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**Summary**

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## Draft Regulations

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### Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

#### Certified management accountants

- Code of ethics
- Amendments

Notice is hereby given, in accordance with section 12 of the Regulations Act (R.S.Q., c. R-18.1), that the “Regulation to amend the Code of ethics of certified management accountants”, adopted by the board of directors of the Ordre des comptables en management accrédités du Québec, may be submitted to the Government, which may approve it with or without amendment, on the expiry of a 20-day period following this publication.

Section 12 of the Regulations Act provides that a proposed regulation may be approved at the expiry of a shorter period than the period applicable to it, if the authority approving it is of the opinion that the urgency of the situation requires it. Section 13 of that Act provides, in addition, that the reason justifying a shorter publication period shall be published with the proposed regulation. It is necessary to reduce the publication period for this proposed regulation for the following reasons:

— Its main object is to prescribe rules on independence for the exercise of public accountancy by the members of the Ordre des comptables en management accrédités du Québec holding a public accountancy permit.

— It is related to the “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec”, which sets out the standards and conditions for holding a public accountancy permit, published in the *Gazette officielle du Québec* on September 17, 2008. The said regulation is required by section 187.10.2 of the Professional Code, introduced by section 3 of the Act to amend the Professional Code and the Chartered Accountants Act in respect of public accountancy (2007, c. 42), in force since 15 December 2008.

— The “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec” is required to allow certified management accountants authorized to practice public

accountancy elsewhere in Canada to pursue that activity in Québec, in order to facilitate the mobility of these professionals within Canada in accordance with the Agreement on Internal Trade.

— The “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec” is linked to the recommendation made on 19 August 2005 by the special panel established under the Agreement on Internal Trade to settle the dispute between the Certified General Accountants Association of New Brunswick and the Québec government concerning measures restricting access to the practice of public accountancy by accountants other than chartered accountants.

— It is important, in the circumstances, to reduce the publication period to allow the “Regulation to amend the Code of ethics of certified management accountants” to advance as soon as possible and simultaneously with the “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec”, both of which must be submitted to the government for approval in accordance with section 95 of the Professional Code.

According to the Ordre des comptables en management accrédités du Québec, this regulation will have no effect on businesses, including small and medium-sized businesses.

Additional information may be obtained from Mtre Isabelle F. LeBlanc at the Ordre des comptables en management accrédités du Québec, 715, rue du Square-Victoria, 3<sup>e</sup> étage, Montréal (Québec) H2Y 2H7; phone: 514 849-1155 or 1 800 263-5390; fax: 514 849-9674; E-mail: i.leblanc@cma-quebec.org

Any person having comments to make on the matter is asked to send them in writing, before the expiry of the 20-day period, to the Chair of the Office des professions du Québec, 800, place D’Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3. These comments will be forwarded by the Office to the Minister of Justice. They may also be forwarded to the professional order that adopted the regulation, as well as to the persons, departments and agencies concerned.

JEAN PAUL DUTRISAC,  
*Chair of the Office des  
professions du Québec*

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## Regulation to amend the Code of ethics of certified management accountants\*

Professional Code

(R.S.Q., c. C-26, s. 87; 2008, c. 11, s. 56)

**1.** The Code of ethics of certified management accountants is amended by adding the following paragraph in section 12:

“A member who is responsible, in whole or in part, for preparing or approving financial statements or for overseeing the accounting and financial reporting processes shall also ensure that such statements and processes result in a fair presentation in accordance with generally accepted accounting principles and generally accepted auditing standards.”

**2.** The said Code is amended by inserting the following sections after section 13:

“**13.1.** A member who participates in an assurance engagement or a specified auditing procedures engagement shall notify the person responsible for the engagement if the financial statements are not presented fairly in accordance with generally accepted accounting principles.

If, after notification, the financial statements are still not presented fairly, the member shall notify in writing one of the partners of the partnership within which he practices his profession.

The member shall send the notifications provided for in the first and second paragraphs prior to the issuance of the financial statements or, failing which, as soon as possible. He shall also record and retain in the file the purpose of the notifications and the date on which the notifications were sent.

