the Legacy designation of the Legacy body with which the candidate was affiliated or registered prior to the date the Act comes into force in accordance with section 59 of the Act as if the member was a member of the Legacy body.

### Rules of Professional Conduct

61.1 The Institute adopts, and all registrants or suspended registrants shall comply with, the Institute of Chartered Accountants of Saskatchewan Standards and Rules of Professional Conduct as approved by the Board and amended from time to time until such time as Rules of Professional Conduct are established.

**62-100 are left blank at this time.**

## **II. ADMINISTRATIVE BYLAWS (100-199)**

### **A. TITLE**

101.1 These Bylaws may be cited as The Accounting Profession Administrative Bylaws 2015 (Saskatchewan).

## B. INTERPRETATION

102.1 For the purpose of these Bylaws, except where otherwise stated:

(a) "Act" means The Accounting Profession Act, 2015 (Saskatchewan) as amended from time to time.

**[June 2015]**

(b) "Affiliate member" means a member who has designated their member registration with another provincial institute as their primary member registration in Canada.

**[February 2016]**

(c) "Board rule" means a rule approved by the Board consistent with and permitted under specific provisions in the Act or Bylaws.

(d) "Bylaws" mean these Bylaws and any other Bylaws of the Institute that may be in force from time to time.

(e) "Chief Executive Officer" and "CEO" mean the individual appointed by the Board pursuant to Bylaw 113.1.

(f) "CPA Canada" means the national organization for Chartered Professional Accountants in Canada.

(g) "Discipline Committee rule" means a rule approved by the Discipline Committee which is consistent with specific provisions in the Act or Bylaws and permitted under subsection 30(3) of the Act.

**[June 2015]**

(h) "electronic ballot or proxy" means a ballot or proxy that may be transmitted through the use of the internet or other electronic service.

(i) "Legacy body" means The Institute of Chartered Accountants of Saskatchewan, The Society of Management Accountants of Saskatchewan and The Certified General Accountants Association of Saskatchewan, collectively or separately.

(j) "Legacy designation" means a designation held by a member pursuant to section 59 of the Act.

**[January 2018]**

(k) "non-practice" means that during a twelve (12) month period ending in the fiscal year of CPA Saskatchewan, the member was:

- (i) not engaged in the practice of the profession as specified in Bylaw 13.1, and
- (ii) not relied upon by based on his qualifications as a professional accountant.

**[January 2018]**

(l) "practice of public accounting" means and includes the practice of compilation engagements and/or professional accounting as detailed in section 18 of the Act, and which are provided by a Chartered Professional Accountant to the public.

(m) "practice inspection" means inspecting the application of Standards of Professional Practice and the manner and methods of practice of registered and licensed firms by the Institute.

(n) "Primary member" means a member other than an affiliate member and who shall therefore be primarily accountable to the Institute for regulatory purposes.

**[February 2016]**

- (o) “Provincial Institute” means a regulatory body for professional accountants established pursuant to legislation in any province or territory of Canada and The Institute of Chartered Professional Accountants of Bermuda.
- (p) “public appointee” means a person appointed to the Board pursuant to section 9 of the Act.
- (q) “public representative” means a person appointed by the Board to a regulatory committee pursuant to Bylaw 111.2.
- (r) “Rule” means and includes any right, requirement or obligation of a registrant, or duty or power of the Institute, that is set out in the Act, a Bylaw, a Board rule, a Discipline Committee rule or the Uniform Rules of Professional Conduct, as amended from time to time.
- (s) “Uniform Rules of Professional Conduct” means the obligations and requirements for professional conduct and professional competence of registrants established by CPA Canada.

102.2 Bylaws and Board rules pertaining to members or firms providing services as a professional accountant through or in the name of a professional corporation shall apply to the professional corporation.

102.3 Singular includes plural, and vice versa.

102.4 Masculine includes feminine, and vice versa.

102.5 “In writing” applies to both paper and electronic form.

102.6 Headings are for convenience and reference only.

102.7 Terms defined in the Act have the same meaning in these Bylaws.

## **C. BOARD**

### **Members**

#### Election and Appointment

103.1 A member of the Institute may be nominated for election to the Board and shall be called a nominee.

103.2 Members who are employees or honorary members of the Institute shall not be eligible to be nominated, appointed or elected to the Board.

103.3 The CEO shall, at least sixty (60) days prior to the annual meeting, notify in writing all members except honorary members that nominations for election to the Board will be received up to twenty-one (21) days before the annual meeting.

103.4 Nominations for election to the Board shall be in writing, signed by two (2) members of the Institute and accepted by the nominee in writing, and delivered to the CEO at least twenty-one (21) days before the date of the annual meeting.

103.5 If the number of nominees exceeds the number of members to be elected to the Board, the CEO shall prepare paper or electronic ballots, or a combination of both, containing the names of the nominees in alphabetical order, and shall distribute one (1) such ballot to each member of the Institute at least fourteen (14) days before the annual meeting.

103.6 If less than the requisite number of nominees is nominated, the Board shall make the additional nominations necessary to result in a Board of eleven (11) members, not including the two (2) persons appointed pursuant to section 9 of the Act. If no election is required, the CEO shall report the names of the nominees to the Chair of the annual meeting.

103.7 Subject to Bylaw 103.11, all members except honorary members are eligible to vote in the election of the Board.

103.8 The ballots shall be lodged with the CEO before close of business the day preceding the annual meeting. Each ballot shall be marked for not more than the required number of nominees and if marked for more than the required number of nominees, the ballot shall not be counted.

103.9 The CEO shall deliver the ballots lodged to two (2) or more scrutineers appointed by the Chair from members who are not nominees.

103.10 The scrutineers shall count the ballots cast and prepare, sign and deliver to the Chair of the annual meeting a certificate of the names of the requisite number of nominees receiving the highest number of votes.

103.11 In the event of a tie, the tie shall be broken by the returning officer drawing lots in the presence of the tied nominees.

103.12 The Chair shall declare to the annual meeting the names of the nominees who have been elected to the Board for the ensuing two (2) year term.

103.13 The ballots shall be destroyed or electronically deleted by the scrutineers within thirty (30) days following the annual meeting.

103.14 The returning officer for elections shall be the CEO or a designate of the Board.

#### Chair of the Board

104.1 Immediately after the annual meeting of the Institute, the Board shall meet and elect from its members a Chair and one (1) or more Vice Chairs.

104.2 The Chair shall be entitled to preside at all meetings of the members of the Institute and of the Board. In the absence or conflict of the Chair, a Vice Chair shall act as Chair.

104.3 At any meeting of the Board where the Chair or a Vice Chair 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 Board to act as Chair of the meeting.

104.4 A Board member shall have served two (2) years on the Board before being eligible to be elected as the Chair.

104.5 The Chair shall serve a one (1) year term.

Number and Term

105.1 The Board shall consist of a minimum of eleven (11) elected members and the two (2) persons appointed pursuant to section 9 of the Act.

105.2 Subject to Bylaw 105.3, Board members may only serve a maximum of two (2) consecutive two (2) year terms.

105.3 A Board member elected Vice Chair of the Institute may remain on the Board for an additional term of one (1) year.

105.4 Board members may continue to act until their successors are elected or appointed.

Organization, Powers and Procedures

106.1 The procedure at all meetings of the members of the Institute and the Board shall be governed by the rules of order or procedure as specified in the Rules.

Compensation

107.1 Board members, including the two (2) persons appointed pursuant to section 9 of the Act, shall be paid their reasonable out-of-pocket expenses for attending meetings of the Board and committees of the Institute, and for conducting the affairs of the Institute, and the Board may authorize the payment of such expenses to any other registrants so engaged.

107.2 The two persons appointed pursuant to section 9 of the Act shall each be paid an annual honorarium fixed by the Board.

107.3 The outgoing Chair shall be paid an honorarium fixed by the Board immediately following completion of his term.

Board Meetings

108.1 The Board shall meet at least four (4) times in each year or as often as the business of the Institute may require, and at any time and place in Saskatchewan.

108.2 Notice of the time, location and business of any meeting of the Board shall be provided to each Board member not less than five (5) days before the date of such meeting. A meeting may occur with less than five (5) days' notice with unanimous agreement of the Board members.

108.3 The CEO shall provide a copy of the minutes of each meeting of the Board to each Board member within thirty (30) days after such meeting.

108.4 At any meeting of the Board, seven (7) members of the Board shall constitute a quorum.

108.5 Each Board member participating at a meeting of the Board, except the Chair, shall have one (1) vote. The Chair shall only vote in the event of a tie.

Special Board Meetings

109.1 Upon receipt of a written request which states the nature of the business that is to be considered at the meeting and which is signed by three (3) Board members, the Chair shall call a special meeting of the Board to be held not later than fifteen (15) days after the receipt of the written request.

**D. COMMITTEES**

Committee Members

111.1 The Board shall establish the following committees and shall select and appoint the members and the chairs of each committee for the term specified by the Board or the Act, if applicable:

- (a) the Discipline Committee;
- (b) the Dispute Resolution Committee;
- (c) the Practice Inspection Committee;
- (d) the Professional Conduct Committee;
- (e) the Registration and Licensing Committee; and
- (f) any other committee approved by the Board.

111.2 Except as provided in section 9 of the Act and Bylaw 112.2, the chair and the members of each committee shall be members of the Institute.

111.3 Except where specifically provided under the Rules, five (5) committee members shall constitute a quorum of the committee.

111.4 A committee may appoint a member to act as chair of a meeting of the committee in the absence or conflict of the chair.

111.5 Each committee shall report to the Board at least twice a year or as often as the Board may specify.

111.6 The Board shall approve terms of reference governing the duties and powers delegated to each committee pursuant to subsection 13(3) of the Act, except the Professional Conduct Committee and the Discipline Committee and the procedures to follow in the performance of each committee's activities. These processes shall be consistent with the Rules that relate to the functions of each committee.

**[June 2015]**

Regulatory Committees

112.1 A regulatory committee of the Institute is one listed in Bylaw 111.1 clauses (a) through (e).

112.2 Subject to subsection 27(2) of the Act, each regulatory committee of the Board shall have a public appointee or public representative and a Board liaison. The absence, inability to act, or

failure to appoint a public appointee or a public representative does not impair the ability of the committee to act.

112.3 Each regulatory committee shall consist of not less than five (5) members, including a public appointee or public representative and a Board liaison, where applicable, residing in Saskatchewan.

#### Compensation

113.1 Members of a committee, including a person appointed under Bylaw 112.2, shall be paid their reasonable out-of-pocket expenses for attending meetings of committees of the Institute and may be paid their reasonable out-of-pocket expenses for conducting the affairs of the Institute.

### **E. OFFICERS**

#### Chief Executive Officer

114.1 The Board shall appoint a member to the position of CEO and specify his duties and powers.

#### Registrar

115.1 Subject to subsection 12(2) of the Act, the Board shall appoint a member to the position of Registrar and specify his duties and powers.

#### Secretary

116.1 The Board may appoint a member to the position of Secretary and specify his duties and powers.

#### Appointed and Elected Officers

117.1 The CEO, Registrar, Secretary, Chair and Vice-Chair shall be officers of the Institute.

#### Execution of Documents and Contracts

118.1 All cheques issued by the Institute shall be signed by such officers or other persons appointed for this purpose by the Board.

118.2 All deeds, contracts, documents or legal papers shall be signed on behalf of the Institute by any officers who are appointed for this purpose by the Board, or in such other manner as determined by the Rules.

#### Removal of Officers

119.1 The Board shall establish and approve Rules and procedures regarding the removal of any officer, and the filling of the office left vacant by the removal.

## **F. MEMBER MEETINGS**

### **Annual and Special Meetings**

#### Meeting Procedures

120.1 The order of procedure at the annual meeting shall be as follows:

- (a) reading, correcting and adopting minutes;
- (b) considering deferred business and business arising out of the minutes;
- (c) reading and considering correspondence;
- (d) reading and considering reports of the Board and committees;
- (e) reading, considering and accepting the annual audited financial statements;
- (f) reviewing amendments or additions to Bylaws;
- (g) accepting the declaration of elected Board members;
- (h) appointing auditors; and
- (i) considering general business.

#### Meeting Notice

121.1 Notice of the time and place of holding the annual or special meeting of the members of the Institute shall be provided in writing by the CEO not less than twenty-one (21) days before the date of such meeting.

121.2 Failure to receive such notice shall not invalidate the notice and it shall not be necessary to give public notice or advertisement of the meeting.

121.3 Where the meeting is a special meeting, the notice shall contain the business to be transacted and no other business shall be transacted at the meeting.

121.4 Certification by the CEO of the delivery of any meeting notice shall be conclusive evidence of that delivery.

#### Annual Meetings

122.1 The annual meeting of the Institute shall be held at such place and time in Saskatchewan as the Board may determine.

122.2 Where a member proposes business to be considered at an annual meeting, the member shall state the nature of the business that is proposed in writing to the CEO or the chair of the meeting not less than thirty (30) days prior to the meeting. The business may be added to the general business in Bylaw 120.1(i).

#### Quorum and Voting

123.1 Fifty (50) members personally present or represented by proxy in writing shall constitute a quorum at an annual or special meeting of the Institute.

123.2 If a quorum is not present or disappears within the first hour following the time for the commencement stated in the meeting notice prepared and distributed pursuant to Bylaw 121.1,

then the meeting shall terminate and a new meeting of the members of the Institute shall be called within sixty (60) days.

123.3 Unless otherwise required by the provisions of the Act, The Business Corporations Act, 1978 (Saskatchewan) or the Bylaws, questions proposed for consideration at the annual meeting shall be decided by a majority of the members present, either in person or by proxy. Such vote will exclude the Chair who will vote only in the case of a tie.

123.4 At any meeting of the members of the Institute, five (5) members may require that the voting on any question before the meeting shall be by secret ballot, and the Chair shall thereupon appoint two scrutineers from among the members present for the purpose of conducting the vote.

123.5 Each of the scrutineers shall mark his ballot before any of the other members present cast a vote.

123.6 Except as otherwise provided by the Rules, every member of the Institute shall be entitled to attend all annual and special meetings of the Institute and to cast a vote upon all questions brought before the meeting.

123.7 Any member of the Institute may be represented at annual and special meetings of the members of the Institute by another member acting as the member's proxy, provided that such proxy is in writing and further:

- (a) that no person except the Chair, the CEO or his designate shall act as proxy for more than five (5) members; and
- (b) that no proxy given shall confer power of substitution and that all proxies shall be valid only for the meeting for which specifically given.

123.8 Proxies in writing shall be filed with the CEO at least twelve (12) hours before the meeting takes place.

#### Electronic Vote

124.1 Any business of the Institute which requires approval by the members may be voted on through a paper or electronic voting process. Rules for the voting process including the method upon which the electronic ballot is to be identified and counted, shall be approved by the Board.

## **G. CORPORATE AND OPERATIONS**

### **General**

#### Fiscal Year End

125.1 The fiscal year end of the Institute shall be the last day of March each year.

Seal

126.1 The seal of the Institute shall:

- (c) contain the words, "Institute of Chartered Professional Accountants of Saskatchewan";
- (d) be located at the head office of the Institute, which shall be at such location in the Province of Saskatchewan as the Board may from time to time determine; and
- (e) be affixed to any document only upon approval by an officer or his designate.

Auditor

127.1 At the annual meeting of the Institute, a licensed firm engaged in the practice of professional accounting shall be appointed auditor and shall hold the office until the close of the next annual meeting at a remuneration to be fixed by the Board.

127.2 In the event of the resignation or death of the auditor appointed pursuant to Bylaw 120.1(h), or of the auditor becoming disqualified, or in the opinion of the Board becoming incapable of performing the duties of auditor, the Board may appoint a licensed firm to fill the vacancy subject to ratification by the members at the next annual meeting.

Banking and Investments

128.1 The monies of the Institute shall be kept in such chartered banks, credit unions or trust companies as determined by the Board.

128.2 All cheques, promissory notes, bills of exchange, or other negotiable instruments made, drawn, accepted or endorsed in the name of the Institute and signed in accordance with the resolutions passed by the Board for this purpose, shall be binding on the Institute.

128.3 The Board may borrow upon the credit of the Institute, issue debentures or other securities of the Institute, charge, hypothecate, mortgage or pledge all or any of the real or personal property rights and powers of the Institute, to secure any such debentures or other securities.

Document Retention

129.1 The Board may establish the retention requirements of any document to be held by the Institute.

Fees

130.1 The annual fees for:

- (a) candidates, members, suspended candidates and suspended members shall be set by resolution of the Board and shall become due to the Institute on the fifteenth day the fiscal year, and
- (b) firms, licensed members and licensed firms shall be set by resolution of the Board and shall become due to the Institute on December 1.

**[January 2018]**

INSTITUTE OF CHARTERED PROFESSIONAL ACCOUNTANTS OF SASKATCHEWAN RULES

130.2 The re-instatement and registration fees for suspended registrants and former registrants shall be set by resolution of the Board and shall become due to the Institute on the date of notice.

**[June 2015]**

130.3 Every registrant of the Institute shall be liable to pay annual fees without notice from the Institute.

**[February 2015]**

130.4 The initial registration fee to be a registrant shall be set by resolution of the Board and shall be payable at the time of filing an application for registration.

130.5 Without limiting the generality of Bylaw 102.1 clause (n), a member engaged in the practice of the profession throughout the year primarily in Saskatchewan shall be a primary member. A member shall be considered practicing primarily in Saskatchewan when the member's practice of the profession in Saskatchewan is to an extent greater than his/her practice of the profession (in aggregate) in other jurisdictions in or outside Canada.

**[February 2016]**

130.6 The Board may enter into agreements with an educational institution establishing the fees to be paid by a candidate to that educational institution.

