

(1) under the supervision of a person who meets the criteria of recognition provided for in section 3; and

(2) in keeping with the regulatory standards that apply to sexologists relating to ethics and the keeping of records and consulting rooms.

3. The supervisor must be a sexologist and have a minimum of 5 years of practical experience in the field of practice covered by the program of studies, the training or the training period.

In addition, the supervisor must not have been the subject, in the 5 years preceding the supervision, of a decision under section 55 of the Professional Code (chapter C-26) requiring the person to complete a period of refresher training or a refresher course or of a decision by the Order, the disciplinary council of the Order or the Professions Tribunal imposing the striking off the roll, or restriction or suspension of the right to engage in professional activities.

Despite the foregoing, where a person registered in a program of studies in sexology assesses sexual disorders, the criteria of recognition as a supervisor are those provided for in Schedule II to the Règlement sur une activité de formation des sexologues pour l'évaluation des troubles sexuels (chapter C-26, r. 221.1.001).

4. On request, the supervisor sends to the Order the contact information of the person he or she is supervising and the terms and conditions that apply to the supervisor.

DIVISION II SEXOLOGISTS

5. Within the scope of the training provided for in the Règlement sur une activité de formation des sexologues pour l'évaluation des troubles sexuels (chapter C-26, r. 221.1.001), a sexologist may assess sexual disorders under the supervision of a person who meets the criteria of recognition provided for in Schedule II to the Regulation to the extent that the performance of that activity is required in order for them to complete the training.

DIVISION III FINAL

6. This Regulation replaces the Regulation respecting certain professional activities that may be engaged in by persons other than sexologists (chapter C-26, r. 222.1.01).

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

106498

Draft Regulation

Professional Code
(chapter C-26)

Chartered professional accountants — Code of ethics of chartered professional accountants

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Code of ethics of chartered professional accountants, adopted by the board of directors of the Ordre des comptables professionnels agréés du Québec and appearing below, is published as a draft and may be examined by the Office des professions du Québec and submitted to the Government, which may approve it, with or without amendment, on the expiry of 45 days following this publication.

The Regulation replaces the Code of ethics of chartered professional accountants (chapter C-48.1, r. 6) and updates certain duties of the members of the Order in order to take into account the new realities of practice of the profession.

The Regulation has no impact on the public or on enterprises, including small and medium-sized businesses.

Further information on the Regulation may be obtained by contacting Christiane Vachon, Vice-President for Legal Affairs and Secretary, Ordre des comptables professionnels agréés du Québec, 5, place Ville-Marie, bureau 800, Montréal (Québec) H3B 2G2; telephone: 514 288-3256 or 1 800 363-4688; email: secretariat@cpaquebec.ca.

Any person wishing to comment on the Regulation is requested to submit written comments within the 45-day period to Annie Lemieux, Secretary, Office des professions du Québec, 800, place D'Youville, 10^e étage, Québec (Québec) G1R 5Z3; email: secretariat@opq.gouv.qc.ca. Comments will be forwarded by the Office to the Minister Responsible for Government Administration and Chair of the Conseil du trésor; they may also be forwarded to the Ordre des comptables professionnels agréés du Québec, as well as to interested individuals, departments and bodies.

ANNIE LEMIEUX

Secretary, Office des professions du Québec

Code of ethics of chartered professional accountants

Professional Code
(chapter C-26, ss. 87 and 94.1)

CHAPTER I PRELIMINARY PROVISIONS

1. This Code applies to chartered professional accountants regardless of how they practise the profession, whether they are employees, officers or members of a board of directors, whether or not they provide services to third parties, and whether or not they are remunerated.

The Code applies to chartered professional accountants in the practice of their professional activities in addition to all other applicable rules of conduct.

2. A chartered professional accountant's duties and obligations under the Chartered Professional Accountants Act (chapter C-48.1), the Professional Code (chapter C-26) and the regulations thereunder are in no way changed or reduced by the fact that he practises within an entity.

3. For the purposes of this Code, unless otherwise indicated by the context,

“firm” means any sole proprietorship operated by a chartered professional accountant for the purpose of providing services to third parties and any partnership or company formed for the purpose of providing such services that comprises at least one chartered professional accountant, whether it is a general partnership, an undeclared partnership or a limited liability partnership or joint-stock company within the meaning of Chapter VI.3 of the Professional Code (chapter C-26);

“client” means any natural person or any entity to whom or which a chartered professional accountant provides services with or without remuneration, whatever the contractual relationship, including an employment relationship, may be between them. A chartered professional accountant can provide services to the entity through which he practises or provide services to third parties;

“entity” means any form of organization, whatever its legal form may be;

“services” means the services defined in section 4 of the Chartered Professional Accountants Act (chapter C48.1) and the services that may or shall be performed by a chartered professional accountant pursuant to the provision of another Act.