The information and the notifications referred to in the second paragraph shall be retained for a minimum of 24 months from the date they were sent.

**13.2.** A member who is responsible for applying generally accepted accounting principles or for overseeing their application within an enterprise that is the subject of an engagement contemplated in section 13.1

shall notify his immediate superior if the financial statements are not presented fairly in accordance with these principles.

If, after such notification, the financial statements are still not presented fairly, the member shall also notify in writing the enterprise’s audit committee or similar body or, where there is no audit committee or similar body, the board of directors and the professional responsible for the engagement. The member shall satisfy the obligations provided for in the third and fourth paragraphs of section 13.1.

**13.3.** A member who prepares or approves, in whole or in part, financial statements prepared solely for internal use within an enterprise or for a specified user within the meaning of the Canadian Institute of Chartered Accountants Handbook is dispensed from satisfying the obligations set out in the second paragraph of section 12 and in sections 13.1 and 13.2.

**13.4.** A member who provides professional services other than those provided in engagements referred to in section 34.2 shall disclose in any report or other document, including that accompanying the financial statements or the financial information, which is addressed to a person other than his employer, the nature and extent of any influence, interest or relationship which, in respect of the engagement, may be perceived as impairing his professional judgment or objectivity.”

**3.** The said Code is amended by inserting the following after section 34:

Independence during an assurance engagement or a specified auditing procedures engagement

“**34.1.** For the purposes of sections 34.2 to 34.9, the following terms mean:

“affiliate”: a company that has control over the client, or over which the client has control, or which is under common control with the client, including the client’s parent company or one of its subsidiaries;

“engagement period”: period that starts on the date when the member or the partnership commits to perform the engagement and ends on the date when the resulting report is issued. For an engagement of a recurring nature, the period ends:

(1) in the case of an audit or review engagement referred to in section 34.6, on the date of notification by the client, the member or the partnership within which the member practices his profession that the professional relationship has terminated or on the date the final assurance report is issued, whichever is later;

\* The last amendments to the Code of ethics of certified management accountants, approved by Order in Council 672-90 dated 16 May 1990 (1990, G.O. 2, 1447), were made by the regulation approved by Order in Council 829-2003 dated 20 August 2003 (2003, G.O. 2, 2706). For previous amendments, see the Tableau des modifications et Index sommaire, Éditeur officiel du Québec, 2009, updated to 1 March 2009.

(2) in the case of an audit engagement referred to in section 34.7, on the date when the listed enterprise, the member or the partnership within which the member practices his profession notifies the securities regulator that the listed enterprise is no longer an audit client of the partnership within which the member practices his profession;

“engagement team”: all persons within the partnership participating in the engagement, who provide quality control for the engagement and all other persons within the partnership who are in a position to directly influence the outcome of the engagement;

“financial interest”: a security within the meaning of the Securities Act (R.S.Q., c.V-1.1), a share, including the option to purchase such security or such share and their derivatives or any other debt instruments;

“listed enterprise”: an enterprise whose shares, debt or other securities are quoted or listed on a stock exchange recognized by a Canadian or foreign securities regulator or that is subject to the standards established by such stock exchange, and that has market capitalization or total assets of \$10,000,000 or more;

“network partnership or joint-stock company”: a partnership or joint-stock company that is, or can be perceived as being, under common control, ownership or management with the partnership within which the member practices his profession;

“related entity”: an enterprise that exercises control over another enterprise within the meaning of Section 3840 of the Canadian Institute of Chartered Accountants Handbook.

**34.2.** A member who performs or participates in an assurance engagement or a specified auditing procedures engagement shall remain free of any influence, interest or relationship which, in respect of the engagement, may impair or be perceived as impairing his professional judgment or objectivity.

**34.3.** A member who is a partner of the partnership within which he practices his profession or who is in a management position within the partnership shall not provide a professional service, other than an assurance service, to a client or an affiliate when a person within his partnership or network partnership or joint-stock company performs an audit or review engagement for such client or affiliate, if the member, or a dependent or spouse, holds and controls a financial interest in the client or affiliate, or holds a financial interest therein that allows him to exercise significant influence over the

client’s directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook.