130.7 The amount and time of payment of the fee for practice inspection of members or firms engaged in the practice of public accounting shall be set by resolution of the Board.

130.8 Any registrant who is in default of payment of fees, assessments or other amounts as established by the Rules, or any portion thereof for a period of thirty (30) days, shall receive notice of past due amounts.

130.9 Any registrant who receives a notice under Bylaw 130.8 shall have a late fee assessed at the date of the notice.

**[September 2015]**

130.10 Where any fee or assessment remains unpaid, the registrant may be suspended in accordance with The Accounting Profession Regulatory Bylaws 2015 (Saskatchewan).

**[June 2015]**

130.11 The Board shall establish Rules for fees including establishing the qualification criteria for an exemption for fees.

**[February 2016]**

130.12 The annual licence fees for members and firms shall be set by resolution of the Board and shall become due to the Institute on December 31 each year.

**[May 2016]**

Donations, Bequests, Scholarships, Bursaries or Prizes

131.1 The Board may approve Rules for contributions, donations, bequests, scholarships, funds, bursaries or prizes in the Institute's name.

Joint Participation or Member Association

132.1 Any number of registrants may form one (1) or more associations for:

- (a) the better advancement of their studies and professional knowledge; and/or
- (b) the purpose of making recommendations affecting their interests for consideration by the Board;

provided the registrants first obtain the approval of the Board for:

- (c) the objectives of the association; and
- (d) all policies or regulations for the governance of the association.

132.2 Any association of registrants under Bylaw 132.1 may be dissolved at any time by resolution of the Board.

**H. BOARD RULES**

Procedures

133.1 The Board may make, adopt or approve Board rules for any purpose authorized under the Act and the Bylaws, with the approval of not less than a two-thirds (2/3) majority of the members of the Board.

133.2 The Registrar shall notify each registrant of each Board rule within thirty (30) days after the Board rule is made.

133.3 Failure to notify each registrant does not invalidate a Board rule.

133.4 No Board rule shall come into force until the date specified in the Board rule.

Review

134.1 The Board may at any time repeal, amend or replace any Board rule that has been made, adopted or approved.

134.2 The Registrar shall review the Board rules annually and may propose amendments.

**I. TRANSITIONAL PROVISIONS**

Initial Board

135.1 The Initial Board of the Institute shall be comprised of members appointed pursuant to section 58 of the Act and the two (2) persons appointed pursuant to subsection 9(1) of the Act.

135.2 The Initial Board shall act until the first election under Bylaw 136.1.

Election and Appointment

136.1 The first Board election shall be held after the first anniversary of the proclamation of the Act, with one third (1/3) of the Initial Board positions up for election. Expiring terms shall be filled by an election from the members of the Institute.

136.2 The Board may appoint any member to any vacated Board position and a member so appointed shall serve until the next election.

Chair of the Initial Board

137.1 For the first two (2) years, the position of Chair shall alternate between members of two of the Legacy bodies, the Institute of Chartered Accountants of Saskatchewan and The Society of Management Accountants of Saskatchewan.

137.2 The Chair of the Initial Board will be elected by, and from, the Initial Board members of the Institute for a one (1) year term. The first Chair may continue to serve as a member of the Initial Board to complete a two (2) year term.

Number and Terms

138.1 The Board shall, over time, reduce from fourteen (14) members on the Initial Board to eleven (11) members of the Board and the two persons appointed pursuant to section 9 of the Act.

138.2 Pursuant to section 58 of the Act, and with the exception of The Certified General Accountants Association of Saskatchewan representative who will have a three (3) year term, each of the Initial Board members will be assigned to a Board term of one (1), two (2) or three (3) years, such that one-third (1/3) of the appointed Board members will have their terms expiring in each of the first three (3) years.

138.3 The terms will be determined by the Initial Board and assigned by consensus or by lot, and pro-rated between Initial Board members from the Councils of the Legacy bodies to the extent possible, so that each of the other appointed members shall be designated in the Rules as having one (1), two (2) and three (3) years remaining on their Board terms.

138.4 Each Initial Board member may be elected for an additional two (2) year term.

138.5 A member of the Initial Board serving a one (1) year term may be elected for two (2) additional and consecutive two (2) year terms. The term of service of any member of the Initial Board shall be considered for the purposes of the Board in Bylaws 104 and 105.

Legacy Body Records

139.1 Any records of Legacy bodies, as those bodies existed on the day before the coming into force of this Act, are transferred to and vest in the Institute.

### **III. STANDARDS OF PROFESSIONAL CONDUCT (200-299)**

#### **Bylaws**

200.1 Practice of the profession or services provided as a Chartered Professional Accountant shall be performed within the context of the following standards of conduct:

- (a) integrity;
- (b) objectivity;
- (c) competence; and
- (d) confidentiality.

200.2 A registrant or suspended registrants shall, at all times, exercise appropriate moral behaviour and shall comply with the laws of Canada and the province in which they reside or in which they provide professional services.

200.3 A registrant or suspended registrants shall cooperate with the regulatory processes of the Institute.

200.4 The Board adopts the Rules of Professional Conduct as established and amended from time to time, which shall apply to registrants and suspended registrants.

#### **Standards established by Board Rules**

#### **A. GENERAL**

##### Maintenance of Reputation of Profession

201.1A 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 There is a rebuttable presumption that a member, student or firm has failed to maintain the good reputation of the profession and its ability to serve the public interest when the member, student or firm is charged under bylaw 201.1 on account of any matter referred to in bylaw 221.1 (a), (d) and (e), and a certified copy of a document which provides proof of guilt in respect of such matters is filed with the Discipline Committee. For purposes of this bylaw, documents which provide proof of guilt include a certificate of conviction, order, decision, settlement agreement which includes an admission of guilt or other similar relevant document.

201.3 There is a rebuttable presumption that a member or firm has failed to maintain the good reputation of the profession and its ability to serve the public interest when the member or firm is charged under bylaw 201.1 on account a matter referred to in bylaw 221.2 where the resolution of the matter includes:

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- (a) a finding of guilt by, or a settlement agreement with, another provincial institute, and the member or firm was suspended, expelled, resigned from membership in order to resolve a disciplinary matter, or had restrictions placed on practice rights; or
- (b) a finding of guilt by, or an admission of guilt by a member or firm to, another provincial institute that bylaw 201.1 was breached by the member or firm;

and a certified copy of the order, decision, settlement agreement or other relevant document from the other provincial institute is filed with the Discipline Committee.

### 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.

### Professional Competence

203.1A member shall sustain professional competence by keeping informed of, and complying with, developments in professional standards in all functions in which the member practices 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.

#### *Compliance with Rule 204.1*

204.2 A member or firm who is required to be independent pursuant to Rule 204.1 shall, in respect of the particular engagement, comply with the provisions of Rules 204.3 and 204.4.

#### *Identification of Threats and Safeguards*

204.3 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.

*Specific Prohibitions, Assurance and Specified Auditing Procedures Engagements*

204.4 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 an immediate family member 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 an immediate family member of the member or student, holds, as trustee, a direct financial interest or a material direct financial interest in the client.
- (1.1) Notwithstanding Rules 204.4(1)(a) and (b), if the assurance client is a co-operative, credit union or caisse populaire; a social club, such as a golf club or curling club; or a similar organization, the financial interest in the assurance client held, either personally or as a trustee, by a member or student or an immediate or close family member of the member or student shall not preclude the member or student from participating on the engagement team provided that:
  - (a) such a financial interest is restricted to the minimum amount that is a prerequisite of membership;
  - (b) the assets of the organization cannot by virtue of the organization's bylaws be distributed to the individual members of the organization other than as patronage dividends or in circumstances of forced liquidation or expropriation, unless there is a written undertaking with the organization to forfeit entitlement to such distributed assets; and
  - (c) the member, student or immediate or close family member:
    - (i) does not serve on the governing body or as an officer of the organization;
    - (ii) does not have the right or responsibility to exercise significant influence over the financial or accounting policies of the organization or any of its associates;
    - (iii) does not exercise any right derived from membership to vote at meetings of the organization; and
    - (iv) cannot dispose of the financial interest for gain.

- (2) (a) A member or firm shall not perform an assurance engagement for an entity if the member or firm holds a direct financial interest or material indirect financial interest in the entity.
- (b) 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.
- (2.1) Notwithstanding Rules 204.4(2)(a) and (b), if an assurance client is a co-operative, credit union or caisse populaire; a social club, such as a golf club or curling club; or a similar organization, the financial interest in the entity held by a member or firm, or in the case of an audit or review engagement, a member, firm or a network firm, shall not preclude the member or firm from performing an assurance or audit or review engagement, as the case may be, for the entity, provided that:
  - (a) such a financial interest is restricted to the minimum amount that is a prerequisite of membership;
  - (b) the assets of the organization cannot by virtue of the organization's bylaws be distributed to the individual members of the organization other than as patronage dividends or in circumstances of forced liquidation or expropriation, unless there is a written undertaking with the organization to forfeit entitlement to such distributed assets; and
  - (c) the member, firm or network firm, as the case may be:
    - (i) does not serve on the governing body or as an officer of the organization;
    - (ii) does not have the right or responsibility to exercise significant influence over the financial or accounting policies of the organization or any of its associates;
    - (iii) does not exercise any right derived from membership to vote at meetings of the organization; and
    - (iv) cannot dispose of the financial interest for gain.
- (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 member 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, unless, in the case of a financial interest held by an immediate family member, the financial interest is received as a result of employment and
  - (a) the immediate family member does not have the right to dispose of the financial interest or, in the case of a share option, the right to exercise the option; or

- (b) where such rights are obtained, the financial interest is disposed of as soon as is practicable.
- (5) (a) A member who is a partner or managerial employee of a firm and who 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.
- (b) A member who is a partner or managerial employee of a firm whose immediate family member 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
  - (i) the non-assurance service is clearly insignificant; or
  - (ii) the financial interest is received as a result of employment and
    - (A) the immediate family member does not have the right to dispose of the financial interest or, in the case of a share option, the right to exercise the option; or
    - (B) where such rights are obtained, the financial interest is disposed of as soon as is practicable.
- (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 the engagement team for an audit or review client if the member or student or an immediate family member of 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, or immediate family member, 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)-(9) are left blank at this time.**

*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, unless the shareholder is a bank or similar financial institution and the loan or guarantee is made under normal commercial terms and conditions.
  - (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 shall not participate on the engagement team of an assurance client where the member or student has a loan from or has a loan guaranteed by:
    - (i) such a 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, unless the shareholder is a bank or similar financial institution and the loan or guarantee is made under normal commercial terms and conditions.
  - (b) A member or student shall not participate on the engagement team for an assurance client where the member or student has a loan to or guarantees the borrowing of:
    - (i) such a 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.

*Close Business Relationship*

- (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, a related entity or the management of either 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 either 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, a related entity or the management of either 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, the related entity or the management of either, as the case may be.
- (c) A member or student who has, or whose immediate family member has, a close business relationship with an assurance client, a related entity or the management of either 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, student or immediate family member and the client, the related entity or the management of either, 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 member is an officer or director of the client or a related entity or is in a position to exert significant influence over the subject matter of the engagement, or was in such a position during the period covered by the assurance report or the engagement period.
- (15) A member or student shall not participate on the engagement team for an audit client that is a reporting issuer or listed entity if the member's or student's immediate or close family member has an accounting role or a financial reporting oversight role, or had such a position during the period covered by the financial statements subject to audit by the member of firm or the engagement period.

*Employment or service with a Reporting Issuer or Listed Entity Audit Client*

- (16) A member or firm shall not perform an audit engagement for a reporting issuer or listed entity if:
  - (a) a person who participated in an audit capacity in an audit of the financial statements of the entity performed by the member or firm is an officer or director of the entity or is in a financial reporting oversight role unless a period of one year has elapsed from the date that the financial statements were filed with the relevant securities regulator or stock exchange; or
  - (b) a person who was the firm's chief executive officer is an officer or director of the entity or is in a financial reporting oversight role, unless a period of one year has elapsed from the date that the individual was the chief executive officer of the firm.

*Recent Service with or for an Assurance Client*

- (17) (a) A member or student shall not participate on the engagement team for an assurance client if the member or student served as an officer or director of the client or a related entity or was in a position to exert significant

influence over the subject matter of the engagement during the period covered by the assurance report or the engagement period.

*Temporary loan of staff to an audit or review client*

- (b) 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 or firm has loaned a member of the firm or a network firm to the entity or a related entity, unless:
- (i) the loan of any such person or persons is made for only a short period of time;
  - (ii) the loan of any such person or persons is not made on a recurring basis;
  - (iii) the loan of any such person or persons does not result in the person or persons making a management decision or performing a management function or providing any non-assurance services that would otherwise be prohibited by Rules 204.4(22) to (34); and
  - (iv) management of the entity or related entity directs and supervises the work performed by the person or persons.

*Serving as an Officer or Director of an Assurance Client*

- (18) (a) A member or firm shall not perform an assurance engagement for an entity if a member or an employee of the firm serves as an officer or director of the entity or a related entity, except for serving as company secretary when 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.

*Serving as an Officer or Director of an Audit or Review Client*

- (b) A member or firm shall not perform an audit or review engagement for an entity that is not a reporting issuer or listed entity if a member or an employee of the firm or of a network firm serves as an officer or director of the entity or a related entity except for serving as company secretary when 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.

*Serving as an Officer or Director of a Reporting Issuer or Listed Entity Audit Client*

- (19) (a) A member or firm shall not perform an audit engagement for a reporting issuer or listed entity if a member or an employee of the firm or of a network firm serves as an officer or a director of the reporting issuer or listed entity or a related entity.

*Long Association of Senior Personnel with a Reporting Issuer or Listed Entity Audit Client*

- (20) (a) A member shall not continue as the lead engagement partner or the engagement quality control reviewer with respect to the audit of the financial statements of a reporting issuer or listed entity for more than seven years in total, and shall not thereafter participate in an audit of the

financial statements of the reporting issuer or listed entity until a further five years have elapsed.

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 participate in an audit of the financial statements of the reporting issuer or another reporting issuer that is in the same mutual fund complex as the reporting issuer until a further five years have elapsed.

- (b) A member, who is a key audit partner with respect to the audit of the financial statements of a reporting issuer or listed entity, other than a lead engagement partner or engagement quality control reviewer, shall not continue in such role for more than seven years in total and shall not thereafter participate in an of audit of financial statements of the reporting issuer or listed entity until a further two years have elapsed.

In the case of an audit engagement of a reporting issuer that is a mutual fund, such an audit partner shall not thereafter participate in an audit of the financial statements of the reporting issuer or another reporting issuer that is in the same mutual fund complex as the reporting issuer until a further two years have elapsed.

- (c) Notwithstanding paragraph (b), when an audit client becomes a reporting issuer or listed entity, a key audit partner who has served in that capacity for five or more years at the time the client becomes a reporting issuer or listed entity may continue in that capacity for two more years before being replaced as a key audit partner.

*Audit Committee Approval of Services to a Reporting Issuer or Listed Entity Audit Client*

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

*Performance of Management Functions*

- (22) (a) A member or firm shall not perform an assurance engagement for an entity if, during the period covered by the assurance report or the engagement period, a member of the firm makes a management decision or performs a management function for the entity or a related 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;

unless the management decision or management function is not related to the subject matter of the assurance engagement that is performed by the member or firm.

- (b) A member or firm shall not perform an audit or review engagement for an entity, if a member of the firm or 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 or a related entity, including any of the services listed in paragraph 22(a)(i) to (iv), whether or not the management decision or management function is related to the subject matter of the audit or review engagement that is performed by the member or firm.

*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, for the entity or a related entity, that affects the financial statements subject to audit or review by the member or firm, 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 underlying such financial statements.

*Preparation of Accounting Records and Financial Statements for a Reporting Issuer or Listed Entity Audit Client*

(24)

A member or firm shall not perform an audit engagement for a reporting issuer or listed entity if, in other than emergency situations, 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 including:

- (a) maintaining or preparing the entity's, or related entity's, accounting records;
- (b) preparing the financial statements or preparing financial statements which form the basis of the financial statements on which the audit report is provided; or
- (c) 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.

In the event of an emergency situation, the member or firm may perform the audit and perform such an accounting or bookkeeping service provided:

- (i) those who provide the service are not members of the engagement team for the audit;
- (ii) the provision of the service in such circumstances is not expected to recur;
- (iii) the provision of the service would not lead to any members of the firm or a network firm making decisions or judgments which are properly the responsibility of management; and
- (iv) the provision of the service receives the prior approval of the audit committee of the reporting issuer or listed entity in accordance with the provisions of Rule 204.4(21).

*Provision of Valuation Services to an Audit or Review Client that is not a Reporting Issuer or Listed Entity.*

- (25) (a) 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 a network firm, provides a valuation service to the entity or a related entity where the valuation involves a significant degree of subjectivity and relates to amounts that are material to the financial statements subject to audit or review by the member or firm, unless the valuation is performed for tax purposes only and relates to amounts that will affect such financial statements only through accounting entries related to taxation .

*Provision of Valuation Services to a Reporting Issuer or Listed Entity Audit Client*

- (b) A member or firm shall not perform an audit engagement for a reporting issuer or 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 a related entity, unless
- (i) the valuation is performed for tax purposes only and relates to amounts that will affect such financial statements only through accounting entries related to taxation, or
  - (ii) 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 Reporting Issuer or Listed Entity Audit Client*

- (26) A member or firm shall not perform an audit engagement for a reporting issuer or 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 an audit or review client*

- (27) (a) 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 or a network firm or a member of the firm or network firm provides an internal audit service to the entity or a related entity unless, with respect to the entity for which the internal audit service is provided:
- (i) the entity designates an appropriate and competent resource within senior management to be responsible for internal audit activities and to acknowledge responsibility for designing, implementing and maintaining internal controls;
  - (ii) the entity or its audit committee reviews, assesses and approves the scope, risk and frequency of the internal audit services;
  - (iii) the entity's management evaluates the adequacy of the internal audit services and the findings resulting from their performance;
  - (iv) the entity's management evaluates and determines which recommendations resulting from the internal audit services to implement and manages the implementation process; and
  - (v) the entity's management reports to the audit committee the significant findings and recommendations resulting from the internal audit services.

