



5th SESSION, 64th GENERAL ASSEMBLY
Province of Prince Edward Island
63 ELIZABETH II, 2014

CHAPTER 2

(Bill No. 15)

Chartered Professional Accountants and Public Accounting Act

Honourable Janice A. Sherry
Minister of Environment, Labour and Justice and Attorney General

GOVERNMENT BILL

MICHAEL D. FAGAN
Queen's Printer
Charlottetown, Prince Edward Island

CHAPTER 2

Chartered Professional Accountants and Public Accounting Act

(Assented to November 27, 2014)

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

Interpretation

1. (1) In this Act

- | | Definitions |
|--|------------------------------------|
| (a) “accounting firm” means
(i) the person operating a sole proprietorship, or
(ii) the persons forming a partnership,
that is registered as an accounting firm pursuant to section 14; | accounting firm |
| (b) “bankrupt” means bankrupt as defined in the <i>Bankruptcy and Insolvency Act</i> (Canada); | bankrupt |
| (c) “Board” means the Board of Directors of CPA PEI; | Board |
| (d) “bylaws” means, except where otherwise stated, the bylaws of CPA PEI made by the Board under section 7; | bylaws |
| (e) “candidate” means an individual who is registered, or deemed to be registered, as a candidate pursuant to section 17; | candidate |
| (f) “CPA Certification Program” means the CPA Certification Program established by CPA Canada, which includes the following components:
(i) the CPA Professional Education Program,
(ii) the common final examination, and
(iii) qualifying practical experience; | CPA Certification Program |
| (g) “CPA PEI” means the corporation Chartered Professional Accountants of Prince Edward Island established under subsection 3(1); | CPA PEI |
| (h) “CPA Prerequisite Education Program” means the CPA Prerequisite Education Program established by CPA Canada; | CPA Prerequisite Education Program |
| (i) “inspector” means an inspector appointed pursuant to section 41; | inspector |
| (j) “license” means a license issued, or deemed to be issued, to
(i) a member pursuant to section 30, or
(ii) an accounting firm or professional accounting corporation pursuant to section 31; | license |

licensee	(k) “licensee” means a registrant who holds, or is deemed to hold, a license;
member	(l) “member” means, except where otherwise stated, an individual who is registered, or is deemed to be registered, as a member of CPA PEI under section 13;
Minister	(m) “Minister” means the Minister of Environment, Labour and Justice and Attorney General;
practice inspection committee	(n) “practice inspection committee” means the practice inspection committee appointed pursuant to subsection 40(1);
practice inspection program	(o) “practice inspection program” means the practice inspection program established in accordance with section 39;
professional corporation	(p) “professional accounting corporation” means a corporation registered, or deemed to be registered, as a professional accounting corporation pursuant to section 15;
public accountant	(q) “public accountant” means a member who holds, or is deemed to hold, a license to practise public accounting;
public accounting	(r) “public accounting” means any of the following: <ul style="list-style-type: none"> (i) the performance or offer to perform any of the following services for the public: <ul style="list-style-type: none"> (A) an assurance engagement as defined in the CPA Canada Handbook, (B) a specified auditing procedures engagement as defined in the CPA Canada Handbook, (C) a compilation engagement as defined in the CPA Canada Handbook, (D) an accounting service involving summarization, analysis, advice, counsel or interpretation, unless it is part of, but incidental to, the performer’s primary occupation, if other than accounting, (E) a forensic accounting, financial investigation or financial litigation support service, (ii) the provision or offer of opinion, advice, counsel or interpretation with respect to a taxation matter in conjunction with a service described in subclause (i), (iii) the preparation of, or offer to prepare, a tax return or other statutory information filing in conjunction with a service described in subclause (i);
registrant	(s) “registrant” means a member, a candidate, a student, an accounting firm or a professional accounting corporation;
Registrar	(t) “Registrar” means the person appointed as the Registrar pursuant to subsection 8(1);