However, a member may provide a professional service, other than an assurance service, if the service is clearly insignificant considering the fees invoiced or the nature of the service provided.

**34.4.** In an engagement to provide professional services in insolvency as a trustee in bankruptcy, a liquidator, a receiver-manager or an administrator within the meaning of the Bankruptcy and Insolvency Act (R.S.C., 1985, c. B-3), a member shall remain free of any influence, interest or relationship which, in respect of the engagement, may impair or be perceived as impairing his professional judgment or objectivity.

**34.5.** A member commits a breach of the independence rule contemplated in section 34.2 if, in the context of an assurance engagement or a specified auditing procedures engagement:

(1) the member participates on an engagement team when he, or a dependent or spouse, holds and controls a financial interest in the client or holds a financial interest in the client that allows him to exercise significant influence over the client’s directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;

(2) the member or partnership within which he practices his profession performs such an engagement when the member or partnership holds and controls a financial interest in the client or holds a financial interest in the client that allows him to exercise significant influence over the client’s directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;

(3) the member or partnership within which he practices his profession performs such an engagement for a client:

(a) when the partnership has a loan from or has a loan guaranteed by the client, except when the client is a bank or other financial institution and the loan or guarantee is immaterial to the partnership and the client, the loan or guarantee is made under terms and conditions that would have been imposed on any other person in similar circumstances, and the partnership is complying with the terms of the loan;

(b) that is not a bank or other financial institution when the partnership has a loan to the client;

(c) when the partnership guarantees a loan of the client;

(4) the member or partnership within which he practices his profession performs such an engagement for a client:

(a) when the partnership has a loan from or has a loan guaranteed by an officer or director of the client or a shareholder of the client who owns more than 10 % of the equity securities of the client;

(b) when the partnership has a loan to or guarantees a loan of an officer or director of the client or a shareholder of the client who owns more than 10 % of the equity securities of the client;

(5) the member participates on the engagement team when:

(a) he has a loan from or has a loan guaranteed by:

i. the client, unless the client is a bank or other financial institution, the loan or guarantee is made under terms and conditions that would have been imposed on any other person in similar circumstances and the member is complying with the terms of the loan;

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;

(b) he has a loan to or guarantees a loan of the client, other than a bank or other financial institution, of an officer or director of the client, or of a shareholder of the client who owns more than 10 % of the equity securities of the client;

(6) the member or partnership within which he practices his profession performs an engagement when the partnership has a business relationship with the client or its directors or officers unless the business relationship is clearly insignificant to the partnership, the client, or its directors and officers, as the case may be;

(7) the member participates on the engagement team when he has a business relationship with the client or its directors or officers, unless the business relationship is clearly insignificant to the member, the client or its directors and officers, as the case may be;

(8) the member participates on the engagement team when a dependent or spouse of the member is a director or officer of the client or an employee of the client in a

position to exercise direct and significant influence, within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook, over the subject matter of the engagement, or was in such a position during the period covered by the financial statements subject to the engagement or the engagement period;

(9) the member participates on the engagement team when he served as an officer or director for the client or performed functions for the client that put him in a position to exercise direct and significant influence, within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook, over the subject matter of the engagement during the engagement period;

(10) the member or partnership within which he practices his profession performs such an engagement when the member or any other person practicing professional activities therein serves as an officer or director for the client;

(11) the member or partnership within which he practices his profession performs such an engagement when, during the engagement period, the member, the partnership or any other person practicing professional activities therein makes a management decision or performs management functions for the client;

(12) the member or partnership within which he practices his profession performs such an engagement when, during the engagement period, the member, the partnership or any other person practicing professional activities therein provides any of the following services to the client:

(a) promoting, dealing in or underwriting the client's securities;

(b) making investment decisions on behalf of the client or otherwise having discretionary authority over the client's investments;

(c) executing a transaction to buy or sell the client's investments; or

(d) safeguarding assets of the client;

(13) the member participates on an engagement team and he or the partnership within which he practices his profession accepts a gift or hospitality, including a product or service discount, from the client, unless the gift or hospitality is clearly insignificant to the member or partnership.