*Provision of Internal Audit Services to a Reporting Issuer or Listed Entity Audit Client*

- (b) A member or firm shall not perform an audit engagement for a reporting issuer or 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 Information Technology System Services to an Audit or Review Client*

- (28) (a) 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 financial

information systems design or implementation service to the entity or a related entity where the service involves the design or implementation of all or part of a financial information technology system that either generates information that is significant to the accounting records or financial statements subject to audit or review by the member or firm, or forms a significant part of either entity's internal controls that are relevant to the financial statements that are subject to audit or review by the member or firm, unless, with respect to the entity for which the information technology service is provided:

- (i) the entity acknowledges its responsibility for establishing and monitoring a system of internal controls;
- (ii) the entity assigns the responsibility to make all management decisions with respect to the design and implementation of the hardware or software system to a competent employee, preferably within senior management;
- (iii) the entity makes all management decisions with respect to the design and implementation process;
- (iv) the entity evaluates the adequacy and results of the design and implementation of the system; and
- (v) the entity is responsible for operating the hardware or software system and for the data it uses or generates.

*Provision of Information Technology System Services to a Reporting Issuer or Listed Entity Audit Client*

(b) A member or firm shall not perform an audit engagement for a reporting issuer or 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 Litigation Support Services to an Audit or Review Client*

- (29) (a) A member or firm shall not perform an audit or review engagement for a client 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 litigation support service for the entity or a related entity, or for a legal representative thereof, for the purpose of advancing the entity's or related entity's, interest in a civil, criminal, regulatory, administrative or legislative proceeding or investigation with respect to an amount or amounts that are material to the financial statements subject to audit or review by the member or firm.

*Provision of Litigation Support Services to a Reporting Issuer or Listed Entity Audit Client*

- (b) A member or firm shall not perform an audit engagement for a reporting issuer or 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 litigation support service for the entity or a related entity, or for a legal representative thereof, for the purpose of advancing 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 or a related 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 Reporting Issuer or Listed Entity Audit Client*

- (31) A member or firm shall not perform an audit engagement for a reporting issuer or 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 Reporting Issuer or Listed Entity Audit Client*

- (32) A member or firm shall not perform an audit engagement for a reporting issuer or 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:
- (a) searching for or seeking out prospective candidates for management, executive or director positions;
  - (b) engaging in psychological testing, or other formal testing or evaluation programs;
  - (c) undertaking reference checks of prospective candidates for an executive or director position;

- (d) acting as a negotiator or mediator with respect to employees or future employees with respect to any condition of employment, including position, status or title, compensation or fringe benefits; or
- (e) recommending or advising with respect to hiring a specific candidate for a specific job.

*Provision of Corporate Finance and Similar Services to an Audit and Review Client*

- (33) A member or firm shall not perform an audit or review engagement for an entity if, during 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 any of the following services:
- (a) promoting, dealing in or underwriting the entity's or a related entity's securities;
  - (b) advising the entity or a related entity on other corporate finance matters where:
    - (i) the effectiveness of the advice depends on a particular accounting treatment or presentation in the financial statements;
    - (ii) the outcome or consequences of the advice has or will have a material effect on the financial statements; and
    - (iii) the engagement team has reasonable doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework;
  - (c) making investment decisions on behalf of the entity or a related entity or otherwise having discretionary authority over the entity's or a related entity's investments;
  - (d) executing a transaction to buy or sell the entity's or a related entity's investments; or
  - (e) having custody of assets of the entity or a related entity, including taking temporary possession of securities purchased by the entity or a related entity.

*Provision of taxation planning or other taxation advisory services to an audit or review client*

- (34) (a) A member or firm shall not perform an audit or review engagement for a client 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 a network firm, provides taxation planning or other taxation advice to the client or a related entity, where
- (i) the effectiveness of the advice depends on a particular accounting treatment or presentation in the financial statements,
  - (ii) the outcome or consequences of the advice has or will have a material effect on the financial statements, and

- (iii) the engagement team has reasonable doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework.

*Provision of tax calculations for the purpose of preparing accounting entries for a reporting issuer or listed entity*

- (b) A member or firm shall not perform an audit engagement for a reporting issuer or listed entity if, in other than emergency situations, 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, prepares tax calculations of current and future tax liabilities or assets for the reporting issuer or listed entity or a related entity for the purpose of preparing accounting entries that are subject to audit by the member or firm.

In the event of an emergency situation, the member or firm may perform the audit and perform such a tax service provided:

- (i) those who provide the service are not members of the audit engagement team;
- (ii) the provision of the service in such circumstances is not expected to recur;
- (iii) the provision of the service would not lead to any members of the firm or a network firm making decisions or judgments which are properly the responsibility of management; and
- (iv) the provision of the service receives the prior approval of the audit committee of the reporting issuer or listed entity in accordance with the provisions of Rule 204.4(21).

*Provision of non-assurance services prior to commencement of audit or review services*

- (35) (a) Where a member, firm, a network firm or a member of the firm or a network firm has provided a non-assurance service referred to in Rules 204.4(22) to (34) to a client prior to the engagement of the member or firm to perform an audit or review engagement for the client but during or after the period covered by the financial statements subject to audit or review by the member or firm, the member or firm shall not perform the audit or review engagement unless the particular non-assurance service was provided before the engagement period and the member or firm:
  - (i) discusses independence issues related to the provision of the non-assurance service with the audit committee;
  - (ii) requires the client to review and accept responsibility for the results of the non-assurance service; and
  - (iii) precludes personnel who provided the non-assurance service from participating in the audit or review engagement,

such that any threat created by the provision of the non-assurance service is reduced to an acceptable level.

*Provision of previous non-assurance services to an entity that has become a reporting issuer or listed entity*

- (b) Where a member, firm, a network firm or a member of the firm or a network firm has performed a non-assurance service referred to in Rules 204.4 (22) to (34) for an audit or review client that has become a reporting issuer or listed entity and the provisions of Rules 204.4(22) to (34) would have precluded the member or firm from performing an audit engagement for a reporting issuer or listed entity, the member or firm shall not perform an audit engagement for the client unless the member or firm
- (i) discusses independence issues related to the provision of the non-assurance service with the audit committee;
  - (ii) requires the client to review and accept responsibility for the results of the non-assurance service; and
  - (iii) precludes personnel who provided the non-assurance service from participating in the audit engagement,

such that any threat to independence created by the provision of the non-assurance service is reduced to an acceptable level.

*Pricing*

- (36) 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.

*Relative size of fees of a reporting issuer or listed entity audit client*

- (37) (a) A member or firm shall not perform an audit engagement for a reporting issuer or listed entity when the total revenue, calculated on an accrual basis, for any services provided to the client and its related entities for the two consecutive fiscal years of the firm most recently concluded prior to the date of the financial statements subject to audit by the member or firm, represent more than 15% of the total revenue of the firm, calculated on an accrual basis, in each such fiscal year, unless:
- (i) the member or firm discloses to the audit committee the fact that the total of such revenue represents more than 15% of the total revenue of the firm, calculated on an accrual basis, in each of those fiscal years; and
  - (ii) another professional accountant who is not a member of the firm performs a review, that is substantially equivalent to an engagement quality control review, of the audit engagement, either

- (A) prior to the audit opinion in respect of the financial statements being issued, or
- (B) subsequent to the audit opinion in respect of the financial statements being issued but prior to the audit opinion on the client's financial statements for the immediately following fiscal period being issued.

Thereafter, when the total revenue, calculated on an accrual basis, for any services provided to the client and its related entities continue to represent more than 15% of the total revenue of the firm, calculated on an accrual basis, in the firm's most recently concluded prior fiscal year, the member or firm shall not perform the audit unless the requirements of paragraphs (37)(a)(i) and (ii)(A) are met.

(b) A member shall not perform the review required by Rule 204.4(37)(a)(ii) if the member or the member's firm would be prohibited, pursuant to any provision of Rule 204, from performing an audit of the financial statements referred to in Rule 204.4(37)(a).

*Evaluation of Compensation of Partners*

- (38) A member who is or was a key audit partner shall not be evaluated or compensated based on the member's solicitation or sales of non-assurance services to the particular client or a related entity if such solicitation or sales occurred during the period during which the member is or was a key audit partner.

*Gifts and Hospitality*

- (39) 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.

*Client mergers and acquisitions*

- (40) (a) A member or firm shall not perform or continue with an audit or review engagement for an entity where, as a result of a merger or acquisition, another entity merges with or becomes a related entity of the audit or review client, and the member or firm has a previous or current activity, interest or relationship with the other entity that would, after the merger or acquisition, be prohibited pursuant to any provision of Rule 204 in relation to the audit or review engagement, unless:
- (i) the member or firm terminates, by the effective date of the merger or acquisition, any such activity, interest or relationship;
  - (ii) the member or firm terminates, as soon as reasonably possible and, in all cases, within six months following the effective date of the merger or acquisition, any such activity, interest or relationship and the requirements of Rule 204.4(40)(b) are met; or
  - (iii) the member or firm has completed a significant amount of work on the audit or review engagement and expects to be able to complete the engagement within a short period of time, the member or firm discontinues in the role of audit or review service provider on completion of the current engagement and the provisions of Rule 204.4(40)(b) are met.
- (b) Notwithstanding the existence of the previous or current activity, interest or relationship described in Rule 204.4(40)(a), the provisions of Rule 204.4(40)(a)(ii) and (iii) permit the member or firm to perform or continue with the audit or review engagement provided that:
- (i) the member or firm evaluates and discusses with the audit committee the significance of the threat created by any such activity, interest or relationship and the reasons why the activity, interest or relationship is not terminated or cannot reasonably be terminated by the effective date of the merger or acquisition, or within six months thereof, as the case may be;
  - (ii) the audit committee requests the member or firm to complete the audit or review engagement;
  - (iii) any person involved in any such activity or who has any such interest or relationship will not participate in the audit or review engagement or as an engagement quality control reviewer; and
  - (iv) the member or firm applies an appropriate measure or measures, as discussed with the audit committee, to address the threat created by any such activity, interest or relationship.
- (c) Where the previous or current activity, interest or relationship described in Rule 204.4(40)(a) creates such a significant threat to independence that compliance with the requirements of paragraphs 204.4(40)(a) and (b) would still not reduce any such threat to an acceptable level, the member or firm shall not perform or continue with the audit or review engagement.

*Documentation*

- 204.5 (a) 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:
- (i) a description of the nature of the engagement;
  - (ii) the threat identified;
  - (iii) the safeguard or safeguards identified and applied to eliminate the threat or reduce it to an acceptable level; and
  - (iv) 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.
- (b) A member or firm who, in an emergency situation, provides an accounting or bookkeeping service to a reporting issuer or listed entity audit client in accordance with the requirements of Rule 204.4(24) shall document both the rationale supporting the determination that the situation constitutes an emergency and that the member or firm has complied with the provisions of subparagraphs (i) through (iv) of the Rule.
- (c) A member or firm who, in an emergency situation, prepares tax calculations of current and future income tax liabilities or assets for a reporting issuer or listed entity audit client in accordance with the requirements of Rule 204.4(34)(b), for the purpose of preparing accounting entries that are subject to audit by the member or firm shall document both the rationale supporting the determination that the situation constitutes an emergency and that the member or firm has complied with the provisions of subparagraphs (i) through (iv) of the Rule.
- (d) A member or firm who, in accordance with the requirements of Rule 204.4(35)(a), performs an audit or review engagement for a client where the member, firm, a network firm or a member of the firm or a network firm has provided a non-assurance service referred to in Rules 204.4(22) to (34) to the client prior to the engagement period but during or after the period covered by the financial statements subject to audit or review by the member or firm, shall document:
- (i) a description of the previously provided non-assurance service;
  - (ii) the results of the discussion with the audit committee;
  - (iii) any further measures applied to address the threat created by the provision of the previous non-assurance service; and
  - (iv) the rationale to support the decision of the member or firm.

- (e) A member or firm who, in accordance with the requirements of Rules 204.4(35)(b), performs an audit engagement for a client that has become a reporting issuer or listed entity where the member, the firm, a network firm or a member of the firm or a network firm provided a non-assurance service to the client prior to it having become a reporting issuer or listed entity and the provisions of Rules 204.4(22) to (34) would have precluded the member or firm from performing an audit engagement for a reporting issuer or listed entity, shall document:
- (i) a description of the non-assurance service;
  - (ii) the results of the discussion with the audit committee;
  - (iii) any further measures applied to address the threat created by the provision of the non-assurance service; and
  - (iv) the rationale to support the decision of the member or firm.
- (f) A member or firm who, in accordance with the requirements of Rules 204.4(40)(a) and (b), performs or continues with an audit or review engagement where, as a result of a merger or acquisition, another entity merges with or becomes a related entity of the audit or review client, and the member or firm has a previous or current activity, interest or relationship with the other entity that would, after the merger or acquisition, be prohibited pursuant to any provision of Rule 204 in relation to the audit or review engagement, shall document:
- (i) a description of the activity, interest or relationship that will not be terminated by the effective date of the merger or acquisition and the reasons why it will not be terminated;
  - (ii) the results of the discussion with the audit committee and measures applied to address the threat created by any such activity, interest or relationship; and
  - (iii) the rationale to support the decision of the member or firm.

*Members Must Disclose Prohibited Interests and Relationships*

204.6 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*

204.7 A member who is a partner or proprietor of a firm, or a member whose professional corporation is a partner or proprietor of a firm, shall ensure that the firm complies with Rule 204.1, 204.3, 204.4 and 204.8 and 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, 204.3, 204.4 and 204.8.

*Independence: Insolvency Engagements*

204.8 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*

204.9 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 204.9 and the related Board Interpretations:

- (a) "accounting role" means a role in which a person is in a position to or does exercise more than minimal influence over:
  - (i) the contents of the client's accounting records related to the financial statements subject to audit or review by the member or firm; or
  - (ii) anyone who prepares such financial statements.
- (b) "assurance client" means an entity in respect of which a member or firm has been engaged to perform an assurance engagement. In the application of Rule 204.4(1) to (12) "assurance client" includes its related entities, and the reference to an assurance client, a client or an entity that is an assurance client shall be read as including all related entities of the assurance client, client or entity as the case may be.
- (c) "assurance engagement" means an assurance engagement as contemplated in the *CICA Handbook – Assurance*. For the purpose of Rule 204.4, "assurance engagement" also includes a specified auditing procedures engagement as contemplated by the *CICA Handbook – Assurance*.
- (d) "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.
- (e) "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 or those charged with governance of the entity.

- (f) “audit engagement” means an engagement to audit financial statements as contemplated in the CICA Handbook – Assurance.
- (g) “audit partner” means a person who is a partner in a firm or a person who has equivalent responsibility, who is a member of the engagement team, 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.
- (h) “clearly insignificant” means trivial and inconsequential.
- (i) “close family member” means a parent, child or sibling who is not an immediate family member.
- (j) “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 or ability to influence investment decisions; or
  - (iii) owned through an investment club or by a private mutual fund in which the individual participates in the investment decisions.
- (k) “engagement period” means the period that starts at the earlier of the date when the member or firm signs the engagement letter or commences procedures in respect of the engagement and ends when the assurance report is issued, except when the engagement is of a recurring nature, in which case the engagement period ends with:
  - (i) notification by either the client or the firm that the professional relationship has terminated or the issuance of the final assurance report, whichever is later; or
  - (ii) in the case of an audit engagement for a reporting issuer or listed entity, notification by either the client or the firm to the relevant Securities Commission that the audit client is no longer an audit client of the firm.
- (l) “engagement quality control reviewer”, often referred to as reviewing, concurring or second partner, means the audit partner or other person in the firm who, prior to issuance of the audit report, provides an objective evaluation of the significant judgments made and conclusions reached by the members of the engagement team in formulating the report on the engagement.
- (m) “engagement team” means:
  - (i) each member of the firm performing 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 role in which a person is in a position to or does exercise influence over:
- (i) the contents of the financial statements subject to audit or review by the member of firm; 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 Board. A related business or practice is considered to be part of the firm.
- (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 member" 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 or ability to influence investment decisions.
- (t) "key audit partner" means:
- (i) an audit partner who is the lead engagement partner;
  - (ii) the engagement quality control reviewer; or
  - (iii) any other audit partner on the engagement team who makes important decisions or judgments on significant matters with respect to the audit or review engagement.