For the purposes of this Code,

(1) services offered or provided by a chartered professional accountant to natural persons or to entities that are separate from the entity through which the chartered professional accountant practises are services offered or provided to third parties;

(2) the clients of the firm through which the chartered professional accountant practises, and those to whom the chartered professional accountant provides services, are deemed to be clients of the chartered professional accountant.

CHAPTER II GENERAL DUTIES

DIVISION I CONDUCT

4. A chartered professional accountant shall, at all times, act with honour, dignity, respect and courtesy and refrain from any form of discrimination. He shall avoid any method or attitude that is likely to damage the profession's reputation or the public's trust in the profession.

5. A chartered professional accountant shall take reasonable measures to ensure that the provisions of the Chartered Professional Accountants Act (chapter C-48.1), the Professional Code (chapter C-26) and the regulations thereunder are complied with by all persons with whom he works in the exercise of his professional activities.

When practising through a firm, he shall take all reasonable measures to ensure that the firm complies with those laws and regulations.

Similarly, he shall not urge a person to take any action that would contravene a provision of those laws and regulations.

6. A chartered professional accountant shall not permit others to carry out on his behalf acts which, if he carried them out himself, would contravene a provision of the Chartered Professional Accountants Act (chapter C-48.1), the Professional Code (chapter C-26) or a regulation thereunder.

7. A chartered professional accountant shall not participate in or contribute to the unlawful practice of the profession of chartered professional accountant or the unlawful use of any title, abbreviation or initials reserved or prohibited by the Chartered Professional Accountants Act (chapter C-48.1) or the Professional Code (chapter C-26).

8. A chartered professional accountant who holds a position of influence within an entity shall use his influence to encourage a corporate culture based on ethical behaviour and sound governance.

9. A chartered professional accountant shall not, by whatever means, do anything or allow anything to be done that constitutes coercion, constraint, intimidation, threats or harassment against any person with whom he interacts in the practice of his profession. In particular, instituting abusive legal proceedings or filing frivolous complaints constitutes intimidation.

10. A chartered professional accountant shall not, in any way, exploit or participate in the exploitation of any person.

11. A chartered professional accountant shall not solicit clients in any way that tends to lower the standard of dignity of the profession. More specifically, he shall not urge anyone pressingly or repeatedly to retain his professional services.

12. A chartered professional accountant shall avoid performing multiple professional acts without sufficient reason or performing professional acts that are not required for or are disproportionate to the nature of the services he provides.

13. A chartered professional accountant shall take reasonable care of any property and documents entrusted to him in the practice of his profession.

14. A chartered professional accountant who receives, handles or holds money or securities as a trustee, guardian, administrator, mandator or liquidator shall maintain such records as are necessary to account for his management, custody, mandate or contract.

The money or securities thus received, handled or held shall be kept in a separate account or accounts in a financial institution.

Except when specifically authorized in writing by the person who entrusted such money or securities to him, a chartered professional accountant shall not use, transfer, withdraw or otherwise employ such money or securities as payment for his fees or for purposes other than those for which they were entrusted.

15. In addition to the acts derogatory to the profession mentioned in the Professional Code (chapter C26), derogatory acts include, for a chartered professional accountant, being subject

(1) to a final decision by a court finding the chartered professional accountant guilty of an offence under any tax Act, any securities Act or an anti-money laundering or anti-terrorist financing Act in Canada or abroad, or under a regulation thereunder; or

(2) to a final decision by an administrative body finding that the chartered professional accountant has contravened a tax Act, a securities Act or an anti-money laundering or anti-terrorist financing Act in Canada or abroad, or a regulation thereunder.

A chartered professional accountant subject to such a decision shall inform the syndic, in writing, within 10 days following the decision.

16. The conduct of a chartered professional accountant who makes an assignment of property or against whom a receiving order is made under the Bankruptcy and Insolvency Act (R.S.C. 1985, chapter B-3) is deemed to be derogatory to the dignity of the profession. The same applies when an entity of which the chartered professional accountant is the sole director or the principal shareholder makes an assignment of property or when a receiving order is made against it under the Bankruptcy and Insolvency Act.

This may be rebutted if the chartered professional accountant shows that the situation that led to the bankruptcy does not result from the chartered professional accountant's incompetence, neglect in the conduct of his business, or fraud and if the protection of the public is not compromised.

A chartered professional accountant in one of the situations referred to in the first paragraph shall inform the syndic in writing within 10 days following the date on which the situation occurred.

