

(a) an up-to-date version of the articles and by-laws of the joint-stock company in which he practices;

(b) an up-to-date register of shares of the joint-stock company;

(c) an up-to-date register of the directors of the joint-stock company;

(d) any shareholders' agreement and voting agreement and their amendments;

(e) the declaration of registration of the joint-stock company and any update thereof;

(f) the name of the principal officers of such joint-stock company and their residential address;

(2) if the member practices in a limited liability partnership:

(a) the declaration of registration of the partnership and any update thereof;

(b) the partnership agreement and any amendments;

(c) an up-to-date register of the partners of the partnership;

(d) where applicable, an up-to-date register of the administrators of the partnership;

(e) the name of the principal officers of the partnership and their residential address.

CHAPTER III REVENUES

16. Where a member carries on his professional activities in a partnership or joint-stock company, the revenues resulting from the professional services he has rendered in and on behalf of such partnership or joint-stock company belong to such partnership or joint-stock company, unless it has been agreed otherwise.

The determination, billing and payment of fees shall be subject to the conditions prescribed by the Code of ethics of certified general accountants of Québec and the member shall be personally responsible for their application.

CHAPTER IV TRANSITIONAL AND FINAL PROVISIONS

17. A member of the Order who practices his profession in a partnership or joint-stock company set up for the purpose of practicing the profession before this regulation comes into force shall comply with it no later than one year following such date.

18. This Regulation shall come 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 General Accountants — Code of ethics — Amendments

Notice is hereby given in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1) that the "Regulation to amend the Code of Ethics of certified general accountants of Quebec", adopted by the Bureau of the Ordre des comptables généraux licenciés du Québec, may be submitted to the government, which may approve it with or without amendment upon the expiry of 45 days following this publication.

According to the Ordre des comptables généraux licenciés du Québec, the main purpose of the draft regulation is to adapt certain rules of ethics to the realities of the practice of the certified general accountant profession within a partnership or joint-stock company as provided by the Regulation respecting the practice of the certified general accountant profession within a partnership or joint-stock company.

The draft regulation has no impact on the economic burden of citizens and enterprises.

Further information may be obtained by contacting Mr. Gilles Nolet de l'Ordre des comptables généraux licenciés du Québec, 445, boulevard Saint-Laurent, bureau 450, Montréal (Québec) H2Y 2Y7; telephone: (514) 861-1823 or 1 800 463-0163; fax: (514) 861-7661.

Any interested person having comments to make is requested to send them, before the expiry of the 45-day period, to the President of the Office des professions du Québec, 800, place D'Youville, 10^e étage, Québec (Québec) G1R 5Z3. The comments will be forwarded by the Office to the minister responsible for the administration of legislation governing the professions. They may also be forwarded to the professional order that has adopted the regulation, as well as to the persons, departments, and agencies concerned.

GAÉTAN LEMOYNE,
Chairman of the Office des
professions du Québec

Regulation to amend the Code of ethics of certified general accountants of Québec

Professional Code
(R.S.Q., c. C-26, s. 87)

1. The Code of ethics of certified general accountants of Québec is amended by deleting from section 1.06 the words “or as to the nature of the activities or functions practised”.

2. The Code is amended by inserting, after section 1.06, the following provisions:

“**1.07.** A member who practices his profession in a joint-stock company within the meaning of the Civil Code of Québec, a partnership or joint-stock company covered by Chapter VI.3 of the Professional Code who is a partner, shareholder, director or officer of a partnership or joint-stock company must ensure that the partnership or joint-stock company complies with the Professional Code and the regulations thereunder.

1.08. The duties and obligations arising out of the Professional Code or a regulation thereunder are not amended or diminished by reason of the fact that a member practices his profession in a partnership or joint-stock company.”

3. Section 2.05 of the Code is repealed.

4. Section 2.07 of the Code is repealed.

5. Section 2.12 of the Code is repealed.

6. The Code is amended by inserting, after section 2.12, the following provisions:

“**2.13.** A member shall personally be in charge of managing any place of business of a partnership or joint-stock company advertising itself exclusively as a partnership or joint-stock company of certified general accountants.

2.14. A member who practices his profession within a general partnership which is not a limited liability partnership and of which not all of the partners are members of the Order, is subject to the conditions of the Regulation respecting the exercise of the profession of certified general accountant in a partnership or joint-stock company except with respect to the requirement of maintaining security for the partnership or joint-stock company.”

7. Section 3.04.01 of the Code is amended by the insertion at the end of the first sentence of the following terms: “, whatever his status in the partnership or joint-stock company in which he practices”.