- (u) “lead engagement partner” means the partner or other person who is responsible for the engagement and its performance, for the report that is issued on behalf of the firm and who, where required, has the appropriate authority from a professional, legal or regulatory body.
- (v) “legal service” means any service that may only be provided by a person licensed, admitted, or otherwise qualified to practice law in the jurisdiction in which the service is provided. If a jurisdiction outside of Canada requires a service to be provided by a person licensed, admitted, or otherwise qualified to practice law in that jurisdiction and the same service could be provided in the relevant jurisdiction in Canada by a person not licensed, admitted, or otherwise qualified to practice law, the provision of the service in the jurisdiction outside Canada shall not be considered a legal service.
- (w) “listed entity” means an entity whose shares, debt or other securities are quoted on, listed on or marketed through a recognized stock exchange or other equivalent body, whether within or outside of Canada, 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 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:

- (a) 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
  - (b) 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.
- (x) “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.
  - (y) “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, but does not include an external expert possessing skills, knowledge

- and experience in a field other than accounting or auditing whose work in that field is used to assist the member or firm in obtaining sufficient appropriate evidence;
- (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.
- (z) “mutual fund” means a mutual fund that is a reporting issuer under the applicable Canadian provincial or territorial securities legislation.
- (aa) “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; or
  - (iii) a mutual fund that has a fund manager that is under common control with the fund manager of a client.
- (bb) “network firm” means an entity that is, or that a reasonable observer would conclude to be, part of a larger structure of co-operating entities that shares:
- (i) common quality control policies and procedures that are designed, implemented and monitored across the larger structure;
  - (ii) common business strategy that involves agreement to achieve common strategic objectives;
  - (iii) the use of a common brand name, including the use of common initials and the use of the common brand name as part of, or along with, a firm name when a partner of the firm signs an audit or review engagement report; or
  - (iv) professional resources, such as:
    - (A) common systems that enable the exchange of information such as client data, billing or time records;
    - (B) partners and staff;
    - (C) technical departments that consult on technical or industry specific issues, transactions or events for assurance engagements;
    - (D) audit methodology or audit manuals; or
    - (E) training courses and facilities,where such professional resources are significant.
- (cc) “office” means a distinct sub-group of a firm, whether organized on geographical or practice lines.
- (dd) “related entity” means any one of the following:

- (i) in the case of an engagement to audit the financial statements of a client that is a reporting issuer or listed entity,
  - (A) an entity over which the client has control;
  - (B) an entity that has control over the client, provided that the client is material to such entity;
  - (C) an entity that has significant influence over the client, provided that the client is material to such entity;
  - (D) an entity which is under common control with the client, provided that such entity and the client are both material to the controlling entity; or
  - (E) an entity over which a client has significant influence, provided that the entity is material to the client;
- (ii) in the case of an engagement to audit or review the financial statement of a client that is not a reporting issuer or listed entity:
  - (A) an entity over which the client has control;
  - (B) any of the following entities where the engagement team knows or has reason to believe that the existence of an activity, interest or relationship involving the member or firm and that other entity is relevant to the evaluation of the independence of the member or firm with respect to the audit or review of the financial statements of the client:
    - (I) an entity that has control over the client, provided that the client is material to such entity;
    - (II) an entity that has significant influence over the client, provided that the client is material to such entity;
    - (III) an entity which is under common control with the client, provided that such entity and the client are both material to the controlling entity; or
    - (IV) an entity over which a client has significant influence, provided that the entity is material to the client; and
- (iii) in the case of an assurance engagement that is not an engagement to audit or review the financial statements of a client, any of the following entities where the engagement team knows or has reason to believe that the existence of an activity, interest or relationship involving the member or firm and that other entity is relevant to the evaluation of the independence of the member or firm with respect to the assurance engagement:
  - (A) an entity over which the client has control;

- (B) an entity that has control over the client, provided that the client is material to such entity;
  - (C) an entity that has significant influence over the client, provided that the client is material to such entity;
  - (D) an entity which is under common control with the client, provided that such entity and the client are both material to the controlling entity; or
  - (E) an entity over which a client has significant influence, provided that the entity is material to the client.
- (ee) “reporting issuer” means an entity that is defined as a reporting issuer under the applicable Canadian provincial or territorial securities legislation 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.
- (ff) “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 related entities, and the reference to an assurance client, a client or an entity that is a review client shall be read as including all related entities of the assurance client, client or entity, as the case may be.
- (gg) “review engagement” means an engagement to review financial statements as contemplated in the CICA Handbook – Assurance.
- (hh) “specified auditing procedures engagement” means an engagement to perform specified auditing procedures contemplated in the CICA Handbook – Assurance.
- (ii) “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.

204.10 Effective date and transitional provisions

*A. Effective Date*

Rules 204.1 to 204.9 shall take effect:

- (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.

*B. Provision of litigation support services*

The litigation services referred to in 204.4(29)(a) do not include a service that has not been completed before July 1, 2014 where:

- (i) there exists on June 30, 2014 a binding contract for the member or firm to provide the service; and
- (ii) 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 July 1, 2014.

*C. Key audit partner rotation*

Notwithstanding the requirements of 204.4(20), where the application of the definition of “key audit partner” which takes effect pursuant to the effective date established by A. above has the effect of requiring the rotation of a person who would not have been subject to rotation based on the definition of “audit partner” in effect immediately prior to that effective date, that person may continue to participate in the audit of the financial statements of the particular client up to and including the audit engagement for the second fiscal year of the client commencing after December 15, 2014.

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

207.1 A member or student shall not, in connection with any transaction involving a client or an employer and a firm shall not, in connection with any transaction involving a client, 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 Board, 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.

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.

#### 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 or firm 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 or firm informs all affected clients of the existence of the conflict and the techniques that will be used to manage it; and
  - (iii) the member or firm 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 Standards 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 Board, 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.

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211.1.1 As set out in rule 211.1(b), Board 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, 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

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

### Fee Quotations

214.1 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

216.1 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;
- (b) which makes unfavourable reflections on the competence or integrity of the profession or any member or firm; or
- (c) which otherwise brings disrepute on the profession.

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;
- (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
- (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.

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.

**219 - 220 are left blank at this time.**

**B. COMPLIANCE, REPORTING AND COOPERATION**

Conviction of Criminal or Similar Offenses

221.1 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

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- (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.

221.2 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.

**221.3 is left blank at this time.**

221.4 A member, student or firm who fails to comply with bylaws 221.1 or 221.2 shall pay a late fee as prescribed by Board.

221.5 The Institute shall report the matter described in bylaws 221.1 and 221.2 to the Professional Conduct Committee.

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.

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.

**222 - 223 are left blank at this time.**

### Hindrance, Inappropriate Influence and Intimidation

224.1 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.

224.2 A member, student or firm shall not harass, 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 harass, threaten or intimidate officers, staff, volunteers or agents of the Institute acting on behalf of the Institute.

**225 - 249 are left blank at this time.**

## **C. RELATIONS WITH FELLOW MEMBERS AND NON-MEMBERS ENGAGED IN PUBLIC ACCOUNTING**

### Communication with Predecessor

250.1 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.

250.2 The incumbent member or firm shall respond promptly to the communication referred to in rule 250.1.

250.3 A member or firm responding to a communication pursuant to rule 250.2 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 Accountant

251.1 A member or firm, shall upon written request of the client, and on a timely basis, supply reasonable and necessary client information to the member's or firm's successor. Such co-operation is required with any successor accountant, including a non-member.

251.2 A predecessor member or firm on an engagement shall co-operate with the successor on the engagement. The predecessor shall transfer promptly to the client or, on the client's instructions, to the successor, all property of the client which is in the predecessor's possession. Such property shall be transferred in the medium in which it is maintained by the predecessor, or such other medium that is mutually agreeable, that will facilitate a timely and efficient transfer which best serves the client's interest. Ordinarily, when electronic copies of the property of the client are readily available, the client's interest will be best served when such information is provided as electronic data, rather than in printed form, provided that supplying the information in such a form will not violate licensing, copyright or similar legal agreements or proprietary rights.

Joint Engagements

252.1 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

253.1 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.

253.2 Rule 253.1 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

254.1 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

254.2 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.

**255 – 259 are left blank at this time.**

**D. STANDARDS OF PROFESSIONAL CONDUCT APPLICABLE ONLY TO FIRMS**

Firm's Maintenance of Policies and Procedures for Compliance with Professional Standards

260.1A 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:

- (a) the profession, including the Recommendations and Requirements, as appropriate, set out in the CICA Handbook, and
- (b) the particular business or practice, provided that such standards are not lower than or inconsistent with the generally accepted standards of practice of the profession in which case the generally accepted standards of the profession must be followed.

Firm's Maintenance of Policies and Procedures

261.1A 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

262.1 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 member, 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.

## IV. REGULATORY BOARD RULES (300-409)

### Definitions

300.1 For the purposes of Regulatory Board rules, except as otherwise stated:

- (a) “affiliated business” means, in respect to a firm, a person engaged in a business or practice and connected to the firm providing service to the public.
- (b) “affiliate firm” means a firm also registered with another Provincial Institute which provides services to the public in Saskatchewan but does not operate an office in Saskatchewan.
- [September 2017]**
- (c) “affiliate member” means a member who has designated their member registration with another provincial institute as their primary member registration in Canada.
- (d) “bookkeeping” means the preparation or maintenance of an entity’s accounting records up to and including a trial balance and reports, excluding financial statements, prepared directly from such accounting records.
- (e) “candidate in default” means a candidate who has not complied with a requirement specified in a Rule or a notice within the time specified in a Rule or a notice.
- [June 2015]**
- (f) “comprehensive licence” means a licence issued when a member or firm qualifies to practice in all of the sub-categories of the practice of professional accounting.
- [January 2018]**
- (g) “educational institution” means the Chartered Professional Accountant School of Business as approved by the Board.
- (h) “eligible hours” means the time accumulated by a member in providing professional accounting services and includes hours reported as continuing professional development relevant to a sub-category of practice of professional accounting.
- [January 2018]**
- (i) “firm in default” means a firm who has not complied with a requirement specified in a Rule or a notice within thirty (30) days after the date specified in a Rule or a notice.
- [September 2015]**
- (j) “initial practice inspection” means an inspection which is not a re-inspection.
- (k) “member in default” means a member who has not complied with a requirement specified in a Rule or a notice within thirty (30) days after the date specified in a Rule or a notice.
- [September 2015]**
- (l) “mentor” means and includes a CPA or individual approved by the Institute who:
- (i) provides guidance to candidates on competency development; and
  - (ii) models and facilitates the understanding of the profession.

(m) “non-practice” means that during a twelve (12) month period ending in the fiscal year of CPA Saskatchewan, the member was:

- (i) not engaged in the practice of the profession as specified in Bylaw 13.1, and
- (ii) not relied upon by others based on his qualification as a professional accountant.

**[January 2018]**

(n) “pre-approved program leader” means a member responsible for a pre-approved program and for CPA candidates gaining experience through that pre-approved program.

**[September 2017]**

(o) “primary member” means a member other than an affiliate member and who shall therefore be primarily accountable to the Institute for regulatory purposes.

(p) “qualifying accounting experience” means public accounting or other accounting experience that an individual has acquired.

(q) “re-inspection” means a subsequent inspection conducted based on the results of an initial inspection.

(r) “restricted license” means a license issued when a restriction has been imposed on the member or firm limiting them from practicing in one (1) or more, but not all, of the sub-categories of the practice of professional accounting or in accordance with Board rule 357.2.

**[May 2016]**

(s) “specified licence” means a licence issued when a member or firm qualifies and agrees to practice professional accounting only in the subcategories outlined in clauses 18(1)(b) and 18(1)(c) of the Act.

**[January 2018]**

(t) “term” means and includes as it relates to a certificate, permit or license a general provision of a certificate, permit or license as specified in the Rules.

300.2 Further to Bylaw 18.3, where the Institute has documentation which indicates that addresses (for purposes of delivering of paper and electronic mail) of a registrant in the registers specified in Rules 317.1 or 334.1 are not current for a period of sixty days the registrant shall be classified as in default.

**[May 2016]**

## **A. CANDIDATE REGISTRATION**

### Applications

301.1 To be considered and further to Bylaw 11.1, an individual shall provide a completed application for registration as a candidate to the educational institution.

**[June 2015]**

### Requirements for qualifications

302.1 To be considered and further to Bylaw 11.4, an individual shall provide a completed application for registration as a candidate to the Registrar.

**[June 2015]**

302.2 Further to Bylaw 11.4, an individual who:

- (a) holds a Certified Public Accountant 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 CPA designation granted by the Institute to obtain the Certified Public Accountant certificate granted by that state board;
- (b) has obtained the Certified Public Accountant certificate as a result of passing the U.S. Uniform Certified Public Accountant Examination while the individual was a resident in the United States;
- (c) has acquired at least two (2) years qualifying accounting experience acceptable to the Institute while the individual was resident in the United States; and
- (d) provides evidence of the date of admission to membership from the state board of accountancy, including a letter of good standing from the state board which issued the Certified Public Accountant certificate

may apply for registration as a candidate in a Board approved form.

**[June 2015]**

302.3 Further to Bylaw 11.4, an individual who:

- (a) is a member of a professional accounting body outside Canada, except for the United States of America, having similar objects to the Institute, and the Board considers the standard attained by the individual for admission to such organization to be acceptable in lieu of the uniform evaluation of the Institute;
- (b) has obtained membership in a professional accounting body outside Canada as a result of meeting that professional accounting body outside Canada's requirements while the individual was a resident in the professional accounting body outside Canada;
- (c) has acquired two (2) years of qualifying accounting experience acceptable to the Institute; and
- (d) provides evidence of the date of admission to membership with a professional accounting body outside Canada including a letter of good standing from said professional accounting body outside Canada

may apply for registration as a candidate in a Board approved form.

**[June 2015]**

### Conditions

303.1 Upon receipt of an application made pursuant to Bylaw 10.1 the educational institution may assess conditions on a registration of a candidate at the time of application.

### Terms

304.1 A registration as a candidate is for a period of time as assessed by the educational institution.

Content of the Register

305.1 The register for candidates shall contain for each:

- (a) Full legal name and any former legal names;
- (b) Date registered with the Institute;
- (c) Residential address;
- (d) Business address;
- (e) Telephone number;
- (f) Email address;
- (g) Identification code;
- (h) Name of mentor;
- (i) Name of employer, if applicable;
- (j) Discipline history, including determinations and orders, if any; and
- (k) Specialty area, if designated by the candidate.

305.2 The register shall be maintained at the educational institution and provided to the Institute at the request of the Registrar.

Record for Persons Previously Registered

306.1 The register for candidates previously registered shall contain for each:

- (a) Full legal name and any former legal names;
- (b) Date registered with the Institute;
- (c) Residential address;
- (d) Business address;
- (e) Telephone number;
- (f) Email address;
- (g) Identification code;
- (h) Name of mentor;
- (i) Name of employer, if applicable;
- (j) Specialty area, if designated by the candidate;
- (k) Discipline history, including determinations and orders, if any; and
- (l) Date of cancellation.

306.2 The information contained in the record for candidates previously registered shall contain information that was included in the register on the date the registration of the candidate was cancelled.

**307-310 are left blank at this time.**

## **B. MEMBER REGISTRATION**

### Application

311.1 Applications for registration as a member may be provided to the Registrar between April 1 and February 28 (February 29 in a leap year) of each fiscal year. Applications received between March 1 and March 31 are deemed to be received on the following April 1.

311.2 To be considered, an application shall be fully completed. An application which is not complete shall be returned to the applicant within fifteen (15) days of receipt by the Institute office.

**[June 2015]**

311.3 To maintain registration as a member an individual shall provide information and make declarations annually as requested by the Registrar.

**[May 2016]**

### Requirements for qualifications

312.1 Further to subsection 20(2) of the Act, a candidate shall provide the following to the Registrar at the time of application for registration as a member:

- (a) Application Form,
- (b) Declaration of Conduct,
- (c) Recommendation for member registration signed by at least two (2) members of the Institute or other Provincial Institute, and

**[May 2016]**

- (d) Acknowledgement of the Institute Rules.

312.2 Further to subsection 20(2) of the Act, an individual who is a member of an equivalent professional accountant body pursuant to legislation in Canada shall provide the following to the Registrar at the time of application for registration as a member:

- (a) Application Form,
- (b) Declaration of Conduct,
- (c) Date of admission to membership of the professional accountant body,
- (d) Letter of good standing from the professional accountant body,
- (e) Acknowledgement of the Institute Rules; and,
- (f) Knowledge of the Standards of Professional Practice adopted by the Institute applicable to the category of practice under Bylaw 13.1 in which the individual proposes to practice.

312.3 Further to Bylaw 12.3, a candidate registered under Bylaw 11.4 shall provide the following to the Registrar at the time of application for registration as a member:

- (a) Application Form,
- (b) Declaration of Conduct,
- (c) Recommendation for member registration signed by at least two (2) members of the Institute or other Provincial Institute, and

**[May 2016]**

(d) Acknowledgement of the Institute Rules.

**[June 2015]**

Approval

313.1 Subject to Board rule 314.1, where the applicant satisfies the requirements for registration the Registrar shall approve a registration and notify the applicant of the approval within thirty (30) days of receipt of the application.

Conditions

314.1 Upon receipt of an application made pursuant to Bylaw 10.1 whereby the Registrar determines conditions on a registration of a member may be required, the application shall be provided to the Registration Committee for approval within thirty (30) days of receipt of application.

**[August 2016]**

314.2 The Registration Committee may approve one (1) or more of the following conditions on registration as a member in the noted circumstances:

- (a) Where the individual applying to be a member has not satisfactorily completed the qualifying experience, a time period for which those qualifications shall be completed; or
- (b) Any other condition as determined based on the information received at the time of application.

**[August 2016]**

314.3 The Registrar and the individual applying for registration as a member shall agree to the conditions assessed on a registration of a member after approval by the Registration Committee and prior to the Registrar issuing the registration certificate.

**[August 2016]**

314.4 Further to Bylaw 10.3, where a member makes a request that a condition be amended or removed, the request shall include the reason for amendment or removal of the condition. The Registration Committee shall review and make a determination within thirty (30) days of receipt by the Registrar of documentation from the member supporting the reason for amendment or removal of the conditions specified under Board rule 314.2.

**[August 2016]**

Certificate and documents

315.1 Subject to the individual's acknowledgement of the conditions in Board rule 314.3, a certificate shall be issued with an accompanying document specifying the conditions or restrictions, if any.

Terms

316.1 A registration as a member is for a continuous period of time until resignation, non-disciplinary cancellation or expulsion.