DIVISION II COMPETENCE

17. A chartered professional accountant shall act with due care and fulfill his obligations in accordance with good practices and the applicable laws and standards. Among those standards are the ones included in the CPA Canada Handbook.

18. A chartered professional accountant shall develop and upgrade his competencies and keep them up to date based on the latest developments in the profession, good practices, the laws, and the standards applicable to the fields in which he practises.

19. A chartered professional accountant shall consider the extent of his competencies, with respect to the services he intends to provide, the time required to provide them

and the means available to him. He shall not, in particular, provide services for which he is insufficiently prepared or for which he does not have the required competencies without obtaining the necessary assistance. If the interest of the client so requires, he shall, with the authorization of such client, consult another chartered professional accountant, another professional or another competent person, or refer the client to one of these persons.

20. A chartered professional accountant avoids any misrepresentation with respect to his level of competence or the efficiency of his own services, the professional services generally performed by the other persons who carry out their professional activities within the entity within which he practises, or the services generally provided by chartered professional accountants.

21. A chartered professional accountant shall keep, in his records, the reasons supporting a document produced for the client or recommendations made to the client.

22. A chartered professional accountant exercises appropriate supervision over any person for whom he is immediately responsible and offers adequate support for all students and trainees for whom he acts as a mentor or training supervisor.

23. A chartered professional accountant shall not practise in a situation or conditions likely to reduce the quality of his services or damage the profession's reputation or the public's trust in the profession.

DIVISION III INTEGRITY

24. A chartered professional accountant acts at all times with integrity, honesty and probity.

25. A chartered professional accountant shall not participate in an act involving fraud, collusion, corruption, malfeasance, breach of trust, influence peddling, money laundering or terrorist financing.

26. A chartered professional accountant shall not prepare, produce or sign any statement, letter, attestation, opinion, report, representation, financial statement, notice or other affirmation or document out of complacency or which he knows, or should know

- (1) contains false or misleading information;
- (2) omits or dissimulates information, when the omission or dissimulation is likely to deceive; or
- (3) contains information that does not comply with the applicable good practices, laws, or standards.

Similarly, he shall not associate his name with such statements or documents.

DIVISION IV OBJECTIVITY AND INDEPENDENCE

27. A chartered professional accountant shall remain objective, retain a critical mindset and remain free of all bias likely to affect the quality of his professional judgment. He cannot subordinate his professional judgment to pressure of any kind.

28. A chartered professional accountant shall comply, where applicable, with the independence standards provided for in Rule 204 of the CPA Code of Professional Conduct adopted on 20 June 2016 by CPA Canada's Public Trust Committee, and any subsequent amendments thereto.

For the application of the standards, a related business or practice includes any entity that, in a reasonable and informed person's view

(1) controls the firm, is controlled by the firm or is subject to the same joint control as the firm;

(2) exercises a notable influence over the firm or is subject to notable influence by the firm; or

(3) has any ongoing economic association with the firm.

For the purposes of the second paragraph, "firm" has the meaning given in the independence standards.

DIVISION V CONFLICT OF INTEREST

§1. *General provisions*

29. A chartered professional accountant must avoid placing himself in a situation of conflict of interest, whether real or apparent. He must take appropriate steps to identify potential conflicts of interest and prevent any conflict of interest that may result from them.

A chartered professional accountant has a conflict of interest, in particular, when there is a risk that his own interests, those of another client, those of a former client or those of a person with whom he has a direct or indirect connection will adversely affect his duties and professional obligations towards his client.

When a chartered professional accountant provides services to third parties through a firm, situations of conflict of interest shall, in addition, be assessed with respect to the firm and all its clients.

30. A chartered professional accountant shall, as soon as he discovers that he is in a real or apparent situation of conflict of interest, decline to act, decline to take part in any decision or cease to act, except if he can resolve the conflict by applying safeguards and has obtained the consent of his client or clients.

31. To decide any question concerning a conflict of interest or to assess the effectiveness of the safeguards, a chartered professional accountant shall, in particular, take into account,

- (1) the need to fulfill his duties and professional obligations;
- (2) the protection of the public and the safeguarding of public trust in the profession;
- (3) the nature of the conflict of interest situation;
- (4) the nature of the interests at stake.

A chartered professional accountant must also take into account

- (1) when providing services to the entity in which he practises, the positions he holds and the decisions he may be called upon to make;
- (2) when providing services to third parties, the nature of those services, the size and structure of the firm and the precautions taken to prevent access to confidential information about the clients concerned by the conflict of interest.

32. A chartered professional accountant who observes a conflict of interest and applies safeguards shall keep the following information and documents in his records:

- (1) the nature of the conflict of interest identified;
- (2) the safeguards applied and the reason why they are expected to resolve the conflict of interest;
- (3) the date and a description of the disclosure made to every client concerned and the document confirming the consent obtained in accordance with section 30.