**34.6.** A member commits a breach of the independence rule contemplated in section 34.2 if, in the context of an audit or review engagement:

(1) the member or partnership within which he practices his profession, or a network partnership or joint-stock company is in a situation described in paragraphs 1 to 5, 12 or 13 of section 34.5. For the application of these paragraphs, the word “client” includes affiliates;

(2) the member or partnership within which he practices his profession performs such an engagement when the member, partnership or a network partnership or joint-stock company holds and controls a financial interest in the client or an affiliate or holds a financial interest in the client or an affiliate that allows him to exercise significant influence over the client’s directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;

(3) the member, as the person with primary responsibility for an engagement for a client, performs the engagement at the main office in which one of the partners or shareholders with voting rights of the partnership or joint-stock company practices when this partner, this shareholder, a dependent or spouse holds and controls a financial interest in the client or an affiliate, or holds a financial interest in the client or an affiliate that allows him to exercise significant influence over the client’s directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;

(4) the member or partnership within which he practices his profession performs such an engagement when the pension or retirement plan of the partnership or of a network partnership or joint-stock company, holds and controls a financial interest in the client or an affiliate, or holds a financial interest in the client or an affiliate that allows him to exercise significant influence over the client’s directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;

(5) the member or partnership within which he practices his profession performs such an engagement when the partnership or a network partnership or joint-stock company, holds a financial interest in an enterprise, and the member or the partnership knows that the client or an affiliate, or a director, officer or controlling person of the client or affiliate, within the meaning of paragraph 3 of section 2 of the Canada Business Corporations Act (R.S.C. 1985, c. C-44), also holds a financial interest in the enterprise, unless the client or affiliate is not in position to exercise significant influence over the enter-

prise within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;

(6) the member participates on the engagement team or any other team within a network partnership that is in a position to influence the engagement when the member holds a financial interest in an enterprise and knows that the client or a director, officer or controlling person of the client or an affiliate holds a financial interest in the enterprise, unless the client is not in a position to exercise significant influence over the enterprise within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;

(7) the member or partnership within which he practices his profession performs such an engagement for a client or an affiliate when a partner of the partnership within which he practices his profession, or any candidate to one of the accounting professions employed by the partnership, or a dependent or spouse, owns more than 0.1 % of the securities of the client or affiliate within the meaning of section 1 of the Securities Act, or controls the client or affiliate by means other than the ownership of the majority of the common shares of the client or affiliate;

(8) the member participates on the engagement team or any other team within a network partnership or joint-stock company within which he practices his profession that is in a position to influence the engagement when the member knows that a parent, non-dependent child or sibling owns more than 0.1 % of the securities of the client or an affiliate within the meaning of section 1 of the Securities Act, or controls the client or affiliate by means other than the ownership of the majority of the common shares of the client or affiliate;

(9) the member or partnership within which he practices his profession performs such an engagement when the partnership or a network partnership or joint-stock company has a business relationship with the client or its directors or officers, unless such business relationship is clearly insignificant to the partnership or network partnership or joint-stock company and the client or its directors or officers, as the case may be;

(10) the member or partnership within which he practices his profession performs such an engagement when a person within a network partnership serves as an officer or a director of the client other than serving as secretary and the practice is permitted under the law or standards of practice, and the duties undertaken are exclusively administrative in nature;

(11) the member or partnership within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or review or the engagement period, a person within a network partnership or joint-stock company makes a management decision or performs management functions for the client;

(12) the member or partnership within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or review or the engagement period, the member or another person within the partnership or within a network partnership or joint-stock company:

(a) prepares or changes a journal entry, determines or changes an account code or a classification for a transaction, or prepares or changes another accounting record without obtaining the approval of the client's management; or

(b) prepares a source document or originating data, or makes a change to such a document or data;

(13) the member or partnership within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or review or the engagement period, the member, the partnership or a network partnership or joint-stock company or a person within the partnership or network partnership or joint-stock company provides legal services to the client other than those referred to in section 141 of the Act respecting the Barreau du Québec (R.S.Q., c. B-1) 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.