Content of the Register

317.1 The register for a member in good standing, member in default and suspended member shall contain for each:

- (a) Full legal name and any former legal names;
- (b) Date registered with the Institute;
- (c) Residential address;
- (d) Business address;
- (e) Telephone number;
- (f) Email address;
- (g) Identification code;
- (h) Name of employer, if applicable;
- (i) Other Institutes of which the individual is a member;
- (j) Whether the member is licensed pursuant to the Act and Bylaws 16 through 17;
- (k) Date of licence, if any;
- (l) Conditions on the certificate or licence approved under Board rules 314.2 and 356.2, if any;
- (m) Restrictions on the certificate or licence, if any;
- (n) Date of non-compliance with a Rule, if applicable;
- (o) Date of suspension, if applicable; and
- (p) Discipline history, including determinations and orders, if any.

Restrictions

318.1 Upon receipt of information which indicates that a member is not in compliance with the Rules such that Bylaw 31.1 applies the following shall occur:

- (a) the Registrar shall complete an assessment of the restriction which may be required.  
[August 2016]
- (b) the Registrar shall provide the information on the proposed restriction to the member and the Registration Committee indicating the reason for restriction.  
[August 2016]
- (c) the member may provide in writing rationale to support the reason for not proceeding with restriction of a registration to the Registration Committee.  
[August 2016]
- (d) the Registration Committee shall consider information received in clause (b) and (c) and shall determine whether a restriction will apply to the member's certificate.  
[August 2016]
- (e) a document accompanying the certificate shall be issued by the Registrar indicating a restriction approved by the Registration Committee and a request for acknowledgement of said restriction from the member.  
[August 2016]
- (f) the member shall acknowledge the restriction under Board rule 318.2  
[August 2016]

318.2 The Registration Committee may impose one (1) or more of the following restrictions on the registration of a member:

**[August 2016]**

- (a) To not practice in one (1) or more areas of practice;
- (b) To only practice in one (1) or more areas of practice;
- (c) To only practice for a specified number of clients;
- (d) To only practice for one (1) or more specified industries;
- (e) To not mentor or train candidates;
- (f) Any other restriction as determined by the committee.

318.3 Further to Bylaw 31.2, where a member applies to request the restrictions be amended or removed, the request shall include the reason for amendment or removal of the restriction.

318.4 The Registration Committee shall review and make a determination within thirty (30) days of receipt by the Registrar of documentation from the member supporting the reason for amendment or removal of restrictions specified under Board rule 318.2.

**[August 2016]**

Record of Persons Previously Registered

319.1 The registers for members previously registered shall contain for each:

- (a) Full legal name and any former legal names;
- (b) Date registered with the Institute;
- (c) Residential address;
- (d) Business address;
- (e) Telephone number;
- (f) Email address;
- (g) Identification code;
- (h) Name of employer, if applicable;
- (i) Other Institutes of which the individual is a member;
- (j) Date of non-compliance with a Rule, if applicable;
- (k) Date of suspension, if applicable;
- (l) Discipline history, including determinations and orders, if any; and
- (m) Date of cancellation.

319.2 The information contained in the record for members previously registered shall contain information that was included in the register on the date the registration of the member was cancelled.

Non-Practice Status – Public use of title and designations

320.1 During the period an exemption under Rule 343.1 clause a) or 466.2 clause a) has been approved the member shall take reasonable steps to ensure that any reference to the member's title 'professional accountant' or designation is accompanied by a notation of "non-practicing professional accountant".

**[May 2016]**

**321-325 are left blank at this time.**

**C. FIRM REGISTRATION**

Applications

326.1 An application for registration as a firm may be provided to the Registrar between January 1 and November 30 of each calendar year. Applications received between December 1 and December 31 are deemed to be received on the following January 1.

**[September 2017]**

326.2 To be considered, an application shall be fully completed. An application which is not complete shall be returned to the applicant by the Institute office.

**[September 2017]**

326.3 An application form shall indicate each municipal location of the firm. A firm shall not hold out or imply that it has an office in any place where it is only represented by another professional accountant or a firm of professional accountants.

**[June 2015]**

326.4 The firm shall obtain approval of its name from the Registrar prior to applying for insurance required under Bylaw 24.1 and the commencement of practice.

326.5 The name or descriptive style of the firm may include "chartered professional accountant" or "professional accountant" where at least eighty percent (80%) of the proprietary interest of the firm is held by one or more members.

Requirements for qualifications

327.1 A member, or group of members, shall provide the following to the Registrar at the time of application for registration as a firm:

- (a) Application Form,
- (b) Evidence of competence in the sub-categories of practice proposed,
- (c) Declaration of Conduct by each practice leader in Saskatchewan, and
- (d) Acknowledgement of the Rules.

327.2 A member who is registered as a firm with an equivalent professional accountant body pursuant to legislation in Canada shall provide the following to the Registrar at the time of application for registration as a firm:

- (a) Application Form,
- (b) Evidence of competence in the sub-categories of practice proposed,
- (c) Declaration of Conduct by each practice leader in Saskatchewan,
- (d) Date of registration of the firm with the equivalent professional accountant body,
- (e) Letter of good standing from the professional accountant body, and
- (f) Acknowledgement of the Rules.

327.3 Each office in Saskatchewan of any firm providing service to the public 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.

Firm practicing through a Professional Corporation

328.1 A member or firm shall submit in writing an entity name for approval by the Registrar prior to registration with Information Services Corporation and applying for a professional corporation permit.

**[December 2018]**

328.2 A firm may provide services to the public through a professional corporation which is registered with the in accordance with *The Professional Corporations Act*, and Rules made in accordance with this Act.

**[December 2018]**

328.3 An application for registration as a professional corporation shall be provided to the Registrar. To be considered, applications shall be fully completed and in the form approved by the Registrar. Applications which are not complete shall be returned to the applicant by the Institute office.

**[December 2018]**

328.4 The name of a professional corporation shall be indicated on all of the firm's written materials.

Approval

329.1 Subject to Board rule 331.1, where the applicant satisfies the requirements for registration, the Registrar shall approve a registration and notify the applicant of the approval within thirty (30) days of receipt of the application.

Professional Liability Insurance

330.1 The minimum requirement for professional liability insurance when the firm engaged in the one or both of compilation engagements or taxation services is:

- (a) \$1,000,000, where one (1) member is engaged or employed in one or both of compilation engagements or taxation services;
- (b) \$1,500,000, where two (2) or three (3) members are engaged or employed in one or both of compilation engagements or taxation services in the same firm; or
- (c) \$2,000,000, where four (4) or more members are engaged or employed one or both of compilation engagements or taxation services in the same firm.

330.2 Subject to Board rule 330.1, the minimum requirement for professional liability insurance when a firm provides services to the public but is not engaged in the practice of one or both of compilation engagements or taxation services is \$250,000 per practice leader.

330.3 The minimum requirements for professional liability insurance specified in Board rule 330.1 and 330.2 are per occurrence and in aggregate and coverage for defense costs shall be in addition to the specified minimum requirements.

**[February 2015]**

330.4 Further to Bylaw 24.2, every firm shall provide to the institute a certificate of professional liability insurance coverage within thirty (30) days from commencement of practice or the anniversary date of the policy.

**[November 2014]**

330.5 Repealed

**[September 2017]**

Conditions

331.1 Upon receipt of an application made pursuant to Bylaw 10.1 whereby the Registrar determines conditions on a registration of a firm may be required, the application shall be provided to the Registration Committee for approval within thirty (30) days of receipt of application.

**[August 2016]**

331.2 The Registration Committee may approve one (1) or more of the following conditions on registration as a firm in the noted circumstances:

**[August 2016]**

- (a) Where there is a condition for a member of the firm, the same condition may be in place for the firm; or
- (b) Any other condition as determined based on the information received at the time of application.

**[August 2016]**

331.3 The Registrar and the member applying for registration as a firm shall agree to the conditions assessed on a registration of a firm after approval by the Registration Committee and prior to the Registrar issuing the registration permit.

**[August 2016]**

331.4 Further to Bylaw 10.3, where a firm makes a request that a condition be amended or removed, the request shall include the reason for amendment or removal of the condition.

**[August 2016]**

331.5 The Registration Committee shall review and make a determination within thirty (30) days of receipt by the Registrar of documentation from the firm supporting the reason for amendment or removal of the conditions specified under Board rule 331.2.

**[August 2016]**

### Terms

332.1 Each firm permit shall include the following terms:

(a) A time period of the permit which is the lessor of: one (1) year or the period of time between issuance and the last day of the calendar year.

**[September 2017]**

(b) The names of the practice leaders of the firm.

(c) The municipal locations of the firm.

(d) Other terms as specified in the Rules.

**[June 2015]**

332.2 Each professional corporation permit shall include the following terms:

(a) A time period of the permit which is the lessor of: one (1) year or the period of time between issuance and the last day of the calendar year.

(b) The name of the member who owns voting shares the professional corporation.

(c) The name of the director of the professional corporation.

(d) Other terms as specified in the Rules.

**[December 2018]**

### Document

333.1 Subject to the member's acknowledgement of the conditions in Board rule 331.3, a permit shall be issued specifying the conditions or restrictions, if any.

### Content of the Register

334.1 The register for a firm in good standing, firm in default or suspended firm shall contain for each:

(a) Full legal name, operating name and any former legal names;

(b) Affiliated businesses, as the case may be;

- (c) Date registered with the Institute;
- (d) Business address;
- (e) Identification code;
- (f) List of employees who are members, candidates or students;
- (g) List of practice leaders and their sub-categories of practice;
- (h) Designated member for purposes of the Institute's communication and notices to the firm;
- (i) Other Institutes with which the firm is registered;
- (j) Whether the firm is licensed pursuant to the Act and Bylaws 16 through 17;
- (k) Date of licence, if any;
- (l) Conditions of the permit or licence approved under Board rules 331.2 and 356.2, if any;
- (m) Restrictions on the permit or licence, if any.
- (n) Date of non-compliance with a Rule, if applicable;
- (o) Date of suspension, if applicable; and
- (p) Discipline history, including determinations and orders, if any.

Restrictions

335.1 Upon receipt of information which indicates that a firm is not in compliance with the Rules such that Bylaw 31.1 applies the following shall occur:

- (a) the Registrar shall complete an assessment of the restriction which may be required,  
[August 2016]
- (b) the Registrar shall provide the information on the proposed restriction to the firm and the Registration Committee indicating the reason for restriction,  
[August 2016]
- (c) the firm may provide in writing rationale to support the reason for not proceeding with restriction of a registration to the Registration Committee,  
[August 2016]
- (d) the Registration Committee shall consider information received in clause (b) and (c) and shall determine whether a restriction will apply to the firm's permit.  
[August 2016]
- (e) a firm registration permit shall be issued by the Registrar indicating a restriction approved by the Registration Committee and a request for acknowledgement of said restriction from the firm,  
[August 2016]
- (f) the firm shall acknowledge the restrictions under Board rule 335.2.

335.2 The Registration Committee may impose one (1) or more of the following restrictions on the registration of a firm:

[August 2016]

- (a) To not practice in one (1) or more areas of practice;
- (b) To only practice in one (1) or more areas of practice;
- (c) To only practice for a specified number of clients;
- (d) To only practice for one (1) or more specified industries;
- (e) To not train candidates;

(f) Any other restriction as determined by the committee.

335.3 Further to Bylaw 31.2, where a firm applies to request the restrictions be amended or removed, the request shall include the reason for amendment or removal of the restriction.

335.4 The Registration Committee shall review and make a determination within thirty (30) days of receipt by the Registrar of documentation from the firm supporting the reason for amendment or removal of restrictions specified under Board rule 335.2.

**[August 2016]**

#### Records of Persons Previously Registered

336.1 The record for a firm previously registered shall contain for each:

- (a) Full legal name, operating name and any former legal names;
- (b) Affiliated businesses, as the case may be;
- (c) Date registered with the Institute;
- (d) Business address;
- (e) Identification code;
- (f) List of employees who are members, candidates or students;
- (g) List of practice leaders and their sub-categories of practice;
- (h) Designated member for purposes of the Institute's communication and notices to the firm;
- (i) Other Institutes with which the firm is registered;
- (j) Whether the firm is licensed pursuant to the Act and Bylaws 16 through 17;
- (k) Date of licence, if any;
- (l) Conditions of the permit or licence approved under Board rules 331.2 and 356.2, if any;
- (m) Restrictions on the permit or licence, if any.
- (n) Date of non-compliance with a Rule, if applicable;
- (o) Date of suspension, if applicable;
- (p) Discipline history (determinations and orders), if any, and
- (q) Date of cancellation.

336.2 The information contained in the record for firms previously registered shall contain information that was included in the register on the date the registration of the firm was cancelled.

#### Association

337.1 A member or firm shall not associate in any way with any firm practicing as chartered professional accountants in Saskatchewan unless said firm is registered with the Institute.

#### Non-Members practicing through a Firm

338.1 The Uniform Rules of Professional Conduct are deemed to apply to a non-member providing services to the public through a firm as though he was a member.

338.2 A member or firm associated with a non-member shall be responsible to the Institute for any failure of such non-member to abide by the Uniform Rules of Professional Conduct of the Institute.

**[June 2015]**

**339 and 340 are left blank at this time.**

## **D. CONTINUING PROFESSIONAL DEVELOPMENT**

### Report and Declaration

341.1 Subject to Bylaw 23.6, a primary member shall:

- (a) report continuing professional development activities completed during each year ended December 31,
- (b) declare whether the member complied with the requirement established in Bylaw 23.2, 23.3 and 23.4 for that year and the three (3) year period ending on that date, and
- (c) file the report and declaration with the Institute on or before February 15 of the following year.

**[December 2018]**

341.2 An affiliate member shall file a declaration with the Institute on or before February 15 of each year indicating to which provincial institute, including the Institute of Chartered Professional Accountants of Bermuda, continuing professional development for the previous year ended December 31 is reported.

**[February 2016]**

### Approval

342.1 The Registration Committee may:

**[August 2016]**

- (a) approve matters relating to continuing professional development in accordance with the Rules; or
- (b) review documentation provided under Board rule 346.4 for determination of acceptability for purposes of the Rules.

### Exemptions

343.1 A primary member may apply for an annual exemption from the continuing professional development requirements specified in Bylaws 23.2, 23.3 and 23.4 when they believe either:

- (a) they qualify non-practice status;
- (b) their circumstances are such that they should be granted an exemption; or
- (c) the effective date of completion of the professional education program is within the calendar year for which the continuing professional development requirements apply.

**[December 2018]**

343.2 Subject to Rule 343.3, an application for exemption is for a one (1) calendar year term and is due before February 16 of the following calendar year.

**[February 2016]**

343.3 A member:

- (a) who is over 70 years of age;
- (b) who qualified for non-practice status within the prior fiscal year; and
- (c) who has declared no intention of commencing the practice of the profession as specified in Bylaw 16.1 or other professional activities

is not required to apply for an exemption under Rule 343.2.

**[December 2018]**

343.4 A primary member whose permanent residence at December 31 is outside of Canada and holds membership in an equivalent professional body outside of Canada which has substantially similar continuing professional development requirements to that of the Institute, may request an exemption from the minimum requirements of the Institute.

**[February 2016]**

#### Activity Qualification Criteria

344.1 For a learning activity to be recognized towards a continuing professional development requirement the activity shall:

- (a) contain intellectual or practical content required for the member to maintain and develop competence and good character; and
- (b) be relevant to the member's current or future practice or professional activities.

**[September 2017]**

#### Definition of Verifiable Continuing Professional Development

345.1 Verifiable continuing professional development means that the learning activities can be verified objectively.

**[December 2018]**

#### Definition of Unverifiable Continuing Professional Development

345.2 Unverifiable continuing professional development means independent and informal learning activities that cannot be verified objectively.

**[December 2018]**

#### Documentation Criteria and Benchmarks

345.3 Further to Bylaw 23.9, documentation demonstrating completion of verifiable continuing professional development includes:

- (a) Documents that existed or were created at the time the continuing professional development activity was undertaken which support the substance of that activity, and

- (b) Information that provides a reasonable basis for the number of hours the member participated in that activity, the provider of that activity, and the date of that activity.

**[December 2018]**

345.4 Further to Bylaw 23.9, documentation demonstrating completion of unverifiable continuing professional development activity includes information which supports a reasonable basis for the nature, hours and date of that activity.

**[December 2018]**

345.5 Members are required to retain continuing professional development supporting documentation and records of enrolment for four (4) years for purposes of Board rules 346.3 and 346.4.

Continuing professional development audit

346.1 Every member engaged in the practice of the profession as specified in Bylaw 16.1 or other professional activities is eligible for selection in a continuing professional development audit, which shall be conducted by the Registrar.

**[December 2018]**

346.2 At least three percent (3%) of members, other than a member who is licensed, an affiliate or qualifies for an exemption shall be selected annually for continuing professional development audit.

**[January 2018]**

346.3 Notification of selection of continuing professional development audit shall be made on or about July 1 of each year.

**[January 2018]**

346.4 A member notified under Board rule 346.3 shall provide documents in accordance with Board rules 345.3 and 345.4 which support continuing professional development activities during the period stated in the notification.

Recommencing the practice of the profession

347.1 A member approved for an exemption from continuing professional development activities due to non-practice shall complete the requirements as outlined in Bylaws 23.2, 23.3 and 23.4 or submit a plan for meeting those requirements to the Registrar for approval prior to recommencing practice of the profession.

**[December 2018]**

**348-350 are left blank at this time.**

## **E. LICENSING**

### Categories

351.1 Two (2) types of licenses may be issued, subject in each case to the general terms, conditions or restrictions of a licence:

- (a) Comprehensive, or
- (b) Specified.

**[January 2018]**

### Applications

352.1 An application for an initial licence may be provided to the Registrar between January 1 and November 30 of each year. Applications received between December 1 and December 31 are deemed to be received on the following January 1.