§2. Gifts, hospitality and other advantages

33. A chartered professional accountant shall refrain from accepting any gift, hospitality or other advantage in connection with his practice that is likely to have a real or apparent influence over his objectivity or place him in a situation where he feels indebted to the donor.

Similarly, he shall refrain from offering any advantage that is likely to influence the objectivity of the person receiving it or place that person in a situation where he would feel indebted to him.

§3. Referral of clients and recommendation of products or services and commissions

34. A chartered professional accountant shall act prudently and with all necessary care when referring his client to another person or another entity for the provision of goods or services.

35. A chartered professional accountant may receive or pay a commission, directly or indirectly, in the following cases, provided he can prevent a conflict of interest by applying safeguards

- (1) when referring a client to the services of another person or entity;
- (2) when selling to a client the product or service of another person or entity;
- (3) when obtaining a client from another person or entity.

He shall, in such a case,

- (1) inform the client in writing of the existence of the commission;
- (2) inform the client of the existence of other products or services of the same nature.

For the purposes of this subdivision,

“client” includes the entities related to a client;

“commission” means any compensation, discount, benefit or other advantage, whether monetary or not.

36. Notwithstanding 35, a chartered professional accountant shall not, when he or his firm provides a client with assurance services, receive a commission directly or indirectly when

- (1) referring the client to the services of another person or entity;
- (2) selling to the client the product or service of another person or entity;
- (3) recommending a product or service of the client to another person or entity.

Similarly, a chartered professional accountant shall not pay a commission, directly or indirectly, in order to obtain a client for the purpose of offering assurance services to that client.

37. A chartered professional accountant, depending on the case, who receives or pays a commission pursuant to section 35 shall keep, in his records

(1) the nature and the amount or value of the commission received or paid;

(2) the written disclosure to the client and the additional verbal information given to the client, in particular concerning the existence of products or services of the same nature or concerning the measures implemented, if any;

(3) the name of the person or entity that paid a commission or to which a commission was paid.

38. Sections 35 to 37 do not apply

(1) when a chartered professional accountant practising through a firm controlled by chartered professional accountants refers a client to the services of a person practising through the same firm or a firm in the same network, or to the services of another chartered professional accountant who is a sole practitioner or practises through a firm controlled by chartered professional accountants. The same applies when a chartered professional accountant obtains a client from such a person or other chartered professional accountant;

(2) to the bulk sale or purchase of the client list or partial client list of a chartered professional accountant or firm.

For the purposes of subparagraph 1 of the first paragraph, “network” has the meaning given in the independence standards referred to in section 28.

DIVISION VI CONFIDENTIALITY AND PROFESSIONAL SECURITY

39. A chartered professional accountant is bound by professional secrecy and shall not disclose confidential information that becomes known to him in the practice of his profession, unless he is authorized to do so by the client or by an express provision of law.

A chartered professional accountant shall also apply discretion with respect to any information concerning his clients, whether or not that information is protected by professional secrecy.

40. At every stage in the process of preparing, storing and forwarding information, a chartered professional accountant shall take reasonable steps, in particular with respect to the persons working with him, to protect all confidential information obtained or brought to his knowledge in the practice of his profession.

41. A chartered professional accountant shall, when communicating information protected by professional secrecy in accordance with section 60.4 of the Professional Code (chapter C-26),

(1) communicate only such information as necessary to achieve the purpose for which the information is communicated;

(2) communicate the information only to the person or authority to whom or to which such information may be communicated;

(3) use a method of communication that ensures the confidentiality of the information under the circumstances;

(4) inform the person to whom the information is communicated that it is protected by professional secrecy;

(5) record the following information as soon as possible:

(a) the purpose of the communication, the supporting reasons, the date and time of the communication, the name of the person who received the communication and the method of communication used;

(b) whether he contacted the client before making the communication or, where applicable, the reasons for which he did not contact the client.

42. A chartered professional accountant shall not make use of confidential information in a manner which may be prejudicial to a client or with a view to obtaining directly or indirectly, a benefit for himself or for another person.

CHAPTER III DUTIES TOWARDS THE CLIENT

DIVISION I GENERAL PROVISIONS

43. A chartered professional accountant shall act in a way that establishes and maintains a relationship of mutual trust with his client.

44. A chartered professional accountant shall display reasonable availability and diligence.

45. When the consent of his client is required pursuant to this Code, a chartered professional accountant shall provide the client with all the information needed to gather a full understanding of the situation in order to give free and enlightened consent.

When consent is given verbally, a chartered professional accountant shall confirm the client's consent in writing as soon as possible.