(u) “student” means an individual who is registered, or deemed to be registered, as a student pursuant to section 16. student

(2) For greater certainty, the following are not considered public accounting: Not public
accounting

- (a) management consulting, including investigating and identifying management and business problems related to the policy, technical, organizational, operational, financial, systems, procedures or administrative aspects of organizations and recommending appropriate solutions;
- (b) administering insolvent or bankrupt companies or the estates of insolvent or bankrupt individuals, including acting on receiverships as a trustee in bankruptcy or acting in the liquidation and administration of insolvent or bankrupt companies and estates;
- (c) financial record keeping;
- (d) administratorship, insofar as it involves the management of affairs on behalf of others;
- (e) computer systems consulting;
- (f) business brokerage, or negotiating and advising on the sale, financing, merger or acquisition of business organizations;
- (g) executorship and estate administration;
- (h) personal financial planning;
- (i) investment counselling;
- (j) insurance counselling;
- (k) valuation.

(3) For greater certainty, the following persons doing the following activities are not considered to be practising public accounting: Not practising
public accounting

- (a) a person employed as an accountant or auditor performing functions of his or her employment with,
 - (i) a municipality as defined in the *Municipalities Act* R.S.P.E.I. 1988, Cap. M-13,
 - (ii) the Government of Prince Edward Island,
 - (iii) the Government of Canada, or
 - (iv) a Crown corporation;
- (b) a member, or an employee of an accounting firm or professional accounting corporation, assisting a public accountant in his or her practice, provided that the member or employee
 - (i) acts under the direct supervision of the public accountant, and
 - (ii) does not give opinion, advice, counsel or interpretation, whether verbally or in writing, to the public in relation to any service or activity described in clause (1)(r).

Purposes

2. The purposes of this Act are:

Purposes

- (a) to establish CPA PEI as a professional association and regulatory body;
- (b) to regulate practice as a chartered professional accountant, the provision or offer of the services of a chartered professional accountant and the use of associated designations;
- (c) to regulate the practice of public accounting, the provision or offer of the services of a public accountant and the use of associated designations;
- (d) to transition certain accounting professionals and entities from practising or providing services under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28 or *An Act to Incorporate the Society of Industrial Accountants of Prince Edward Island* S.P.E.I. 1951, Cap. 34 to practising or providing services under this Act.

PART I - CPA PEI

Establishment, Powers and Objects

CPA PEI established	3. (1) Chartered Professional Accountants of Prince Edward Island is hereby established as a body corporate to be known as CPA PEI.
Powers under the <i>Companies Act</i>	(2) CPA PEI has the same general powers as a company incorporated under the <i>Companies Act</i> R.S.P.E.I. 1988, Cap. C-14, except where such powers are inconsistent with this Act.
Powers by resolution	(3) CPA PEI may, by resolution of the Board and in accordance with the bylaws, <ul style="list-style-type: none"> (a) purchase, hold or dispose of any real or personal property for the purposes of CPA PEI; and (b) borrow money upon the credit of CPA PEI.
Extraordinary expenditure assessment	(4) CPA PEI may, with the approval of two-thirds or more of the members present at a special meeting held, in accordance with the bylaws, for the purpose of approving the same, assess its members for an extraordinary expenditure.
Objects	4. The objects of CPA PEI are: <ul style="list-style-type: none"> (a) to protect the public in relation to the services of chartered professional accountants and public accountants; (b) to protect and maintain the integrity of the accounting profession; (c) to regulate the practice and professional conduct of registrants and licensees in accordance with this Act, the regulations and the bylaws; (d) to promote and increase the knowledge, skill and proficiency of students, candidates and members; and

(e) to provide for the professional association and support of members.

5. CPA PEI shall hold an annual general meeting of the members, in accordance with the bylaws. Annual general meeting

Board of Directors

6. (1) The affairs and business of CPA PEI shall be under the management and control of a Board of Directors consisting of Board of Directors

(a) at least five members of CPA PEI elected in accordance with the bylaws; and

(b) at least one but not more than two public representatives who are not members of CPA PEI, nominated by the members of the Board referred to in clause (a) and appointed by the Minister.