8. Section 3.05.03 of the Code is amended:

(1) by replacing paragraph *b* by the following:

“(b) is in conflict of interest when he is acting within the scope of the law as an auditor with respect to a business, organization, partnership or joint-stock company in which he or a following persons has a financial interest or holds office as a director:

i. one of the partners, shareholders, directors or officers of the partnership or joint-stock company in which he practices his profession;

ii. the spouse, ascendant or descendant, brother or sister, as well as a relative by marriage of a person mentioned in *a* or *b*;

iii. his employer or employee.”; and

(2) by adding the following paragraph at the end:

“For the purpose of this section, “financial interest” does not include a fee or other remuneration for services rendered or a commercial transaction, provided that the transaction is conducted on the same terms and conditions as are normally allowed to other customers, in particular with respect to terms of payment.”

9. Section 4.01.01 of the Code is amended:

(1) by replacing the portion preceding paragraph *a* with the following:

“**4.01.01.** In addition to those acts referred to in the Professional Code (R.S.Q., c. C-26), it shall be derogatory to the dignity of the profession for any member:”; and

(2) by replacing paragraph *c* which the following:

“(f) to make an assignment of his assets or be the subject of a receiving order within the meaning of the Bankruptcy and Insolvency Act (R.S.C. (1985), c. B-3) or the joint-stock company of which he is the sole director and shareholder makes an assignment of its assets or is the subject of a receiving order within the meaning of the Bankruptcy and Insolvency Act by a final judgment of a court of competent jurisdiction.”.

10. The Code is amended by inserting the following sections, after section 4.01.01:

“**4.01.02.** It is also derogatory to the dignity of the profession of certified general accountant for a member who practices his profession in a partnership or joint-stock company:

(1) to fail to take reasonable measures to put an end to, or prevent to repeated performance of, an act derogatory to dignity of the profession of certified general accountant which has been performed by another person who engages in professional activities within the said partnership or joint-stock company and which has brought to his attention;

(2) to continue to engage in such activities within the said partnership or joint-stock company when, directors, shareholders, partners or employees practice a profession, carry on a trade, enterprise or business or hold an office or function that is inconsistent with the honour, dignity or practice of his profession;

(3) to continue to engage in such activities within the said partnership or joint-stock company when a person contemplated by paragraph *a* of subsection (1) of section 2 of the Regulation respecting the exercise of the profession of certified general accountant in a partnership or joint-stock company, who holds voting units or shares or who acts as director or officer of a partnership or joint-stock company, is struck off the roll or has his professional permit revoked.”.

4.01.03. Notwithstanding section 4.01.02, a member may exercise his profession in a partnership or joint-stock company in which a person referred to in subsection 3 of section 4.01.02 is struck off the roll of his professional corporation or its equivalent or has his permit revoked, provided the following conditions are met:

(1) the person in question ceases to hold office as director or officer of the partnership or joint-stock company within 10 days of the date of the penalty or of the date the measure imposed becomes enforceable or within any further delay authorized by the Bureau;

(2) the person in question ceases to attend any meeting of shareholders or to exercise his right to vote within 10 days of the date the penalty or of the date the measure imposed becomes enforceable or within any further delay authorized by the Bureau;

(3) the person in question disposes of his voting shares or units within 180 days of the date the penalty or of the date the measure imposed becomes enforceable or within any further delay authorized by the Bureau.

4.01.04. It is derogatory to the dignity of the profession for a member who practices his profession of certified general accountant within a partnership or joint-stock company which advertises itself or suggests that it is a partnership or joint-stock company governed by the Professional Code where it does not comply with the Professional Code or the Regulation respecting the exercise of the profession of certified general accountant in a partnership or joint-stock company.

4.01.05. It is derogatory to the dignity of the profession of certified general accountant for a member who enters into or allows to be entered into, within a partnership or joint-stock company of which he is a partner or shareholder, any agreement or understanding, and in particular a unanimous shareholders’ agreement, which impairs the independence, objectivity and integrity required for the exercise of his profession or compliance with the Professional Code and the regulations thereunder.”.

11. The Code is amended by inserting the following after section 6.01.02:

“**6.01.03.** A member may not allow the use of the graphic symbol of the Order by a partnership or joint-stock company which does not comply with the requirements or the Regulation respecting the exercise of the profession of certified general accountant in a partnership or joint-stock company.”.

12. This Regulation shall come into force on the fifteenth day following its publication in the *Gazette officielle du Québec*.