46. A chartered professional accountant shall pay particular attention and take particular care to ensure the client's understanding and consent, especially in the case of a person who is potentially vulnerable because of his or her age or state of health.

47. Although a chartered professional accountant may receive instructions from a client's representative, the chartered professional accountant shall act for the client and serve and protect the client's interests.

48. A chartered professional accountant shall decline to act on a client's instructions if he has reasonable grounds to believe that the client is incapable and that the actions requested may cause the client to suffer a significant financial or material loss.

49. A chartered professional accountant shall refrain from intervening in the personal affairs of his client on matters not generally acknowledged to be within the scope of the profession.

50. A chartered professional accountant shall notify his client of any problematic situation of which he becomes aware while providing services and of which the client needs to be informed, including

- (1) any fact or omission which, to the best of his knowledge, may constitute an offence under a law or regulation;
- (2) a significant error in a financial statement or any other document;
- (3) a situation which, if not corrected, may lead him to contravene section 26.

If the client is an entity, the chartered professional accountant must give such notification to an appropriate person within the entity, such as the representative of the entity with whom the chartered professional accountant deals when providing services or the chartered professional accountant's immediate superior, if he is employed by the entity. If the chartered professional accountant subsequently becomes aware of the client's failure to rectify the situation, the chartered professional accountant shall notify the appropriate hierarchical authority within the entity.

Notwithstanding the second paragraph, a chartered professional accountant involved in the performance of a contract for professional services shall give such notification to the chartered professional accountant responsible for the contract or its supervision.

51. A chartered professional accountant shall respect a client's right to consult another chartered professional accountant, a member of another professional order or any other person at the client's choice.

52. A chartered professional accountant cannot exclude, or attempt to exclude, his professional liability. It is specifically prohibited for him to

- (1) accept a waiver that relieves him, in whole or in part, of his professional liability for a fault committed in the practice of his profession;
- (2) accept a waiver that relieves, in whole or in part, the firm through which he practises his profession of the liability it may incur for a fault committed by him;
- (3) invoke against the client the liability of the firm through which he practises his profession.

The first paragraph does not prevent the making of a transaction to settle a dispute.

DIVISION II

CONTRACT FOR PROFESSIONAL SERVICES

53. This Division applies only when a chartered professional accountant provides services to third parties.

54. A chartered professional accountant shall determine with his client the conditions, terms and scope of the contract for professional services. He shall provide the explanations needed for the client to understand and assess the services offered, and obtain the client's consent.

A chartered professional accountant shall, when expecting some of the services under the contract to be performed by a person who does not practise through the same firm, inform the client of that fact and obtain the client's consent.

55. A chartered professional accountant shall answer a client's questions about the performance of the contract and inform the client of any major change that may affect performance.

56. A chartered professional accountant who ceases to act on behalf of a client shall take reasonable steps to avoid causing prejudice to the client.

However, despite the prejudice the client may sustain, a chartered professional accountant may, on serious grounds, cease to act for a client. Such serious grounds include

- (1) loss of confidence between the chartered professional accountant and the client;
- (2) inducement by the client to perform unlawful, dishonest or fraudulent acts;
- (3) the need for the chartered professional accountant to end the contract in order to comply with a provision of this Code;
- (4) failure by the client to cooperate and provide the chartered professional accountant with the information needed to perform the contract;
- (5) a refusal by the client, after receiving the fee invoice and at least one notice of default, to pay expenses and fees or make a provision in order to pay them.

Before ceasing to act on behalf of a client, the chartered professional accountant shall give such client reasonable advance notice of withdrawal.

DIVISION III ACCESS TO RECORDS AND RECTIFICATION

57. This Division applies only when a chartered professional accountant provides services to third parties.

58. A chartered professional accountant shall, on a timely basis and at his client's request, allow the client or any person authorized by the client in writing to take cognizance of the documents concerning the client in any file developed in connection with him. He shall, when requested by the client, provide a copy of such documents in the form best suited to the client's interests. A reasonable fee may be charged for reproducing or forwarding such documents.

However, the first paragraph does not require a chartered professional accountant to

- (1) disclose techniques, methods or processes that he has developed and that remain confidential;
- (2) reveal assurance programs or procedures to the client, except to allow another chartered professional accountant who will continue his work in an assurance engagement to become familiar with the case, to a reasonable degree, to allow that chartered professional accountant to perform his professional duties in accordance with the applicable standards.

59. A chartered professional accountant shall, on a timely basis and following a written request from his client, respond to a request to correct or delete information made in accordance with section 60.6 of the Professional Code (chapter C-26).