(2) A person elected or appointed to the Board shall hold office for a term of two years but shall not hold office for more than three consecutive terms, except as permitted in the bylaws. Term

(3) Where a member of the Board who was elected ceases to hold office before his or her term expires, the Board may appoint a new member to hold office for the unexpired portion of the term. Vacancy

(4) Where a member of the Board who was appointed by the Minister ceases to hold office before his or her term expires, the Minister may appoint a new member, nominated by the members of the Board who were elected, to hold office for the unexpired portion of the term. Idem

Bylaws

7. (1) The Board may make bylaws not inconsistent with this Act or the regulations relating to the management and operation of CPA PEI, including bylaws Administrative bylaws

(a) respecting the rights and obligations of members in relation to the management and operation of CPA PEI, including voting rights and participation in committees of the Board;

(b) establishing the seal of CPA PEI;

(c) providing for the holding of an annual general meeting of the members of CPA PEI, quorum requirements and the conduct of such meetings;

(d) providing for the holding of special meetings of the members of CPA PEI, quorum requirements and the conduct of such meetings;

(e) respecting the circumstances in which a member of the Board may hold office for more than three consecutive terms;

(f) respecting the governance procedures of the Board;

- (g) respecting the appointment of the Registrar, and other officers, agents and employees of the Board;
- (h) respecting the qualifications, terms of office, powers, duties, remuneration and removal of the Registrar and other officers, agents and employees of the Board;
- (i) providing for the holding of meetings of the Board, quorum requirements and the conduct of meetings, including
 - (i) fixing the time and place for regular meetings,
 - (ii) determining who may call meetings,
 - (iii) regulating the conduct of meetings,
 - (iv) providing for emergency meetings, and
 - (v) regulating the notice required in respect of meetings;
- (j) respecting the establishment and operation of committees of the Board, including
 - (i) determining the composition, powers and duties of the committees, and
 - (ii) providing for the holding of meetings of committees, quorum requirements and the conduct of meetings of committees;
- (k) establishing the duties, remuneration and allowances of members of the Board and committees, and providing for the payment of necessary expenses of the Board and committees;
- (l) providing for the execution of documents by the Board;
- (m) providing procedures for the making, amending and revoking of bylaws;
- (n) establishing categories of membership for persons who are not authorized to practise as a chartered professional accountant under the Act;
- (o) providing for the transition of persons from categories of membership, other than those referred to in section 79, established in the bylaws of
 - (i) the Institute of Chartered Accountants of Prince Edward Island,
 - (ii) the Certified General Accountants Association of Prince Edward Island, or
 - (iii) Society of Management Accountants of P.E.I.;
- (p) providing for the appointment of fellows of CPA PEI;
- (q) establishing fees payable under this Act, including fees for
 - (i) membership for persons referred to in clause (n),
 - (ii) registration or a license,
 - (iii) annual registration,
 - (iv) the renewal of a license,
 - (v) a practice inspection,
 - (vi) the reinstatement of registration or a license; and
- (r) establishing penalties for late payment of fees.

(2) The Board may make bylaws not inconsistent with this Act or the regulations relating to practice as, and the provision or offer of services of, a chartered professional accountant, the practice of public accounting and the provision or offer of the services of a public accountant, including bylaws Professional bylaws