**34.7.** A member commits a breach of the independence rule contemplated in section 34.2 if, in the context of an audit of a listed enterprise:

(1) the member participates on the engagement team, or a team within a network partnership or joint-stock company that is in a position to influence the engagement when a parent, non-dependent child or sibling is in an accounting role or a financial reporting oversight role at the client that puts the parent, non-dependent child or sibling in a position to exercise influence over either the contents of the financial statements or anyone who prepares them, or was in such a position during any period covered by the engagement;

(2) the member or partnership within which he practices his profession performs such an engagement when a person who participated in an audit of the financial statements of the listed enterprise has accepted employment in a financial reporting oversight role with respect to the enterprise before a period of one year has elapsed from the date on which the financial statements were filed with a stock exchange recognized by a Canadian or foreign securities regulator;

(3) the member performs such an engagement for a listed enterprise, or a related entity, when a person practicing professional activities within the partnership within which the member practices his profession, or within a network partnership or joint-stock company, serves as an officer or a director of the related entity or as secretary for the related entity;

(4) the member continues as the person with primary responsibility for the engagement or as the engagement quality control reviewer on such an engagement for a listed enterprise for more than 5 years, and thereafter resumes or assumes such functions before a further 5 years have elapsed from the date on which he ceased to perform these functions;

(5) the member, who has responsibility for decision-making on auditing, accounting and reporting matters that affect the performance of the engagement, or who maintains regular contact with the audit committee or management of the listed enterprise and provides more than ten hours of assurance services during the engagement period in connection with the annual financial statements or the interim financial information of the listed enterprise, or who has primary responsibility for an audit engagement for a subsidiary of the listed enterprise, continues in such role or roles for more than 7 years and thereafter resumes or assumes such functions before a further 2 years have elapsed from the date on which he ceased to perform these functions. However, this provision does not extend to members who consult with the engagement team regarding technical or industry-specific issues, transactions or events;

(6) the member or partnership within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, another person within the partnership or a network partnership or joint-stock company makes a management decision or performs management functions for the listed enterprise or a related entity;

(7) the member or partnership within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, the member, the partnership, a network partnership or joint-stock company or another person within the partnership or a network partnership or joint-stock company, provides professional services to the listed enterprise or a related entity, the results of which are likely to be subject to audit procedures during the financial statement audit, including one of the following services, unless the member determines that the results of these services will not be subject to such procedures:

(a) accounting or bookkeeping services related to the accounting records or financial statements to be audited;

(b) valuation services;

(c) actuarial services;

(d) internal audit services that relate to the enterprise's internal accounting controls, financial systems or financial statements;

(e) financial information systems design, implementation, operation or management services;

(8) the member or partnership within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, the member, the partnership, a network partnership or joint-stock company or another person within the partnership or a network partnership or joint-stock company, provides one of the following professional services to a listed enterprise or a related entity:

(a) services that consist in providing an expert opinion or other expert service for the listed enterprise or a legal representative thereof, for the purpose of advocating the enterprise's interest in a civil, criminal, regulatory, administrative or legislative proceeding or investigation;

(b) legal services other than those referred to in section 141 of the Act respecting the Barreau du Québec;

(c) human resource management services that involve:

i. searching for or seeking out prospective candidates for management, executive or director positions;

ii. engaging in psychological testing, or other formal testing or evaluation programs;

iii. undertaking reference checks of prospective candidates for an executive or director position;

iv. acting as a negotiator or mediator on the listed enterprise's behalf with respect to employees or future employees concerning any condition of employment, including position, status or title, compensation or fringe benefits; or

v. recommending that the enterprise hire a specific candidate for a specific job or advising it to do so;

(9) the member or partnership within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, an audit partner who is on the engagement team earns or receives compensation for procuring any engagement that is not an assurance engagement from the listed enterprise, unless the partnership within which the member practices his profession has fewer than 5 audit clients that are listed enterprises and fewer than ten partners;