He shall, however, decline to act if

- (1) the request concerns elements that are needed for the performance of the contract, that depend on his professional expertise or that rely on his professional judgment, and he considers that the request is not justified;
- (2) the correction or deletion requested would force him to contravene good practices, the law or the applicable standards.

A chartered professional accountant who declines a request for correction or deletion made pursuant to section 60.6 of the Professional Code shall inform the client in writing, giving the reasons for declining.

A chartered professional accountant shall act on a request from a client to add the client's written comments to the record.

60. A chartered professional accountant who ceases to act for a client shall, even if his fees have not been paid,

- (1) facilitate the transfer of the documents referred to in section 58 to his successor, on a timely basis, and collaborate with the successor based on the client's instructions;
- (2) return to the client all the client's documents and property or, based on the client's instructions, transfer them to his successor;
- (3) where applicable, render account to the client of all the funds he holds or has held in trust for the client in connection with the contract on which he ceases to act, including the reimbursement of any advance;
- (4) inform the client without delay of the fees and expenses that remain unpaid.

DIVISION IV PROFESSIONAL FEES

61. This Division applies only when a chartered professional accountant provides services to third parties on payment of professional fees.

62. A chartered professional accountant shall, before agreeing to provide services, ensure that his client has all relevant information about the financial terms of the

contract, including the invoicing method, and is informed about the approximate and foreseeable cost of the services to be provided. He shall obtain his client's consent to those terms.

If, in the course of the contract, he observes that the approximate cost is likely to be exceeded, he shall inform his client, in writing, as soon as possible.

63. A chartered professional accountant shall obtain sufficient information before proposing a fee for providing a service.

64. A chartered professional accountant shall only charge or accept fair and reasonable fees.

The same applies to advances charged to the client.

Fees or advances are fair and reasonable when they are justified by the circumstances and proportionate to the services provided.

65. When setting his fees, a chartered professional accountant shall take one or more of the following factors into account:

- (1) his experience or expertise;
- (2) the time devoted to the performance of the contract;
- (3) the specific difficulty of the engagement or the provision of unusual services or services that require unusual skills or speed;
- (4) the degree of risk and responsibility inherent in the contract.

66. A chartered professional accountant shall keep his client informed of the progress of the contract and invoice his client regularly.

67. A chartered professional accountant shall provide his client with all the explanations necessary to understand his account for fees and ensure that it clearly identifies the services provided.

When services are provided at an hourly rate, he shall be able, if requested by the client, to specify the number of hours devoted to each service.

68. A chartered professional accountant remains responsible for the application of the rules relating to the setting, invoicing and payment of the fees resulting from the services he provides through a firm.

69. A chartered professional accountant who wishes to agree with his client on a contingent fee shall ensure that this invoicing method does not impair his duty of objectivity or deviate from the independence standards referred to in section 28.

A contingent fee is a fee payable only where a specified result of the service is obtained, or determined by reference to the result of the service.

70. Before beginning to provide services, a chartered professional accountant who requires the payment of a contingent fee shall obtain written consent from his client concerning the way in which it is set.

71. A chartered professional accountant who agrees with his client on remuneration based on a contingent fee shall keep the following information and documents in his records:

(1) the agreement describing the nature of the contract, the fee agreed upon and the outcome on which it depends;

(2) the grounds on which the chartered professional accountant concerned has concluded that this remuneration method does not impair his duty of objectivity;

(3) the measures put in place to protect against the risk of a lack of objectivity, if any;

(4) the client's consent.

72. When a syndic or another representative of the Ordre des comptables professionnels agréés du Québec requests an explanation or information about a contract, a chartered professional accountant shall not claim the fees related to the request from the client.

CHAPTER IV DUTIES AND OBLIGATIONS TO THE PROFESSION

DIVISION I PROVISIONS APPLICABLE TO PRACTICE THROUGH A FIRM

73. A chartered professional accountant shall not practise through a firm

(1) in which persons engage in acts that are derogatory to the honour or dignity of the profession;

(2) in which directors, shareholders, partners or employees practise a profession, carry on a trade, enterprise or business or hold an office or function that is incompatible with the dignity or practice of the profession;

(3) in which a person who holds partnership or company shares with voting rights or acts as a director or officer is struck off the roll of a professional order or has his professional permit revoked.

74. Notwithstanding paragraph 3 of section 73, a chartered professional accountant is authorized to exercise his professional activities through a firm referred to in that paragraph provided the person also referred to therein

(1) ceases to be a director or officer of the firm within 10 days from the date on which the penalty or measure imposed becomes executory;

(2) ceases to attend all shareholder meetings and to exercise, directly or indirectly, his right to vote within 10 days from the date on which the penalty or measure imposed becomes executory;

(3) disposes of his partnership or company shares with voting rights in the firm within 180 days from the date on which the penalty or measure imposed becomes executory.