- (a) respecting the form of, and procedures for, applications under this Act;
- (b) respecting the information to be provided with an application under this Act;
- (c) respecting procedures for registration and the issuing of licenses;
- (d) respecting the form and content of certificates of registration and licenses;
- (e) respecting the register, including the form and content of the register and the information to be provided by registrants and licensees for the register;
- (f) specifying the date by which a member shall, each year,
 - (i) submit a report and declaration respecting his or her continuing professional development activities, and
 - (ii) pay the annual registration fee;
- (g) specifying the date by which a student, a candidate, an accounting firm or a professional accounting corporation shall, each year, pay the annual registration fee;
- (h) establishing or adopting requirements for participants in a program of qualifying practical experience;
- (i) establishing or adopting requirements for programs of qualifying practical experience;
- (j) respecting procedures and requirements for registrants to obtain approval to provide programs of qualifying practical experience;
- (k) respecting the practice inspection program;
- (l) establishing or adopting standards, codes or rules respecting practice, professional conduct and ethics; and
- (m) respecting actions or omissions of registrants and licensees that constitute professional misconduct or professional incompetence.

(3) A bylaw, an amendment to a bylaw or the revocation of a bylaw takes effect when passed by the Board, but is subject to ratification by the members of CPA PEI at the next annual general meeting, or at an earlier special meeting called, in accordance with the bylaws, to consider the bylaw, amendment or revocation. Bylaw to be ratified

(4) Where a bylaw, an amendment of a bylaw or the revocation of a bylaw is not ratified under subsection (3), at or before the next annual general meeting after it was made or revoked, Not ratified

- (a) in the case of a bylaw, it shall expire;

- (b) in the case of an amendment, the amendment shall be reversed and the bylaw shall read as it did immediately before the amendment was passed; and
- (c) in the case of a revocation, the bylaw shall be revived and read as it did immediately before the revocation.

Adoption of requirements, standards, codes or rules

(5) A bylaw made under subsection (2) that adopts requirements, standards, codes or rules may adopt such requirements, standards, codes or rules published by another professional body or government agency by reference, in whole or in part and with such changes as are considered necessary, and as amended from time to time.

Publicly available

(6) A bylaw made under subsection (2) and any requirement, standard, code or rule adopted by such bylaw shall be made available by the Board for public inspection on request and shall be posted on the CPA PEI website, if any.

Registrar

Appointment of Registrar

8. (1) The Board shall appoint a Registrar who shall hold office at the pleasure of the Board.

Register

(2) The Registrar shall keep a register in which he or she shall keep a record of all registrants and all licensees.

Available to public

(3) The Registrar shall make the register available to the public on request.

Delegation to Registrar

9. (1) The Board may delegate to the Registrar one or more of the Board's powers or duties under this Act related to receiving and considering applications, registering persons and issuing licenses to persons.

Terms and conditions

(2) The Board may impose terms and conditions that it considers appropriate on a delegation of its powers to the Registrar.

Acting Registrar

10. (1) Where the Registrar is unavailable or unable to act, the Board may appoint a person to act in the place of the Registrar.

Powers and duties while acting

(2) Where the Board appoints a person to act in the place of the Registrar, pursuant to subsection (1),

- (a) the person acting in the place of the Registrar may exercise the powers and shall perform the duties of the Registrar under this Act and the regulations, or as delegated by the Board, for the duration of the appointment; and
- (b) a reference in this Act or the regulations to the Registrar shall be read as a reference to the person acting in the place of the Registrar.

PART II – CHARTERED PROFESSIONAL ACCOUNTANTS

Prohibitions

11. (1) No person shall practise as a chartered professional accountant or hold himself or herself out as a chartered professional accountant except a member. Prohibition, practise as CPA

(2) No person operating a sole proprietorship, or persons operating in partnership, shall provide or offer to provide the services of a chartered professional accountant to the public except an accounting firm. Prohibition, services of CPA

(3) No corporation shall provide or offer to provide the services of a chartered professional accountant to the public except a professional accounting corporation. *Idem*

(4) No member shall provide or offer to provide his or her services as a chartered professional accountant to the public through or on behalf of a sole proprietorship or a partnership, unless the sole proprietorship or partnership, as the case may be, is an accounting firm. Prohibition, practise through partnership

(5) No member shall provide or offer to provide his or her services as a chartered professional accountant to the public through or on behalf of a corporation, unless the corporation is a professional accounting corporation. Prohibition, practice through corporation