(10) the member or partnership or joint-stock company within which he practices his profession provides services to a listed enterprise or a related entity without the prior approval of the audit committee, unless the following conditions exist:

(a) the services do not represent more than 5 % of total audit fees paid by the listed enterprise and a related entity to the member, the partnership and network partnerships or joint-stock companies in the fiscal year in which the services are provided;

(b) the services were recognized as assurance services at the time of the engagement;

(c) the provision of these services is promptly brought to the attention of the audit committee; and

(d) the audit committee or one or more designated representatives approves the services prior to the completion of the audit for the listed enterprise or the related entity;

(11) the member or the partnership or joint-stock company within which he practices his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, a person within the partnership or a network partnership or joint-stock company provides services referred to in paragraph 12 of section 34.5 to a related entity.

**34.8.** A member who is required to comply with the independence rule provided for in section 34.2 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 measures to reduce or eliminate them. The member shall document the decision to accept or continue the particular engagement. The documentation shall include the following information:

- (1) a description of the nature of the engagement;
- (2) the threats identified;
- (3) the measures identified and applied to reduce or eliminate the threats; and
- (4) an explanation of how the measures reduce or eliminate the threats.

Where the threats cannot be reduced, the member shall:

- (1) eliminate the activity, relationship, influence or interest creating the threats; or
- (2) refuse to accept or continue the engagement.

**34.9.** A member who violates section 34.2 shall communicate this violation in writing, on a timely basis, to another member, partner or shareholder with voting rights of the partnership or joint-stock company duly appointed by the board of directors or a similar internal management board of the partnership or joint-stock company.

A member who has been assigned to an engagement team to perform assurance services or apply specified auditing procedures shall also communicate in writing to the designated member any situation or facts that would put this member in violation of section 34.2.”.

**4.** This regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Certified management accountants — Compulsory continuing education for Québec certified management accountants who hold a public accountancy permit

Notice is hereby given, in accordance with section 12 of the Regulations Act (R.S.Q., c. R-18.1), that the “Regulation concerning compulsory continuing education for Québec certified management accountants who hold a public accountancy permit”, adopted by the board of directors of the Ordre des comptables en management accrédités du Québec, may be submitted to the Government, which may approve it with or without amendment, on the expiry of a 20-day period following this publication.

Section 12 of the Regulations Act provides that a proposed regulation may be approved at the expiry of a shorter period than the period applicable to it, if the authority approving it is of the opinion that the urgency of the situation requires it. Section 13 of that Act provides, in addition, that the reason justifying a shorter publication period shall be published with the proposed regulation. It is necessary to reduce the publication period for this proposed regulation for the following reasons:

— Its object is to specify the continuing education activities that the holder of a public accountancy permit must complete, the penalty for failing to complete the activities and, where applicable, the cases in which an exemption may be granted.

— It is related to the “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec”, published as a draft regulation in the *Gazette officielle du Québec* on 17 September 2008, which sets out the standards and conditions for holding a public accountancy permit.

— Both regulations are required by section 187.10.2 of the Professional Code, introduced by section 3 of the Act to amend the Professional Code and the Chartered Accountants Act in respect of public accountancy (2007, c. 42), in force since 15 December 2008.

— The “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec” is, in addition, required to allow certified management accountants authorized to prac-

tice public accountancy elsewhere in Canada to pursue that activity in Québec, in order to facilitate the mobility of these professionals within Canada in accordance with the Agreement on Internal Trade.

— The “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec” is linked to the recommendation made on 19 August 2005 by the special panel established under the Agreement on Internal Trade to settle the dispute between the Certified General Accountants Association of New Brunswick and the Québec government concerning measures restricting access to the practice of public accountancy by accountants other than chartered accountants.

— It is important, in the circumstances, to reduce the publication period to allow the “Regulation concerning compulsory continuing education for Québec certified management accountants who hold a public accountancy permit” to advance as soon as possible and simultaneously with the “Regulation respecting the public accountancy permit of the Ordre des comptables en management accrédités du Québec”, both of which must be submitted to the government for approval in accordance with section 95 of the Professional Code.