75. A chartered professional accountant shall not conclude or allow to be concluded, at a firm holding itself out to be a partnership or company of chartered professional accountants offering public accountancy services, any agreement, particularly a unanimous shareholders' agreement, that impairs the independence, objectivity and integrity necessary to provide public accountancy services or that could lead chartered professional accountants to violate the Chartered Professional Accountants Act (chapter C-48.1), the Professional Code (chapter C-26) or the regulations made thereunder.

DIVISION II RELATIONS WITH THE ORDER

76. For the purposes of this Division, "Order" means any person or body acting on behalf of the Order, including the secretary, a manager, the board of directors or executive committee or a member thereof, an inspector, an investigator, a syndic, an assistant syndic, a syndic ad hoc, an employee of the Order, a committee set up by the board or a member of such a committee, and any other person with a mandate from any such person or body.

77. A chartered professional accountant shall refrain from hindering, harassing, intimidating, threatening or denigrating the Order in any way.

He shall cooperate with the Order and respond, personally and without undue delay, to any communication from the Order, using the means of communication determined by the Order.

78. A chartered professional accountant shall respect his commitments towards the Order, whether made verbally or in writing.

79. A chartered professional accountant shall ensure the accuracy and integrity of the information he provides to the Order. He shall make no declaration he knows or should know to be false, erroneous, incomplete or likely to deceive.

80. A chartered professional accountant shall, without delay, notify the Order in writing of any change in

(1) the class of member to which he belongs for assessment purposes or the application of a regulation or by-law of the Order;

(2) his home address, the address of the place or places where he practises, and the address to which correspondence should be sent, if different;

(3) his email address;

(4) his personal and professional telephone numbers.

Before beginning to practise by offering services to third parties, a chartered professional accountant shall inform the Order in writing and specify the name of the firm through which he will provide such services. The same applies to a chartered professional accountant who begins or resumes the practice of public accountancy.

81. A chartered professional accountant shall inform the syndic of the Order when he has reasonable grounds to believe that another chartered professional accountant

(1) is unlawfully holding or using money or other property held in trust;

(2) has participated in an unlawful act while practising;

(3) has failed to comply with the conditions of his permit or the limits imposed on his right to practise;

(4) has engaged in any conduct calling his integrity or competence into question;

(5) has performed an act of a nature or seriousness that may compromise the protection of the public.

82. A chartered professional accountant shall inform the secretary of the Order when he has reasonable grounds to believe that another chartered professional accountant

(1) has abandoned files after ceasing to practise;

(2) is in a physical or mental state that is incompatible with the practice of the profession.

83. A chartered professional accountant shall inform the secretary of the Order when he has reasonable grounds to believe that a candidate for the practice of the profession

(1) has engaged in any conduct that calls his integrity into question, is derogatory to the honour or dignity of the profession, or calls into question his suitability for admission to the profession;

(2) is in a physical or mental state that is incompatible with the practice of the profession.

84. A chartered professional accountant who has been served notice of a complaint or is informed of an inquiry regarding his conduct or professional competence cannot communicate, directly or indirectly, with the complainant without first obtaining written permission from the syndic or the syndic responsible for the inquiry.

He shall not harass, intimidate, threaten or in any way attempt to influence the complainant, a witness or any other person involved in the events relating to the inquiry or complaint.

The following are deemed to constitute intimidation or undue influence:

(1) instituting judicial proceedings related to the request for an inquiry or the filing of a complaint, except if they concern a claim for professional fees;

(2) including, in a transaction, a commitment by the complainant to cease cooperating with the syndic.

For the purposes of this section, “complainant” means any person who submits information to a syndic alleging that a chartered professional accountant has committed an offence referred to in section 116 of the Professional Code (chapter C-26).

85. A chartered professional accountant who no longer meets the conditions for acting as a training employer in accordance with the Règlement sur les autres conditions et modalités de délivrance des permis de l’Ordre des comptables professionnels agréés du Québec (chapter C-48.1, r. 5.2) or the Regulation respecting the public accountancy permit of the Ordre des comptables professionnels agréés du Québec (chapter C-48.1, r. 26.1) shall, without delay, inform the Order in writing as well as any candidate for the practice of the profession for whom he is acting as the training employer. The same applies when he

is informed, as a training employer, that the work environment where a training period is taking place no longer meets the requirements set out in those regulations.

DIVISION III RELATIONS WITH OTHER CHARTERED PROFESSIONAL ACCOUNTANTS, STUDENTS AND TRAINEES

86. A chartered professional accountant shall not damage the reputation of the profession or denigrate the competence, behaviour or quality of the services of another chartered professional accountant or person legally authorized to practise the profession outside Québec. He shall also avoid any disloyal conduct or behaviour likely to betray their good faith or abuse their trust.