12. (1) No person or persons shall use the designations “Chartered Professional Accountant” or “CPA”, “Chartered Professional Accountants”, “Fellow Chartered Professional Accountant” or “FCPA”, or the equivalent of any of them in a language other than English, except as permitted or required in this section. Prohibition, use of designations

(2) A member may use the designation “Chartered Professional Accountant” or “CPA” or the equivalent of either of them in a language other than English. Use of designations, member

(3) A member who has been appointed or deemed to be appointed as a fellow of CPA PEI in accordance with the CPA PEI bylaws may use the designation “Fellow Chartered Professional Accountant” or “FCPA” or the equivalent of either of them in a language other than English. Use of designations, fellow

(4) An accounting firm shall use the designation “Chartered Professional Accountant” or “Chartered Professional Accountants”, as applicable, or the equivalent of either of them in a language other than English, after its name. Use of designations, accounting firm

(5) A professional accounting corporation shall use the designation “Chartered Professional Accountant” or “Chartered Professional Use of designations, professional accounting corporation

Accountants”, as applicable, or the equivalent of either of them in a language other than English, after its name.

Offence (6) A person who contravenes section 11 or subsection 12(1), (4) or (5) is guilty of an offence and liable upon summary conviction to a fine of not more than \$10,000.

Registration as Member

Application for registration as member **13.** (1) An individual may apply to the Board, in the form approved by the Board, for registration as a member.

Qualifications for registration as member (2) Subject to subsection (3), the Board shall register an individual who applies under subsection (1) as a member and issue a certificate of registration to the individual, if the individual

- (a) satisfies the Board that he or she
 - (i) has completed the prescribed practical experience requirements,
 - (ii) has passed the prescribed examination,
 - (iii) is not bankrupt, and
 - (iv) meets any other prescribed requirements; and
- (b) pays the registration fees set out in the bylaws.

Transfer applicant (3) An applicant who satisfies the Board that he or she

- (a) is legally authorized to practise as a chartered professional accountant and use associated designations in another Canadian jurisdiction, without restriction; and
- (b) is in good standing with the organization or body governing practice as a chartered professional accountant and the use of associated designations in that other Canadian jurisdiction,

 is deemed to meet the requirements of subclauses (2)(a)(i) and (ii).

Terms and conditions of registration as member (4) The following terms and conditions apply to the registration of a member:

- (a) the member shall meet the prescribed requirements respecting continuing professional development and submit a report and declaration to this effect each year, in the form required by the Board, on or before the date specified in the bylaws;
- (b) the member shall pay the annual registration fee set out in the bylaws each year no later than the date specified in the bylaws;
- (c) the member shall not be bankrupt;
- (d) in the event that the member becomes bankrupt, the member shall notify the Board as soon as practicable but no later than 15 days after becoming bankrupt;
- (e) the member is subject to bylaws establishing or adopting standards, codes or rules for registrants respecting practice, professional conduct and ethics;

- (f) the member is subject to bylaws respecting actions or omissions of registrants that constitute professional misconduct or professional incompetence;
- (g) the member is subject to any terms or conditions imposed by the Board on the member's registration pursuant to section 20.

Registration as Accounting Firm

14. (1) The following persons may apply to the Board, in a form approved by the Board, for registration as an accounting firm for the purpose of practising as, or providing the services of, a chartered professional accountant:

Application for registration as accounting firm

- (a) a person forming a sole proprietorship;
- (b) two or more persons forming a partnership.

(2) The Board shall register persons who apply under subsection (1) as an accounting firm and issue a certificate of registration to the persons if the persons

Registration as accounting firm

- (a) satisfy the Board that
 - (i) where the applicant is a sole proprietor,
 - (A) the applicant is a member in good standing with CPA PEI, and
 - (B) any other prescribed requirements are met, or
 - (ii) where the applicants are partners in a partnership,
 - (A) the partnership is registered and in good standing under the *Partnership Act* R.S.P.E.I. 1988, Cap. P-1,
 - (B) each partner is either a member or a professional accounting corporation, in good standing with CPA PEI, and
 - (C) any other prescribed requirements are met; and
- (b) pay the registration fees set out in the bylaws.