**[January 2018]**

352.2 An application for renewal of a licence shall be provided to the Registrar before December 1 of the calendar year for which a valid licence is held.

**[January 2018]**

352.3 To be considered, an initial or renewal application shall be fully completed. An application which is not complete shall be returned to the applicant by the Institute office.

**[January 2018]**

352.4 Any member who has practiced professional accounting, as evidenced by a report, certification, declaration, or opinion described in section 18(1) of the Act, without a licence issued pursuant to Bylaw 16.9 shall upon notice from the Institute immediately cease the practice of professional accounting and may be assessed a late application fee as specified by the Board.

**[May 2016]**

Requirements for qualifications

353.1 Further to Bylaw 16.2, a member applying for an initial licence who did not obtain depth in the assurance competency as set out in CPA Canada Competency Map shall:

(a) complete the CPA Post Designation Public Accounting (PDPA) Program as approved by the Board, and

**[January 2018]**

(b) achieve the minimum eligible hours requirement in Board rules 353.2 or 353.3 with a training office which has a pre-approved program.

**[January 2018]**

*Experience*

353.2 Further to Bylaw 16.2 or 16.5, when a member applies for an initial, or renewal of, a comprehensive licence the eligible hours during the last five (5) years shall not be less than 1,250 eligible hours in the practice of professional accounting including not less than 625 eligible hours related to the subcategories of practice of professional accounting as outlined in clause 18(1)(a) and 18(1)(c) of the Act.

**[January 2018]**

353.3 Further to Bylaw 16.2, when a member applies for an initial specified licence the eligible hours shall be 1,250 hours over the last five (5) years related to the practice professional accounting.

**[January 2018]**

353.4 Further to Bylaw 16.5, when a member applies for renewal of a specified the eligible hours shall be 625 hours over the last five (5) consecutive years in the practice of professional accounting as outlined in clauses 18(1)(b) and 18(1)(c) of the Act.

**[January 2018]**

353.5 Further to Bylaw 16.2 and Board rule 353.1, when a member applies for an initial licence the member must have completed two (2) years of practical experience related to the practice of professional accounting within the last five (5) years under the supervision of a member who holds a valid and equivalent licence.

**[January 2018]**

*Continuing Professional Development*

353.6 Further to Bylaw 16.2 and 16.5, when a member applies for an initial, or renewal of, a comprehensive licence the verifiable continuing professional development hours within the last three (3) years shall not be less than 50 hours comprised of subject matter specific to the practice of professional accounting.

**[January 2018]**

353.7 Further to Bylaws 16.2 and 16.5, when a member applies for an initial, or renewal of, a specified licence the verifiable continuing professional development hours within the last three (3) years shall not be less than 25 hours comprised of subject matter specific to the practice of professional accounting.

**[January 2018]**

*Competency Assessment*

353.8 Further to Bylaws 16.2 and 16.5, when a member applies for an initial licence the member shall provide an assessment of the member's competency in the subcategories of the practice of professional accounting as specified in the licence application in a form approved by the Registrar, which is certified by a member who holds a valid and equivalent licence.

**[January 2018]**

353.9 Further to Bylaws 16.2 and 16.5, when a member applies for renewal of a licence the member shall provide a self-assessment of the member's competency in the subcategories of the practice of professional accounting as specified in the licence application, in a form approved by the Registrar.

**[January 2018]**

353.10 Further to Board rules 353.8 and 353.9, a competency assessment may be selected for review during practice inspection.

**[January 2018]**

Exemptions

353.11 Further to Bylaw 16.2, a member may apply for an exemption from all or a portion of the PDPA and eligible hour requirements. The application shall be in a form approved by the Registrar and include rationale for the exemption.

**[January 2018]**

353.12 Upon receipt of an application for exemption, the Registrar shall make a submission to the Professional Practice Committee within thirty (30) days of receipt of the application and the Professional Practice Committee shall consider information received in relation to Board rules 353.1 to 353.11 and determine whether the member qualifies for an exemption.

**[January 2018]**

Approval

354.1 Subject to Board rule 356.1, where the applicant satisfies the requirements for a licence, the Registrar shall approve a registration and notify the applicant of the approval within thirty (30) days of receipt of the application.

Professional Liability Insurance

355.1 The minimum requirement for professional liability insurance when the firm engaged in the practice of professional accounting is:

- (a) \$1,000,000, where one (1) member is engaged or employed in the practice of public accounting;
- (b) \$1,500,000, where two (2) or three (3) members are engaged or employed in the practice of public accounting in the same firm; or
- (c) \$2,000,000, where four (4) or more members are engaged or employed in the practice of public accounting in the same firm.

355.2 The minimum requirements for professional liability insurance specified in Board rule 355.1 are per occurrence and in aggregate and coverage for defense costs shall be in addition to the specified minimum requirements.

**[February 2015]**

355.3 A firm, that was registered with a Legacy body and that had maintained coverage in accordance with the minimum requirements for professional liability insurance established by that Legacy body, shall adjust coverage to the minimum requirements for professional liability insurance specified in Board rule 355.1 on or before the earlier of:

- (a) the renewal of the policy; or
- (b) November 15, 2015.

**[June 2015]**

Conditions

356.1 Upon receipt of an initial application made pursuant to Bylaws 16.2 or 16.3 or a renewal application under Bylaw 16.5 where the Registrar determines conditions on a licence may be required, the application may be provided to the Professional Practice Committee for approval within thirty (30) days of receipt of the application.

**[January 2018]**

356.2 The Registrar may approve a condition on a licence for the member to fulfill the requirements for continuing professional development in Board rules 353.5 and 353.6 with a specified time.

**[January 2018]**

356.3 The Professional Practice Committee may approve conditions on a licence based on the information received at the time of the application.

**[January 2018]**

356.4 The Registrar and the member or firm applying for a licence shall agree to the conditions assessed on a licence after approval by the Registrar or the Professional Practice Committee and prior to the Registrar issuing the licence.

**[January 2018]**

356.5 Further to Bylaw 16.11, where a licensed member or licensed firm makes a request that a condition be amended or removed, the request shall include the reason for amendment or removal of the condition. The Registrar or Professional Practice Committee shall review and make a determination within thirty (30) days of receipt by the Registrar of documentation from the member or firm supporting the reason for amendment or removal of the conditions specified under Board rules 356.2 and 356.3.

**[January 2018]**

Restrictions

357.1 Upon receipt of information which indicates that a member or firm is not in compliance with the Rules such that Bylaw 31.1 applies the following shall occur:

- (a) the Registrar shall complete an assessment of restrictions which may be required,
- (b) the Registrar shall provide the information on the proposed restrictions to the member or firm and the Professional Practice Committee indicating the reason for restriction. **[August 2016]**
- (c) the member or firm may provide in writing rationale to support the reason for not proceeding with restriction of a licence to the Professional Practice Committee. **[August 2016]**
- (d) the Professional Practice Committee shall consider information received in clause (b) and (c) and shall determine whether a restriction will apply to the licence. **[August 2016]**
- (e) a member or firm licence shall be issued by the Registrar indicating a restriction approved by the Professional Practice Committee and a request for acknowledgement of said restrictions from the member or firm. **[August 2016]**
- (f) the member or firm shall acknowledge the restrictions under Board rule 357.2. **[August 2016]**

357.2 The Professional Practice Committee may impose one (1) or more of the following restrictions on the licence of a member or firm:

**[August 2016]**

- (a) To not practice in one (1) or more areas of practice;
- (b) To only practice in one (1) or more areas of practice;
- (c) To only practice for a specified number of clients;
- (d) To only practice for one (1) or more specified industries;
- (e) To not train candidates;
- (f) Any other restriction as determined by the committee.

357.3 Further to Bylaw 31.2, where a member or firm applies to request the restrictions be amended or removed, the request shall include the reason for amendment or removal of the restriction.

**[August 2016]**

357.4 The Professional Practice Committee shall review and make a determination within thirty (30) days of receipt by the Registrar of documentation from the member or firm supporting the reason for amendment or removal of restrictions specified under Board rule 357.2.

**[August 2016]**

Licence document

358.1 Subject to the member's or firm's acknowledgement of the conditions or restrictions in Board rule 356.3 and 357.1, a licence shall be issued specifying the conditions or restrictions, if any.

Terms

358.2 Each firm licence shall include the following terms:

(a) an expiry date of December 31 of the year for which the licence is issued;

**[May 2016]**

(b) The names of the licensed members of the firm;

(c) The municipal locations of each licensed firm; and

(d) Other terms as specified in the Rules.

**[June 2015]**

**359-360 are left blank at this time.**

**F. PRACTICE INSPECTION**

Cycle

361.1 A firm engaged in the practice of public accounting or the training of candidates in a pre-approved program in the practice of public accounting shall have at least one (1) practice inspection within every four (4) year risk adjusted cycle.

**[April 2018]**

361.2 A firm who commences the practice of public accounting or training of candidates in a pre-approved program in the practice of public accounting may be inspected within one (1) year of the date of registration or training program approval.

**[April 2018]**

361.3 Pursuant to Bylaw 27.4(c), each re-inspection shall be completed within one (1) year of the date of determination by the Professional Practice Committee.

**[August 2016]**

Approval

362.1 The inspection schedule shall be approved by the Registrar.

362.2 Further to Bylaw 27.4, the Professional Practice Committee may:

**[August 2016]**

(a) approve matters relating to practice inspection upon request from the Registrar or the practice inspector; or

(b) conduct an inspection as requested by the Professional Conduct Committee pursuant to Bylaw 43.2(b)(ii).

362.3 Pursuant to Bylaw 27.4(b), all corrective action plans shall be submitted to the Institute within sixty (60) days of the Institute's request.

**[August 2016]**

362.4 Under Bylaw 27.4(b), where a member or firm submits a corrective action plan the Registrar shall review the plan and assess whether it is acceptable.

**[April 2018]**

362.5 Further to Board rule 362.4, if the corrective action plan is assessed as not acceptable the Registrar shall refer the matter to the Professional Practice Committee for review and determination.

**[April 2018]**

#### Exemptions

363.1 A request for waiver of a practice inspection shall be made in writing by the firm at least thirty (30) days prior to the inspection date.

**[April 2018]**

363.2 The Registrar may make a determination of the matter in Board rule 363.1 or refer the matter to the Chair and Vice-Chair of the Professional Practice Committee for determination.

**[April 2018]**

#### Duties of the Practice Inspector

364.1 The practice inspector shall:

- (a) Interview any registrant and examine any document or other material relevant to the practice inspection;
- (b) Inspect in accordance with the standards published in the CPA Canada Handbook and the Uniform Rules of Professional Conduct;
- (c) Communicate all findings to the firm within fifteen (15) days of the inspection; and
- (d) Report to the Registrar, Professional Practice Committee and Board.

**[April 2018]**

364.2 The practice inspector shall report to the Professional Practice Committee the following:

**[August 2016]**

- (a) the name of the practice inspector;
- (b) the date the practice inspection was completed;
- (c) a profile of the practice inspected;
- (d) the number and type of files reviewed;
- (e) a listing of reportable deficiencies; and
- (f) written comments, if any from the firm subject to practice inspection.

364.3 The practice inspection report and the practice inspector shall preserve the confidentiality of client information inspected in any file, papers, documents or records in the course of carrying out a practice inspection of each member or firm.

Firm's Response to the Professional Practice Committee

365.1 A firm may respond in writing to a practice inspection report and at the request of the firm the response shall be included with the practice inspection report reviewed by the Professional Practice Committee.

**[August 2016]**

Quantum

366.1 Professional accounting engagement files for inspection shall be selected for practice leader at the licensed firm in accordance with the practice inspection process approved by the Professional Practice Committee.

**[April 2018]**

366.2 Compilation engagement files for inspection shall be selected for each practice leader in accordance with the practice inspection process approved by the Professional Practice Committee.

**[April 2018]**

**367-370 are left blank at this time.**

**G. TRUST ASSET ADMINISTRATION**

Notification

371.1 Pursuant to Bylaw 28.4, a registrant, before May 15 each year, shall notify the Registrar if the registrant held trust funds or trust assets during the twelve (12) months preceding April 1 of that year.

Approval

372.1 Further to Bylaw 28.3, the Registration Committee may approve matters relating to administration of trust assets upon request from the Registrar or the practice inspector.

**[August 2016]**

Requirements for Administration of Trust Assets

373.1 Each trust relationship shall be documented in writing with the client providing written instructions to the registrant 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 onus is on the registrant to ensure that such terms, conditions and agreement thereto are clearly documented and agreed to by the client and the registrant.

373.2 Trust assets, wherever reasonably practical, shall be registered in the name of the registrant and such registration shall clearly indicate a name or file number which will definitively identify the client for which such trust assets are held. Where a trust account at a financial institution contains the funds of more than one client, the name and file numbers of all clients and the amount on deposit for each client in that trust account, shall be clearly identified in the books and records of the registrant.

373.3 Each trust account shall be clearly designated as "trust account" or "client's account" on the records of the registrant, the records of the financial institution, and on deposit slips and cheques used in connection therewith.

373.4 The registrant shall take whatever prudent steps are required for protection of the trust assets, including adequate insurance coverage where applicable and proper safekeeping of securities and other negotiable instruments.

373.5 In the absence of specific written instructions to the contrary, money received in trust by a registrant shall be deposited within seven (7) days of receipt into a trust account at a financial institution.

373.6 All withdrawals or disbursements from a trust account shall be in accordance with the specific trust agreement, and be properly required for:

- (a) payment to or on behalf of the client;
- (b) payment with respect to the reasonable fees for services rendered by the registrant; and
- (c) disbursements on behalf of the client made by the member or firm for which an invoice has been submitted.

373.7 The receipt and disbursement or distribution of trust assets shall be properly documented and the registrant shall maintain proper records of all trust account transactions clearly distinguishing the assets of each client from those of each other client and from the registrant's own assets.

373.8 A member acting solely in a personal capacity as executor, power of attorney or personal representative for another person or estate is exempt from is exempt from Rules made pursuant to Bylaw 28.4.

**[June 2015]**

**374-379 are left blank at this time.**

## **H. RESIGNATION**

### Application

380.1 To be considered, an application for resignation shall be fully completed and in the form approved by the Registrar. An application which is not complete shall be returned to the applicant by the Institute office.

**[December 2018]**

380.2 A written request to resign may be considered by the Registrar when a registrant or suspended registrant fulfills the requirements in Board rule 381.1(b), (c) and (d) and does not complete an application form.

**[September 2017]**

#### Requirements

381.1 A registrant shall provide the following to the Registrar at the time of application for resignation:

- (a) Application Form,
- (b) Certificate and permit of member or firm registration, licence or any other issued document indicating registration or affiliation with the Institute,
- (c) Evidence of a discovery policy of professional liability insurance under Bylaw 24.5, if applicable, and
- (d) Acknowledgement that the member or firm shall no longer use the title “professional accountant”, designation “Chartered Professional Accountant” or initials “CPA” or any legacy designation.

**[September 2017]**

381.2 Further to 381.1(b), if the documents are lost, destroyed or otherwise unavailable, the member or firm shall provide a signed declaration indicating that is the case.

**[September 2017]**

#### Approval

382.1 Subject to Board rule 382.2, where the applicant satisfies the requirements for resignation, the Registrar shall approve a resignation and notify the applicant of the approval within thirty (30) days of receipt of the application.

382.2 The Registrar may refer an incomplete application or written request to resign, from a registrant or suspended registrant, to the Registration Committee for determination.

**[September 2017]**

382.3 Upon receipt of an application, the Registrar may waive the requirement to return a legacy certificate when the registration of the member resigning is in good standing for the last five (5) years and the member fulfills the requirements specified by the Registrar.

**[September 2017]**

#### Terms

383.1 Upon approval of an application to resign from registration, a firm permit shall be cancelled and a licence issued to the member or firm shall be cancelled, as the case may be.

#### Removal from the Register

384.1 A registrant is deemed to be removed from the register effective the date of the resignation is approved and added to the record of registrants previously registered.

**385-389 are left blank at this time.**

## **I. SUSPENSION AND CANCELLATION**

### Parameters of Suspensions due to a Regulatory Matter

390.1 Further to Bylaw 33.1(a), a registration may be suspended when a registrant has not complied with a requirement established in a Rule, including but not limited to:

- (a) Non-payment of any fee or other amount assessed by the Institute pursuant to the Rules,  
**[May 2016]**
- (b) Non-submission of professional liability insurance coverage under Bylaw 24.5, Board rule 330.1 or 355.1,
- (c) Non-reporting of continuing professional development under Bylaw 23.8 and Board rule 341.1,
- (d) Non-submission of continuing professional development documentation under Bylaw 23.9 Board rule 346.1,
- (e) Non-submission of information resulting from the request or determination of a regulatory committee, or
- (f) Non-compliance with a condition on a registration or licence under Bylaw 10.3 and 16.9.  
**[June 2015]**

390.2 Further to Bylaw 33.1(b), a registration may be suspended immediately when a registrant does not comply with a restriction on a registration or licence.

**[May 2016]**

### Register

391.1 A registrant suspended due to a regulatory matter shall be noted as “suspended” on the register on the date of determination by the Registration Committee.

**[September 2017]**

391.2 A registrant in default shall be noted as “in default” on the register on the date of determination by the Registration Committee.

**[December 2018]**

### Authority

392.1 The Registration Committee has the authority to suspend a registration and may approve suspension of a registration thirty (30) days following occurrence of a circumstance noted in Board rule 390.1 or 390.2 or any other time period specified in the Rules.

**[August 2016]**

Submission

393.1 Further to Bylaw 33.3, the submission to the Registration Committee shall be within the time period specified by the Registrar.