87. A chartered professional accountant shall, in his relations with other chartered professional accountants, students and trainees, act with dignity, integrity, courtesy, cooperativeness and respect.

88. Before accepting a public accountancy engagement where he is replacing another chartered professional accountant, the chartered professional accountant shall communicate with such chartered professional accountant to verify whether there are any circumstances he should take into account before accepting the engagement.

A chartered professional accountant shall, when he is informed that the other chartered professional accountant has withdrawn from the engagement, resigned or been dismissed, ask the other chartered professional accountant the reason for the withdrawal, resignation or dismissal and obtain the information needed to make an enlightened decision. For this purpose, he shall ask his potential client to release the other chartered professional accountant from his obligation of professional secrecy in order to receive the information.

89. A chartered professional accountant shall cooperate with the chartered professional accountant who is to succeed him in a public accountancy engagement and respond on a timely basis to his requests. He shall inform the chartered professional accountant if he has withdrawn from the engagement, resigned or been dismissed and, with the client’s authorization, give the reason for the withdrawal, resignation or dismissal.

DIVISION IV PROVISIONS RESPECTING ADVERTISING

90. For the purposes of this Division, “advertising” means any representation made by chartered professional accountants concerning their professional qualities or

services, including their cost and quality, regardless of the type of media used, provided such representations are accessible to their clients, the public or potential clients.

91. A chartered professional accountant shall not advertise, or have advertised, in any manner whatsoever, material that is false, misleading, incomplete or likely to deceive, or that is derogatory to the honour or dignity of the profession.

92. A chartered professional accountant shall not, in his advertising, use information from a professional inspection file that concerns him or the firm through which he practises.

93. A chartered professional accountant who engages in advertising about the cost of his services shall ensure that it indicates

- (1) the nature and scope of the services provided in return for each fee advertised;
- (2) the additional services that may be required but that are not included in the cost;
- (3) the other amounts or fees that may be added to the cost.

Such details and indications shall be sufficient to appropriately inform a person with no specific knowledge of the field of practice about the services provided and the cost of such services.

A chartered professional accountant shall abide by the costs advertised during the period specified in the advertising or for a minimum period of 90 days after they were last published. However, he may agree with the client on a price below the price advertised.

94. A chartered professional accountant shall keep, for a period of 12 months,

- (1) a complete copy of all advertising in its original format, along with any changes made;
- (2) details on the media used for the advertising;
- (3) the date on which the advertising was published or, if applicable, was modified or withdrawn.

DIVISION V NAME

95. A chartered professional accountant shall not provide services to third parties under a name or designation that is misleading, derogatory to the honour or dignity of the profession or is a numbered name.

96. A chartered professional accountant shall, in every document, opinion or report in which he presents himself as being a chartered professional accountant, use the name under which he is entered on the roll of the Order.

97. A chartered professional accountant shall ensure that in every document, opinion or report he issues in the practice of public accountancy is identified by his public accountancy permit number or by his name followed only by the abbreviations and titles referred to in section 7 of the Chartered Professional Accountants Act (chapter C-48.1).

If the document, opinion or report is issued as part of a compilation engagement not intended exclusively for internal management purposes, a chartered professional accountant permit number may be used to identify the chartered professional accountant concerned.

DIVISION VI GRAPHIC SYMBOL OF THE ORDER

98. A chartered professional accountant providing services to third parties may, if authorized by the Order, use the graphic symbol of the Order in his advertising or in combination with his professional title, provided

- (1) the symbol used conforms to the graphic symbol registered by the Order as its official mark;
- (2) the chartered professional accountant concerned complies with the conditions of the undertaking that he entered into with the Order concerning the use of the graphic symbol;
- (3) the use of the graphic symbol of the Order does not lead to the belief that the advertising originates from the Order.

99. A chartered professional accountant who is authorized to use the graphic symbol of the Order in accordance with section 98 may allow the firm through which he practises to use the symbol, provided the firm complies with the conditions of that section and is

- (1) a sole proprietorship operated by a chartered professional accountant;
- (2) a general partnership or undeclared partnership controlled in a proportion of over 50% by chartered professional accountants; or
- (3) a limited liability partnership or joint-stock company of chartered professional accountants referred to in section 1 of the Regulation respecting the practice of the chartered professional accountancy profession within a partnership or a joint-stock company (chapter C-48.1, r. 16).

CHAPTER V
FINAL PROVISIONS

100. This Code replaces the Code of ethics of chartered professional accountants (chapter C-48.1, r. 6).

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

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