According to the Ordre des comptables en management accrédités du Québec, this regulation will have no effect on businesses, including small and medium-sized businesses.

Additional information may be obtained from Mre Isabelle F. LeBlanc at the Ordre des comptables en management accrédités du Québec, 715, rue du Square-Victoria, 3<sup>e</sup> étage, Montréal (Québec) H2Y 2H7; phone: 514 849-1155 or 1 800 263-5390; fax: 514 849-9674; E-mail: i.leblanc@cma-quebec.org

Any person having comments to make on the matter is asked to send them in writing, before the expiry of the 20-day period, to the Chair of the Office des professions du Québec, 800, place D’Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3. These comments will be forwarded by the Office to the Minister of Justice. They may also be forwarded to the professional order that adopted the regulation, as well as to the persons, departments and agencies concerned.

JEAN PAUL DUTRISAC,  
*Chair of the Office des  
professions du Québec*

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## **Regulation concerning compulsory continuing education for Québec certified management accountants who hold a public accountancy permit**

Professional Code  
(R.S.Q., c. C-26, s. 187.10.2, 2<sup>nd</sup> par.; 2007, c. 42, s. 3; 2008, c. 11, s.1)

### **DIVISION I CONTINUING EDUCATION**

**1.** All members of the Ordre des comptables en management accrédités du Québec who hold a public accountancy permit, unless exempted under Division IV, must complete in every 3-year reference period at least 60 hours of continuing education activities, including a minimum of 15 hours per reference year. The 60 hours must cover audit engagements, review engagements and other activities relating to public accountancy.

The members must choose the continuing education activities from the program of activities established by the Order pursuant to section 4.

The continuing education activities may include:

- (1) taking part in courses organized or offered by the Order, by other professional orders or by similar organizations;
- (2) taking part in courses offered by an educational institution or by specialized institutions recognized by the Order;
- (3) taking part in symposiums, congresses, seminars or conferences;
- (4) taking part in structured training sessions or courses in the workplace;
- (5) taking part in various structured training sessions, such as case studies as part of a technical study group;
- (6) taking part in discussion groups and technical committees;
- (7) acting as a speaker or trainer;
- (8) drafting published articles or papers;
- (9) taking part in research projects;

**2.** Every member to whom the Order issues a public accountancy permit after 1 August in a given year must, unless exempted pursuant to Division IV, start to complete continuing education hours on 1 April of the year following the date on which the permit is issued.

The number of hours to be completed is calculated beginning on 1 April of the year following the date on which the permit is issued in proportion to the number of months remaining in the reference period.

A member to whom the Order issues a public accountancy permit after 1 August in the last year of a reference period is exempted from the continuing education requirements for that period.

## **DIVISION II PROGRAM OF CONTINUING EDUCATION ACTIVITIES**

**3.** Every continuing education activity must allow members to maintain, update, improve or extend the skills and knowledge required for the practice of public accountancy.

**4.** The Order shall establish the program of continuing education activities that must be followed by members holding a public accountancy permit. The Order shall

(1) fix the date on which the reference period referred to in the first paragraph of section 1 begins and ends;

(2) determine the continuing education activities in the fields listed in the first paragraph of section 1 that form part of the program, along with the persons, bodies, educational institutions or specialized institutions that organize or offer the activities;

(3) assign a ratio for calculating the admissible duration of each activity as a contribution to the hours required pursuant to section 1, if it differs from the actual duration of the activity.

To determine the activities that form part of the program and, if applicable, the ratio for calculating the admissible duration of an activity, the Order shall consider the following criteria:

- (1) the relevance of the activity;
- (2) the competency and qualifications of the trainer, with respect to the subject of the activity;

(3) compliance with the continuing education objectives set out in section 3;

(4) the fact that the objectives of the continuing education activity are measurable and verifiable.

## **DIVISION III MONITORING**

**5.** Members shall send to the Order, no later than 30 days after the end of each reference year in a reference period, a duly completed continuing education report using the form supplied by the Order, along with the attestations required by this Regulation, if applicable. The continuing education report must indicate the continuing education activities completed during the reference year, the number of hours completed, or the fact that the member concerned has obtained an exemption under Division IV.