**[August 2016]**

Parameters of Cancellation

394.1 Further to Bylaw 33.8, a registration of an affiliate member may be cancelled when the registrant has not within ninety (90) days of the date of notice:

- (a) paid fees or other amounts assessed by the Institute;
- (b) filed a declaration relating to continuing professional development as required under Rule 341.2;
- (c) provided documents requested by the Institute; and
- (d) updated register addresses and is classified as in default under Rule 300.2.

**[May 2016]**

394.2 Further to Bylaw 33.8, the Registrar shall inform a registrant or suspended registrant whose registration is to be cancelled pursuant to Bylaw 33.5, thirty (30) days prior to the cancellation taking effect.

**[May 2016]**

394.3 Further to Bylaw 33.8, a person who is a suspended member pursuant to section 61 of the Act is deemed to have been suspended on the date of the suspension notice was served on the person by the Legacy body.

**[February 2015]**

394.4 A licence of a firm shall be cancelled if:

- (a) The licensed firm is suspended or ceases to be a registered firm of the Institute;
- (b) The licensed firm no longer has a licensed member as a practice leader;
- (c) The licensed firm no longer practices professional accounting in Saskatchewan;
- (d) The licensed firm voluntarily cancels their licence by submitting in writing to the Registrar a request for cancellation including a declaration that the licensed firm has ceased to practice professional accounting.

**[June 2015]**

394.5 A license of a member shall be cancelled if:

- (a) The licensed member is suspended or ceases to be registered;
- (b) The licensed member no longer practices professional accounting in Saskatchewan;
- (c) The licensed member voluntarily cancels their license by submitting in writing to the Registrar a request for cancellation including a declaration that the licensed member has ceased to practice professional accounting.

**[September 2017]**

Register

395.1 A registrant is deemed to be removed from the register effective the date the cancellation is accepted or ordered, as the case may be and concurrently added to the record of registrants previously registered.

**[June 2015]**

Authority

396.1 The Board has the authority to cancel a registration or licence.

Parameters of Publication

397.1 Further to Bylaw 34.2, notice shall be published on the Institute's website and in the Institute's newsletter.

**[September 2017]**

397.2 Further to Rules 397.1 and 398.1, the Board may order any other form of publication if it determines that such publication is required for the protection of the public and provides written reasons for its determination.

**[December 2018]**

398.1 Further to Bylaw 52.1, the notice of suspension shall be published on the Institute's website and in the Institute's newsletter.

**[September 2017]**

Responsibility

399.1 The Registrar shall certify the publication of each notice or order made pursuant to Sections 29, 32 and 36 of the Act and Regulatory Bylaws 34.1 and 52.1.

**[November 2015]**

**J. REGISTRANT DECLARATION**

Approval

401.1 When the registrant declares an instance of non-compliance under Bylaw 23.6 and provides a plan to fulfill the requirements for continuing professional development, the Registrar shall review and determine if the plan is acceptable.

401.2 The Registration Committee shall review and make determinations pursuant to Board rules 318.1, 335.1, or 404.1 in instances of non-compliance when:

**[August 2016]**

- (a) a registrant submits a declaration under Bylaw 4.2;
- (b) a registrant advises the Institute under Bylaw 22.1;

- (c) the Registrar requests review of a declaration and a plan made under Bylaw 23.6; and
- (d) the Registrar does not obtain an endorsement required under Bylaws 24.2, 24.3 or 24.4.

#### Supporting Documents

402.1 A declaration received by the Institute shall describe the instance of non-compliance and the cause of non-compliance, if identifiable.

402.2 The Registrar may request additional documentation to support the basis for declaration.

#### Referral to Professional Conduct Committee

403.1 If at any time, a declaration, application or submission by a registrant indicates a breach of a Uniform Rule of Professional Conduct, the Registrar shall refer the matter to the Registration Committee for review and the Registration Committee may refer the matter to the Professional Conduct Committee as a written complaint.

**[August 2016]**

#### Determinations

404.1 The Registration Committee upon review of the declaration may make one (1) or more of the following determinations:

**[August 2016]**

- (a) direct the member to take professional development; and
- (b) direct the member to make status reports.

### **K. Review by the Board**

#### Submission

405.1 Further to Bylaw 38.1, an application for review by the Board within thirty (30) days of the decision, shall be in writing and shall include:

- (a) relevant facts and documentary evidence to support those facts; and
- (b) rationale provided by the registrant for the Board's consideration.

405.2 The Board's review shall be limited to:

- (a) documentation that the Registrar or applicable Regulatory Committee used as a basis for its decision;
- (b) written submissions by the registrant, and;
- (c) written submissions by the Registrar or applicable Regulatory Committee.

Determination

406.1 The Board shall review a decision and make its determination within thirty (30) days of receipt of the application.

406.2 The Registrar shall report the determination to the registrant and applicable Regulatory Committee within fifteen (15) days of the determination.

**406-409 are left blank at this time.**

**V. ADMINISTRATIVE BOARD RULES (410-499)**

**A. APPROVING STANDARDS**

General

455.1 Any standards of the profession approved by the Board shall be consistent with the Rules.

Procedures

456.1 The Board, with the approval of not less than a two-thirds (2/3) majority of the members of the Board, may make standards for the profession for any purpose authorized under the Act and the Bylaws, which are outside of the scope of CPA Canada Standards of Professional Practice set and approved by any Standards Boards from time to time.

456.2 The Registrar shall notify each registrant of each standard within thirty (30) days after the standard is made.

456.3 Failure to notify each registrant does not invalidate a standard.

456.4 No standard shall come into force until the date specified in the standard.

#### Review

457.1 The Board at any time may review, amend, and approve a standard.

457.2 The Registrar shall review the standards as requested and may propose amendments.

**458-459 are left blank at this time.**

## **B. PROCEDURE AT MEETINGS OF THE INSTITUTE**

#### Practice

460.1 A motion shall be deemed to be approved with two-thirds (2/3) majority vote of members of the Board at a Board meeting, or of the members in attendance at all other meetings.

460.2 A motion shall be moved, seconded, and stated by the Chair before it can be discussed.

460.3 A motion may be amended at any time before the vote, provided the mover and seconder agree. If the mover and seconder do not agree to the amendment, only the original motion shall be voted upon.

460.4 A motion may be tabled at any time before the vote. A tabled motion shall be added to the agenda for the next meeting.

460.5 A motion may be indefinitely postponed with two-thirds majority vote of members of the Board or the members attending a meeting or special meeting.

460.6 A motion consisting of several parts may have a vote on each part or on the whole, at the discretion of the Chair.

460.7 A secret ballot may be used to vote on a motion.

460.8 The Chair shall not move, second, or state a motion to adjourn and reconvene the meeting.

460.9 A declaration by the Chair ends the meeting.

460.10 For all situations at meetings not addressed by Board rules 460.1 to 460.9, the Chair at the Board meeting, meeting, or special meeting, as the case may be, has authority to determine the process or rule of order to use in that situation, and the decision of the Chair shall not be subject to review.

**461-464 are left blank at this time.**

## C. FEES

### Definitions

465.1 Repealed.

**[February 2016]**

### Annual Exemptions or Fee Reductions

466.1 Except for the fee charged to a member who was a candidate for a portion of the year in which the fee is due, no fee will be pro-rated.

466.2 Subject to Rule 466.7, a primary member may apply for an annual exemption from all or a portion of annual member registration fees assessed pursuant to Bylaw 130.1 when they believe either:

- (a) they qualify for non-practice status; or
- (b) their circumstances are such that they should be granted an exemption.

**[January 2018]**

466.3 Repealed.

**[February 2016]**

466.4 Subject to Rule 466.5, an application for exemption is for one (1) year term and is due no later than thirty (30) days before the day on which fees are due as provided in Bylaw 130.1.

**[February 2016]**

466.5 A member:

- (a) who is over 70 years of age,
- (b) who qualified for non-practice status within the prior fiscal year, and
- (c) who has declared no intention of commencing the practice of the profession as specified in Bylaw 13.1 or other professional activities;

is not required to apply for an exemption under Rule 466.2.

**[January 2018]**

466.6 Subject to Rule 466.7, a member shall not be disqualified from qualification for an exemption as a result of practice in an unpaid volunteer role.

**[February 2016]**

466.7 A member practicing professional accounting during a period for which they would have otherwise qualified for an exemption shall not qualify for an exemption from fees.

**[February 2016]**

466.8 A member approved for an exemption under Rule 466.2 shall inform the Institute within thirty (30) days of a change in the basis for the exemption. Where a member no longer qualifies for an exemption, fees may be assessed under Bylaw 130.1.

**[February 2016]**

466.9 Upon receipt of a notice in writing from the Institute, a member shall submit to the Institute documentation which is acceptable to the Institute and that supports the basis for exemption within the time specified in the notice.

**[February 2016]**

466.10 Members are required to retain supporting documentation for two (2) years for purposes of Board rule 466.9.

**[February 2016]**

466.11 An honorary member shall not be charged annual fees.

**[June 2015]**

#### Late Fees

467.1 Late fees shall be charged thirty (30) days after the date of compliance (with the requirements) as specified in a rule or notice.

**[September 2017]**

#### Suspended Registrants

468.1 Suspended registrants may apply for an exemption for all fees.

#### Refunds

469.1 The Registrar shall have the authority to approve fee exemptions and reductions.

**[February 2016]**

#### Re-instatement and Re-admission Fees

470.1 A suspended member submitting an application for re-instatement shall be charged one-half of the current initial registration fee. A person whose registration as a member was previously cancelled and who is submitting an application for registration shall be charged the full current initial registration fee.

**[June 2015]**

**471-479 are left blank at this time.**

## **D. COMMITTEES**

### Summary

Committees are established by the Board under the Act to aid in the fulfillment of the Board's mandate of protection of the public including regulation of registrants.

### Term

480.1 Each committee chair shall serve a term of three (3) years.

480.2 Each committee member shall serve a term of three (3) years, with a maximum of two (2) renewals.

Public representative

481.1 The Board shall appoint a public representative to serve on each committee identified in Bylaw 112.1 and that person shall exercise duties and serve as a member of committees to the same extent as other members of committees.

481.2 An individual appointed pursuant to Bylaw 112.1 holds office on a committee:

- (a) until a successor eligible for appointment is appointed to the committee;
- (b) until the Board passes a resolution removing that individual from the committee; or
- (c) if that individual ceases to be a resident of Saskatchewan.

Board liaison

482.1 The Board may appoint one (1) member of the Board, who is not the person appointed under section 9 of the Act but who resides in Saskatchewan, as a member of each regulatory committee except the Professional Conduct Committee.

482.2 The member of the Board appointed as Board liaison to the Discipline Committee shall be a public appointee appointed under section 9 of the Act and shall not serve on any other regulatory committee.

**[June 2015]**

482.3 An individual appointed as a Board liaison pursuant to Bylaw 112.2 shall exercise duties and serve as a member of committees to the same extent as other members of committees.

482.4 At any time, the Registrar may request of the Board that it remove an individual appointed pursuant to Bylaw 112.2.

482.5 The CPA SK Board Chair is an ex-officio member of the non-regulatory committees of the Board.

**[February 2015]**

Appointment, Vacancy and Resignation

483.1 The Board shall approve all appointments to and resignations from regulatory committees.

483.2 The Registrar shall notify the Board within thirty (30) days of a vacancy on a regulatory committee.

483.3 The Registrar shall make recommendations to the Board to appoint members, fill vacancies and receive resignations to and from a regulatory committee.

483.4 The CEO shall make recommendations to the Board to appoint members, fill vacancies and receive resignations to and from any other committee which is not a regulatory committee.

483.5 A vacancy on a committee does not impair the power of the remaining members of the committee to act.

483.6 If the registration of a member of a committee is suspended or cancelled that member ceases to be a member of a committee on the date of change in registration.

#### Initial Committees

484.1 Each initial regulatory committee of the Institute shall be comprised of members from each Legacy body.

484.2 Each of these initial regulatory committee members will be assigned to a term of two (2) or three (3) years, such that half of the appointed regulatory committee members will have terms expiring after year two (2) and three (3) as the case may be.

484.3 The Registrar may make recommendations to the Board to appoint any member to any vacated initial regulatory committee position.

#### Committee Reporting

485.1 Every six (6) months or by request from the Board, each committee shall submit a report to the Board. The report shall highlight committee's activities and comment on the committee's ability to fulfill its mandate within the context of the profession's self-regulatory duty and objects. The committee report will comment on the adequacy of resources necessary to execute its mandate.

485.2 The chair, on behalf of the committee, shall submit an annual report to all registrants regarding the activities of the committee. The report shall be submitted to the Registrar on the Institute's fiscal year end.

485.3 The committee shall establish and thereafter review at least biannually, its own terms of reference and submit such terms of reference (in the form of Rules) to the Board for approval.

**[June 2015]**

#### Conflict of Interest

486.1 Notwithstanding that a person may have been appointed by the Board to serve on a committee, where that person has a conflict (i.e. direct or indirect connection with the subject matter of a case under enquiry or review) or is not available to participate in the committee's decision's related to a matter before the committee, that person shall not be considered a member of the committee for the purposes of the committee's decisions related to that case.

#### Timelines

487.1 All committees shall execute their mandate in a timely manner.

Professional Conduct Committee

Role

491.1 The role of the Professional Conduct Committee is to provide the public with a mechanism for bringing professional conduct issues and other matters to the Institute for consideration, while ensuring fair treatment of the registrant and complainant.

Responsibilities

491.2 Pursuant to section 28 of the Act, the Professional Conduct Committee has responsibility to:

- (a) review and investigate initial written complaints and requests made by the Board, subject to sections 29 and 35 of the Act;
- (b) make recommendations regarding the resolution of complaints; and
- (c) facilitate the mediation of complaints alleging that a registrant is guilty of professional misconduct or professional incompetence.

491.3 In performing its duties the Professional Conduct Committee may:

- (a) maintain a list of members who are qualified to and who consent to act as investigators, and to update this list at least annually;
- (b) seek a legal opinion on any matter over which it has jurisdiction; and
- (c) use the services of an Institute employee including but not limited to the Registrar, or legal counsel to prosecute professional conduct matters identified in formal complaints.

491.4 The Professional Conduct Committee shall prepare and forward a formal complaint to the Discipline Committee, without having to first investigate the matter, when a registrant that has been convicted of an offence pursuant to the Criminal Code.

Committee Size

491.5 The Professional Conduct Committee shall have eleven (11) members, including two (2) public representatives.

Committee Composition

491.6 The members of Professional Conduct Committee shall consist of at least:

- (a) two (2) licensed members;
- (b) two (2) members registered to practice other regulated services; and
- (c) two (2) members in general practice.

Qualifications for Members

491.7 Each member of the Professional Conduct Committee shall:

- (a) be a resident member in Saskatchewan;
- (b) not be subject to a conduct investigation or to discipline proceedings; and
- (c) not be a member of the Board or of the Discipline Committee.

Role of the chair and vice-chair

491.8 The chair and the vice-chair of the Professional Conduct Committee shall have authority to:

- (a) direct the Registrar and Institute staff to perform tasks on behalf of the Professional Conduct Committee;
- (b) prepare a report to the Board regarding professional conduct cases and issues encountered by the Professional Conduct Committee at least every six (6) months or more frequently as determined necessary by the chair; and
- (c) perform all other tasks assigned to the position of chair as are identified in the Bylaw 42.1.

Transitional

491.9 For the first three (3) year period post-proclamation of the Act and in addition to a public representative, the Professional Conduct Committee shall consist of:

- (a) four (4) CPA, CA members;
- (b) four (4) CPA, CMA members; and
- (c) two (2) CPA, CGA members.

Frequency of Meetings

491.10 The Professional Conduct Committee shall meet annually to review its mandate and processes and the resources to carry out its mandate.

491.11 Meetings of the Professional Conduct Committee shall have regular meetings as approved by the chair.

Resources

491.12 The Professional Conduct Committee shall be supported by the Registrar and any Institute employees designated by the Registrar.

Registration Committee

Role

492.1 The role of the Registration Committee is to oversee the delivery of registration functions of the Institute. The Registrar has been delegated authority by the Board however shall obtain approval of the committee as specified in the Rules.

**[August 2016]**

Responsibilities

492.2 The Registration Committee has responsibility to:

**[August 2016]**

(a) assess and remove conditions under Board rule 303.1, 314.2, 314.4, 331.2, and 331.4;

**[August 2016]**

(b) impose and remove restrictions under Board rule 318.2, 318.4, 335.2, and 335.4;

**[August 2016]**

(c) approve matters relating to continuing professional development in accordance with the Rules;

(d) approve matters relating to the administration of trust assets by members or firms;

**[August 2016]**

(e) review documentation provided under Board rule 346.4 for determination of acceptability for purposes of the Rules;

(f) review instances of non-compliance when:

(i) a registrant submits a declaration under Bylaw 4.2;

(ii) a registrant advises the Institute under Bylaw 22.1;

(iii) the Registrar requests review of a declaration made under Bylaw 23.7; or

(iv) the Registrar does not receive a certificate, endorsement or notification required under Bylaws 24.2, 24.3 or 24.4.

(g) approve the suspension of registration of a registrant; and

**[August 2016]**

(h) refer a matter, which indicates a breach of bylaws 200.1 to 200.3 or a Uniform Rule of Professional Conduct has occurred, to the Professional Conduct Committee as a complaint.

**[August 2016]**

492.3 The Registration Committee shall notify the Board upon receipt of a complaint against the Registrar with respect to the exercise of his duties pursuant to the Act.

**[August 2016]**

Performance Benchmarks

492.4 The Registration Committee shall make determinations within thirty (30) days of the date of receipt of notification.