(3) The following terms and conditions apply to the registration of an accounting firm:

Terms and conditions of registration as accounting firm

- (a) the accounting firm shall continue to meet the requirements in paragraphs (2)(a)(i)(A) and (B) or (2)(a)(ii)(A) to (C), as the case may be;
- (b) the accounting firm shall pay the annual registration fee set out in the bylaws each year no later than the date specified in the bylaws;
- (c) each person who provides or offers to provide his or her services as a chartered professional accountant, or provides or offers to provide the services of a chartered professional accountant, to the public through, or on behalf of, the accounting firm shall be a member or a professional accounting corporation, respectively, in good standing with CPA PEI;

- (d) in the case of a partnership, the accounting firm shall notify the Board as soon as practicable but no later than 15 days after any change occurs respecting the persons constituting the partnership or the status of its registration under the *Partnership Act*;
- (e) the accounting firm is subject to bylaws establishing or adopting standards, codes or rules for registrants respecting practice, professional conduct and ethics;
- (f) the accounting firm is subject to bylaws respecting actions or omissions of registrants that constitute professional misconduct or professional incompetence;
- (g) the accounting firm is subject to any terms or conditions imposed by the Board on its registration pursuant to section 20.

Registration as Professional Accounting Corporation

Application for
registration as
professional
accounting
corporation
Registration as
professional
accounting
corporation

15. (1) A corporation may apply to the Board, in a form approved by the Board, for registration as a professional accounting corporation.

(2) The Board shall register a corporation that applies under subsection (1) as a professional accounting corporation and issue a certificate of registration to the corporation, if the corporation

- (a) satisfies the Board that
 - (i) the corporation is in good standing under the *Canada Business Corporations Act* (Canada), R.S.C. 1985, c. C-44, the *Companies Act* R.S.P.E.I. 1988, Cap. C-14 or the *Extra-Provincial Corporations Registration Act* R.S.P.E.I. 1988, Cap. E-14 under which it was incorporated or registered,
 - (ii) the letters patent or articles of incorporation of the corporation permit the corporation to provide the services of a chartered professional accountant,
 - (iii) the legal and beneficial ownership of a majority of all issued voting shares of the corporation are vested in one or more members,
 - (iv) all directors and officers of the corporation are members, and
 - (v) any other prescribed requirements are met; and
- (b) pays the registration fees set out in the bylaws.

Terms and
conditions of
registration as
professional
accounting
corporation

(3) The following terms and conditions apply to the registration of a professional accounting corporation:

- (a) the professional accounting corporation shall continue to meet the requirements in 2(a)(i) to (iv);
- (b) the professional accounting corporation shall pay the annual registration fee set out in the bylaws each year no later than the date specified in the bylaws;

- (c) each person who provides or offers to provide his or her services as a chartered professional accountant through, or on behalf of, the professional accounting corporation shall be a member in good standing with CPA PEI;
- (d) a shareholder of the professional accounting corporation shall not enter into a voting trust agreement, proxy or any other type of agreement or other arrangement vesting in another person who is not a member the authority to exercise the voting rights attached to any or all of his or her shares;
- (e) the professional accounting corporation shall notify the Board as soon as practicable but no later than 15 days after any change occurs in the information submitted with its application for registration;
- (f) the professional accounting corporation is subject to bylaws establishing or adopting standards, codes or rules for registrants respecting practice, professional conduct and ethics;
- (g) the professional accounting corporation is subject to bylaws respecting actions or omissions of registrants that constitute professional misconduct or professional incompetence;
- (h) the professional accounting corporation is subject to any terms or conditions imposed by the Board on its registration pursuant to section 20.