To determine whether a member has met the requirements of this Regulation, the Order may request any relevant and reliable document in addition to the continuing education report, such as supporting documents that identify the activities completed, state their duration and content, name the person who offered the activities and, where applicable, attest to the member's presence or result.

**6.** The successful completion of a continuing education activity or, if no evaluation is involved, presence at the activity, is the criterion used by the Order to recognize that a continuing education activity has been completed in order to meet the requirements of this Regulation.

However, where the activity does not involve an evaluation and if the member's presence was not required, the Order recognizes that a continuing education activity has been completed if the member states that he or she has acquired sufficient knowledge of the content to apply it professionally.

When the Order determines that a member's presence at continuing education activities is compulsory, presence may be monitored by any means that the Order establishes, such as a presence sheet signed by members.

**7.** The Order shall forward to members, no later than 180 days after the deadline for filing the report referred to in section 5, a notice specifying any continuing education activities that it does not recognize and the grounds for its decision.

**8.** A member may ask the committee set up by the board of directors to review the decision made by the Order within 30 days of receiving the notice provided for in section 7.

The committee is formed of persons who were not involved in the decision for which a review is requested.

**9.** Members must keep the documents supporting the hours declared until 12 months after the end of the reference period.

#### **DIVISION IV** EXEMPTIONS FROM CONTINUING EDUCATION

**10.** A member who has taken part, or intends to take part, in a continuing education activity that is not part of the program, is exempted from taking part in an activity in the program established by the Order if the content of the activity concerned is equivalent to the content of the program activity.

**11.** Members may obtain an exemption under section 10 by sending to the Order, in writing, a request for recognition of the activity concerned, either 30 days before the scheduled date of the activity or within 60 days of taking part in the activity.

In the latter case, the request must include an attestation of the member's presence at or successful completion of the activity or, where applicable, a record of the member's marks.

The request must be submitted with the following information:

- (1) a description of the continuing education activity concerned;
- (2) the duration of the activity;
- (3) the number of hours of training required by the continuing education activity;
- (4) the name and address of the person, organization or institution responsible for the activity;
- (5) any other information considered relevant to the recognition of the continuing education activity.

**12.** Members who show that it is impossible for them to take part in a training activity provided for in the program of activities established by the Order are exempted from taking part in this activity for a given reference period.

The fact that a member has been struck off the role or suspended or that the member's right to practice has been restricted by the disciplinary council, the Professions Tribunal or the board of directors does not make it impossible for the member to take part.

The duration of an exemption may not exceed 12 months, but it may be renewed.

**13.** A member may obtain an exemption under section 12 by informing the Order in writing of the grounds justifying the exemption and including a medical report or any other proof showing that it is impossible for the member to take part in any activity.

As soon as the situation making it impossible for the member to take part ceases, the member must immediately notify the Order in writing and complete the obligations prescribed by this Regulation on the conditions determined by the Order.

#### **DIVISION V** PENALTIES

**14.** The Order shall forward a notice to any member who fails to respect an obligation pertaining to continuing education, stating the obligation that the member has failed to respect, the time period within which the member may correct the failure, and the penalty to which the member is liable.

This time period may not be below 30 days or above 60 days, and begins to run from the date on which the notice is received.

Continuing education hours completed after such a failure may only be granted for the reference period during which the failure occurred.

**15.** The Order shall send a final notice to any member who has not corrected a failure within the time period prescribed by the Order, requiring the member to comply within an additional time period of 15 days from the date on which the final notice is received.

**16.** When a member does not correct the situation described in the notice within the time period prescribed pursuant to section 15, the Order shall suspend the member's public accountancy permit and inform the member of the suspension in writing.

**17.** The public accountancy permit shall remain suspended until the member concerned provides the Order with proof that he or she has met the requirements set out in the notice referred to in section 15, and until the suspension has been lifted by the Order.

**SECTION VI**  
FINAL PROVISION

**18.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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**Index**Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified

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