**[August 2016]**

492.5 The Registration Committee shall communicate its determinations within fifteen (15) days of the determination.

**[August 2016]**

Committee Size

492.6 The Registration Committee may have between nine (9) and fifteen (15) members, including one (1) or two (2) public representatives and one (1) or two (2) Board liaisons.

**[August 2016]**

Committee Composition

492.7 The members of the Registration Committee shall consist of at least:

**[August 2016]**

- (a) three (3) licensed members;
- (b) three (3) members registered to practice other regulated services; and
- (c) one (1) member in general practice.

and of the members in clauses a) and b) six (6) shall be practice leaders.

Qualifications for Members

492.8 Each member of the Registration Committee shall:

**[August 2016]**

- (a) be a resident member in Saskatchewan;
- (b) not be subject to a conduct investigation or to discipline proceedings; and
- (c) not be a member of the Discipline Committee.

Role of the Chair

492.9 The chair of the Registration Committee shall have authority to:

**[August 2016]**

- (a) direct the Registrar;
- (b) report to the Board under Board rules 485.1, 485.2 and 485.3; and
- (c) approve publications regarding registration activities.

**[August 2016]**

Transitional

492.10 For the first three (3) year period post-proclamation of the Act and in addition to a public representative, the Registration Committee shall consist of:

**[August 2016]**

- (a) three (3) CPA, CA members;

**[August 2016]**

- (b) three (3) CPA, CMA members; and

**[August 2016]**

- (c) one (1) CPA, CGA members.

**[August 2016]**

Frequency of Meetings

492.11 The Registration Committee shall meet annually to review its mandate and processes and the resources to carry out its mandate.

**[August 2016]**

492.12 The Registration Committee shall have regular meetings as approved by the chair.

**[August 2016]**

Resources

492.13 The Registration Committee shall be supported by the Registrar and any Institute employees designated by the Registrar.

**[August 2016]**

Professional Practice Committee

**[August 2016]**

Role

493.1 The role of the Professional Practice Committee is to oversee the delivery of practice monitoring and licensing functions of the Institute. Practice monitoring includes practice inspection, review of training office environments and inspection of practice administration. Licensing is for those registrants in the practice of professional accounting. The Registrar has been delegated authority by the Board for licensing however shall obtain approval of the committee as specified in the Rules.

**[August 2016]**

Responsibilities

493.2 The Professional Practice Committee has responsibility to:

**[August 2016]**

(a) determine the outcome of a practice inspection, including one (1) or more of the following:

- (i) no further action required;
- (ii) a corrective action plan be received from the firm within a specified time period set by the Professional Practice Committee;

**[August 2016]**

(iii) a partial or full re-inspection be completed within a specified time period set by the Professional Practice Committee; and

**[August 2016]**

(iv) a written complaint be issued to the Professional Conduct Committee where the Professional Practice Committee has determined that the failure by the member or firm to perform services in accordance with Standards of Professional Practice may have resulted in a breach of the Rules.

**[August 2016]**

(b) approve matters relating to practice administration inspection upon request from the Registrar or the practice inspector;

**[August 2016]**

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(c) assess and remove conditions for a member or firm licence under Board rule 356.2 and 356.4;

**[August 2016]**

(d) impose and remove restrictions for a member or firm licence under Board rule 357.2 and 357.4;

**[August 2016]**

(e) review documentation provided by the Professional Conduct Committee for the purposes of subsection 28(2) of the Act.

**[August 2016]**

493.3 The Professional Practice Committee shall review any concern received by the Institute regarding the appointment or qualifications of the practice inspector and determine an appropriate course of action regarding the concern.

**[August 2016]**

493.4 The Professional Practice Committee shall make determinations in a manner that protects the confidentiality of information.

**[August 2016]**

### Performance Benchmarks

493.7 The Professional Practice Committee shall make determinations on a practice inspection or practice administration inspection within sixty (60) days of the date of inspection. The Professional Practice Committee shall make determinations on a member or firm licence within thirty (30) days of the date of receipt of notification.

**[August 2016]**

493.8 The Professional Practice Committee shall communicate its determination on practice inspection or practice administration inspection to the firm within ten (10) days of the determination relating to the application of professional standards and ongoing approval of the candidate training environment and training processes. The Professional Practice Committee shall communicate its determination on a member or firm licence within fifteen (15) days of the determination.

**[August 2016]**

### Committee Size

493.9 The Professional Practice Committee may have between nine (9) and fifteen (15) members, including one (1) or two (2) public representatives and one (1) or two (2) Board liaisons.

**[August 2016]**

### Committee Composition

493.10 The Professional Practice Committee shall consist of at least:

**[August 2016]**

(a) six (6) members who are practice leaders; and

**[August 2016]**

(b) six (6) licensed members or members who work at a licensed firm.

**[August 2016]**

Qualifications for Members

493.11 Each member of the Professional Practice Committee shall:

**[August 2016]**

- (a) be engaged in the practice of public accounting;
- (b) be a resident member in Saskatchewan;
- (c) not be subject to a conduct investigation or to discipline proceedings; and
- (d) not be a member of the Discipline Committee.

Role of the Chair

493.12 The chair of the Professional Practice Committee shall have authority to:

**[August 2016]**

- (a) approve extensions on inspection matters;
- (b) direct the practice inspector;
- (c) report to the Board under Board rules 485.1, 485.2 and 485.3; and
- (d) approve publications regarding practice inspection and licensing activities.

**[August 2016]**

Transitional

493.13 For the first three (3) year cycle post-proclamation of the Act and in addition to a public representative and Board liaison, the Professional Practice Committee shall consist of at least:

**[August 2016]**

- (a) four (4) CPA, CA members;
- (b) one (1) CPA, CMA members; and
- (c) two (2) CPA, CGA members.

**[August 2016]**

**[August 2016]**

Frequency of Meetings

493.14 The Professional Practice Committee shall meet annually to review its mandate and processes and the resources to carry out its mandate.

**[August 2016]**

493.15 The Professional Practice Committee shall have regular meetings as approved by the chair.

**[August 2016]**

Resources

493.16 The Professional Practice Committee shall be supported by the Registrar and any Institute employees designated by the Registrar.

**[August 2016]**

Rules Committee

Role

494.1 The role of the Rules Committee is to make recommendations to the Board for amendments or adoption of Rules. Rules means any right or obligation of a registrant or duty or power of the Institute that is set out in the Act, a Bylaw, a Board rule, a Discipline Committee rule and the Uniform Rules of Professional Conduct, as amended from time to time.

Responsibilities

494.2 The Rules Committee has responsibility to:

- (a) review documentation provided by the Public Trust Committee of CPA Canada and assess and propose changes which are required to the Rules;
- (b) identify areas of efficiency in the Rules and propose recommendations to the Board;
- (c) identify areas of deficiency in the Rules and propose recommendations to the Board; and
- (d) review reports to the Ministry of Finance for any changes to The Accounting Profession Regulatory Bylaws, 2018 (Saskatchewan) for the Board's approval.

494.3 The Rules Committee may recommend areas of change to the procedures for establishing, amending or adopting Rules to the Board.

494.4 The Rules Committee shall consider requests for opinions received from registrants relative to proposed or current action or course of conduct in accordance with the Rules. Only requests for opinions in writing which include all facts and circumstances relative to the proposed action or course of conduct shall be considered. The Rules Committee may request further information. Opinions will not be provided where it relates to:

- (a) conduct of the member or student requesting the ruling that is currently the subject of a complaint, or
- (b) a matter of technical interpretation of the CPA Canada Handbook.

Committee Size

494.5 The Rules Committee shall have at least seven (7) members, including at least three (3) Board liaisons.

**[August 2016]**

### Committee Composition

494.6 The Rules Committee shall consist of at least:

- (a) two (2) licensed members or members who work at a licensed firm;
- (b) two (2) members who work at a firm registered to practice other regulated services; and
- (c) two (2) members who are in general practice.

### Qualifications for Members

494.7 Each member of the Rules Committee shall:

- (a) be a resident member in Saskatchewan;
- (b) not be subject to a conduct investigation or to discipline proceedings; and
- (c) not be a member of the Discipline Committee.

### Role of the Chair

494.8 The Chair of the Rules Committee shall have authority to:

- (a) present Rules at Board meeting upon request; and
- (b) direct Institute staff upon receipt of a request in Board rule 494.4.

### Transitional

494.9 For a period of one (1) year after the date the Act comes into force, the Rules Committee shall consist of three (3) members of each Legacy body.

### Frequency of Meetings

494.10 The Rules Committee shall meet annually to review its mandate and processes and the resources to carry out its mandate.

494.11 The Rules Committee shall have regular meetings as approved by the chair.

### Resources

494.12 The Rules Committee shall be supported by the Registrar and any Institute employees designated by the Registrar.

## **VI. DISCIPLINE COMMITTEE RULES (500-599)**

### **A. RULE 'HEARING - EXPEDITED B' FORMAT**

#### Definitions

501.1 Definitions established in the Act or Bylaws which apply to these Rules:

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- (a) “registrant” means a person that holds a valid registration and includes a member, firm and candidate (Act s. 2(o));
- (b) “registrar” means the registrar appointed pursuant to section 12 (Act s. 2(p));
- (c) In sections 24 to 41:
  - a) “firm” includes a former firm,
  - b) “member” includes a former member, and
  - c) “registrant” includes a former registrant (Act s. 23);
- (d) “formal complaint” means the complaint or charges contained in the report prepared by the Professional Conduct Committee for determination by the Discipline Committee under clause 28(2)(a) of the Act (Bylaw 40.1(a));
- (e) “respondent” means the registrant whose conduct is the subject of the formal complaint made pursuant to clause 28(2)(a) of the Act (Bylaw 40.1(c)); and
- (f) “parties to a discipline proceeding” means the respondent against whom the formal complaint has been made and the Professional Conduct Committee (Bylaw 48.1).

Note: APA s. 23 – 41 are the sections applicable to conduct and discipline matters.

**[July 2015]**

### 501.2 Other defined terms for purposes of this Rule:

- (a) “prosecutor” - means a member of the professional conduct committee, including the chair, who is a registrant and who has been appointed by the professional conduct committee chair pursuant to clause (i) of Bylaw 42.1;
- (b) “sanction” – in APA s. 32 the discipline committee is empowered to make orders as a consequence of a finding of professional misconduct or professional incompetence. For purposes of clarity the various consequences, such as expulsion, suspension, reprimand, and fines, are referred to as sanctions in these Rules
- (c) the “professional conduct committee chair” or “discipline committee chair” - includes a person designated by each of them respectively, that person normally being the vice-chair of the respective committee;
- (d) “discipline panel” – means a ‘Discipline Hearing Panel’ established in accordance with Bylaw 47.1;
- (e) “discipline panel chair” – means a member of the discipline panel appointed by the discipline committee chair to act as a chair at a specified discipline hearing;
- (f) “discipline panel secretary” – means a member of the discipline panel appointed by the discipline committee chair to act as a secretary at a specified discipline hearing;
- (g) “representation” – means commentary (verbal or in writing) by a party made to the discipline panel correlating the evidence to the charges in the formal complaint including argument as to how the evidence of the respondents’ conduct does or does not represent professional misconduct or professional incompetence, as the case may be. For clarity purposes, representation shall not include any evidence not contained in the agreed statement of facts; and
- (h) “agreed statement of facts” – means a document containing statements of fact jointly agreed to by the parties that:

- a) represents all of the evidence to be entered at a hearing relating to either the formal complaint or the proposed sanction or both; and
- b) is signed by both the respondent and the professional conduct committee chair.

The agreed statement of facts document may include as attachments other documents relevant to any of the statements of fact.

**[July 2015]**

502.1 'Hearing – Expedited B' format is defined by a combination of three criteria:

- (a) pre-hearing agreement by the parties on a statement of facts that will be the only evidence relating to the formal complaint entered at the hearing;
- (b) the submissions and representations on behalf of the respective parties will be made by the registrant and the prosecutor themselves i.e. neither party will be represented by legal counsel at the hearing; and
- (c) the sanction to be recommended by the professional conduct committee will not include a fine exceeding \$20,000, suspension or expulsion, except as noted in Rule 502.2.

**[July 2015]**

502.2 With respect to criteria c) in Rule 502.1 a hearing may also proceed as a 'Hearing – Expedited B' format where the sanction recommendation is submitted jointly by the parties and includes one or more of a fine exceeding \$20,000, suspension or expulsion.

**[July 2015]**

502.3 'Formal hearing' is any hearing of a discipline panel other than one defined as a 'Hearing – Expedited B' format.

**[July 2015]**

503.1 The discipline committee chair shall have the authority to determine whether a discipline hearing be conducted pursuant to these Rules.

**[July 2015]**

504.1 Pursuant to Bylaw 48.1, the parties to a conduct matter to be heard before a discipline panel shall be limited to:

- (a) the registrant named in the formal complaint filed by the professional conduct committee with the discipline committee (hereafter referred to as the 'respondent'); and
- (b) the professional conduct committee as represented by a member of the committee (hereafter referred to as the 'prosecutor').

**[July 2015]**

505.1 Pursuant to APA s.s. 31(6), the respondent may, at their own expense, be represented by counsel. However, in order for these Rules to apply, the respondent agrees (in writing) not to be represented by counsel:

- (a) in communication with the professional conduct committee representatives (chair and prosecutor) during the pre-hearing stage; and

(b) at the discipline hearing.

**[July 2015]**

505.2 The professional conduct committee representatives shall not be represented by legal counsel:

- (a) in communication with the respondent during the pre-hearing stage; and
- (b) at the discipline hearing.

**[July 2015]**

505.3 Notwithstanding Rules 505.1 and 505.2, the respondent or the professional conduct committee (or its representatives) may obtain legal advice during the pre-hearing stage.

**[July 2015]**

506.1 The 'record of hearing' for Expedited B Hearings shall be prepared by the discipline panel secretary. The contents of the 'record of hearing' shall be as prescribed by the discipline committee.

**[July 2015]**

507.1 The professional conduct committee chair shall have authority on behalf of the professional conduct committee to approve an agreed statement of facts to be submitted at a discipline hearing.

**[July 2015]**

508.1 In order to be accepted by a discipline panel, an agreed statement of facts or joint submission (of sanction or representation) must be signed by the respondent and the professional conduct committee chair.

**[July 2015]**

509.1 Reasonable accommodation shall be provided to the respondent in setting the hearing date. The discipline panel chair and the prosecutor will determine three date options for the hearing that are agreeable to them. These hearing date options will be provided to the respondent at least **forty-five days** prior to the earliest of the proposed hearing dates; the respondent shall respond (in writing) within **fifteen days** whether they will be attending the hearing and if so, which date(s) they are able to attend.

**[July 2015]**

509.2 As an alternative to the scheduling process set out in 509, the discipline committee chair may arrange a conference call with the discipline panel chair, the respondent and the prosecutor for purposes of scheduling the hearing date i.e. a 'scheduling conference'. During the 'scheduling conference' the discipline committee chair shall ask the parties whether agreement on facts is likely in order to determine expected format of hearing. The hearing date shall be at least **thirty days** after the scheduling conference.

**[July 2015]**

510.1 The Registrar must receive, at least **twenty-one days** prior to the scheduled hearing, the agreed statement of facts signed by the respondent. Should the signed agreed statement of facts not be received by the specified date, the professional conduct committee chair may request that the discipline committee chair reschedule the hearing.

[July 2015]

510.2 Further to Rule 510.1, the discipline committee chair will determine a date by which the parties shall either sign an agreed statement of facts or advise that they cannot agree on all of the facts to be entered into evidence. In the event of the latter the hearing will proceed as a formal hearing.

[July 2015]

511.1 Notwithstanding the respondent has signed the agreed statement of facts, the respondent continues to have the right to have a formal hearing conducted but must advise the Registrar (in writing) at least **seven days** prior to date scheduled for the informal hearing, of their decision not to have the informal hearing proceed. If the Registrar has not been so advised, the informal hearing will proceed as scheduled whether or not the respondent is in attendance.

[July 2015]

512.1 Where the respondent admits (in writing) to the formal complaint, and the respondent and the professional conduct committee chair agree on the joint submissions of:

- (a) all facts relating to both the breach of the Rules and the sanction,
- (b) recommended sanction, and
- (c) representation, if any, relating to the sanction such as precedent cases,

the respondent and prosecutor shall not attend the hearing as parties to the proceeding, but may attend as observers.

[July 2015]

513.1 The discipline panel for a particular discipline hearing has the authority under the APA s. 32 to determine the appropriate sanction where that discipline panel has determined that the respondent is guilty of professional misconduct or professional incompetence. For this purpose, the discipline panel shall consider, but not be bound by the recommendations made by the parties.

[July 2015]

513.2 Where the discipline panel determines that a submission of the order of sanction made jointly by the parties does not provide an appropriate sanction, the discipline panel chair shall adjourn the hearing and direct each of the parties to prepare a submission on sanction including representations supporting each of their respective proposed sanctions. The submissions shall be made to the discipline panel and at a time and place determined by the discipline panel chair.

[July 2015]

513.3 For purposes of these Rules, the authority of the discipline panel to order sanction pursuant to APA s. 32 is limited by the parameters in Rules 502.1 and 502.2 above.

**[July 2015]**

514.1 The discipline panel chair shall read, at the hearing, the determinations and orders made by the discipline panel. The discipline panel chair and the discipline panel secretary shall have the authority to sign and issue in writing the said determinations and orders.

**[July 2015]**

**Schedule of Amendments:**

*February 5, 2015*

*April 9, 2015*

*June 8, 2015*

*July 9, 2015*

*September 17, 2015*

*October 22, 2015*

*February 5, 2016*

*February 29, 2016*

*May 10, 2016*

*May 13, 2016*

*August 11, 2016*

*September 21, 2016*

*September 14, 2017*

*January 1, 2018*

*April 1, 2018*

*December 14, 2018*