Registration as Student or Candidate

- 16.** (1) For the purposes of participating in the CPA Prerequisite Education Program or in a program considered substantially equivalent by CPA Canada, an individual may apply to the Board, in a form approved by the Board, for registration as a student. Application for registration as student
- (2) The Board shall register an individual who applies under subsection (1) as a student and issue a certificate of registration to the individual, if the individual Qualifications for registration as student
- (a) satisfies the Board that he or she
 - (i) has successfully completed
 - (A) a bachelor's degree program approved by the Board, or
 - (B) a program substantially similar to the one described in paragraph (A), accredited by CPA PEI, and
 - (ii) meets any other prescribed requirements; and
 - (b) pays the registration fees set out in the bylaws.
- 17.** (1) For the purposes of participating in the CPA Certification Program, an individual may apply to the Board, in a form approved by the Board, for registration as a candidate. Application for registration as candidate
- (2) The Board shall register an individual who applies under subsection (1) as a candidate and issue a certificate of registration to the individual, if the individual Qualifications for registration as candidate

- (a) satisfies the Board that he or she
 - (i) either
 - (A) meets the requirements for entry into the CPA Professional Education Program or a substantially similar program accredited by CPA Canada, or
 - (B) has completed the CPA Professional Education Program or a substantially similar program accredited by CPA Canada and is working towards completing one or both of the remaining components of the CPA Certification Program, and
 - (ii) meets any other prescribed requirements; and
- (b) pays the registration fees set out in the bylaws.

Terms and conditions of registration as student or candidate

18. The following terms and conditions apply to the registration of a student or a candidate:

- (a) the registrant shall pay the annual registration fee set out in the bylaws each year no later than the date specified in the bylaws;
- (b) the registrant is subject to bylaws establishing or adopting requirements respecting participation in, and completion of, a program of qualifying practical experience;
- (c) the registrant is subject to bylaws establishing or adopting standards, codes or rules for registrants respecting practice, professional conduct and ethics;
- (d) the registrant is subject to bylaws respecting actions or omissions of registrants that constitute professional misconduct or professional incompetence;
- (e) the registrant is subject to any terms or conditions imposed by the Board on the registrant's registration pursuant to section 20.

Approval to provide program required

19. No member, accounting firm or professional accounting corporation shall provide to a candidate or member a program of qualifying practical experience in public accounting, except on the approval of the Board and in accordance with the bylaws.

Other Terms and Conditions

Terms and conditions on registration

20. (1) In addition to the terms and conditions that apply to a registration under the Act, the Board may impose any terms and conditions that it considers appropriate on the registration of a registrant.

Terms and conditions effective on notice

(2) The imposition of terms and conditions on a registration pursuant to subsection (1) is not effective until notice of the imposition is served on the registrant affected by it.

Refusal to Register

Refusal to consider application

21. (1) The Board may refuse to consider an application for registration by an applicant who

(a) has an outstanding charge for an offence; or
 (b) is under investigation by the Board or another professional regulatory body,
 until the matter has been resolved.

(2) Notwithstanding any other provision of this Act, the Board may refuse to register an applicant who has been Offence or discipline

(a) found guilty of an offence; or
 (b) disciplined by the Board or another professional regulatory body,
 for conduct that, in the Board's opinion, renders the applicant unsuitable to practise as a chartered professional accountant or to provide or offer to provide the services of a chartered professional accountant.

(3) The Board may refuse to register an applicant where the Board determines that the applicant does not meet the eligibility requirements for registration under this Act or the regulations. Failure to meet eligibility requirements

Suspension or Cancellation of Registration

22. (1) The Board may Failure to meet terms and conditions

(a) immediately suspend or cancel the registration of

(i) a member who contravenes clause 13(4)(a), (b) or (c), or

(ii) an accounting firm that contravenes clause 14(3)(a), (b), or (c), or

(iii) a student or candidate that contravenes clause 18(a); and

(b) subject to subsection (2), immediately suspend or cancel the registration of a professional accounting corporation that contravenes clause 15(3)(a), (b), (c) or (d).

(2) Where a professional accounting corporation ceases to meet clause 15(3)(a) due to the death or resignation of a member or the suspension or cancellation of the registration of a member, the professional accounting corporation has 90 days, or a longer period permitted by the Board, to meet the condition without penalty. Exception

(3) The Board may suspend or cancel the registration of a registrant who is Offence or discipline

(a) found guilty of an offence; or
 (b) disciplined by another professional regulatory body,
 for conduct that, in the Board's opinion, renders the registrant unsuitable to practise as a chartered professional accountant or to provide or offer to provide the services of a chartered professional accountant.

(4) The Board may, in accordance with the regulations and upon payment of the reinstatement fee and the late payment fee, if applicable, set out in the bylaws, reinstate the registration of a suspended registrant Reinstatement of registration as member

whose registration was suspended, or a former registrant whose registration was cancelled, under this part.

Request for
cancellation

23. The Board shall cancel the registration of a registrant who makes a request, in writing, for the cancellation of his or her registration.

Suspension or
cancellation
effective on notice

24. The suspension or cancellation of a registration under this part is not effective until notice of it has been served on the registrant.

Notice

Notice of refusal,
etc.

25. Where the Board refuses to register, or reinstate the registration of, an applicant or imposes terms and conditions on, suspends or cancels a registration under this part, the Board shall serve on the affected person written notice of

- (a) the refusal, imposition, suspension or cancellation and the reasons therefore; and
- (b) the right of the affected person to appeal under section 26.

Appeal

Right to appeal

26. (1) A person who is aggrieved by

- (a) the Board's refusal to register, or reinstate the registration of, the person under this part;
- (b) the imposition by the Board of terms and conditions on the person's registration; or
- (c) the suspension or cancellation by the Board of the person's registration under this part,

may appeal the refusal, imposition, suspension or cancellation to the Supreme Court within 30 days after being served with notice of it.

Powers of Supreme
Court

(2) On hearing an appeal, the Supreme Court may do any of the following:

- (a) confirm, revoke or vary the terms and conditions imposed by the Board or the refusal, suspension or cancellation appealed from;
- (b) refer the matter, or any issue, back to the Board for further consideration;
- (c) provide any direction that it considers appropriate.

Costs of appeal

(3) The Supreme Court may make any order as to the costs of an appeal that it considers appropriate.

Relationships and Liability

Relationship does
not affect duties or
liability

27. (1) The relationship of an individual registrant to an accounting firm as a sole practitioner, partner or employee or to a professional accounting

corporation as a shareholder, director, officer or employee does not affect

- (a) the application of this Act, the regulations or the bylaws to the individual registrant;
- (b) the fiduciary, ethical or legal duties of the individual registrant;
- or
- (c) the professional liability of the individual registrant.

(2) An accounting firm or professional accounting corporation is jointly and severally liable with an individual who provides, or offers to provide, his or her services as a chartered professional accountant to the public through or on behalf of the accounting firm or professional accounting corporation, for any fines, costs or expenses that the individual is ordered to pay under this Act.

Joint and several liability

PART III – PUBLIC ACCOUNTING

Prohibitions

- 28.** (1) No person other than a public accountant shall
- (a) practise public accounting; or
 - (b) hold himself or herself out as a public accountant.
- (2) No person operating a sole proprietorship, or persons operating in partnership, shall provide or offer to provide the services of a public accountant except an accounting firm that holds a license.
- (3) No corporation shall provide or offer to provide the services of a public accountant except a professional accounting corporation that holds a license.
- (4) No accounting firm or professional accounting corporation shall permit a person other than a public accountant to practise public accounting through or on behalf of the accounting firm or the professional accounting corporation, as the case may be.
- (5) No public accountant shall practise public accounting through or on behalf of a sole proprietorship or a partnership unless it is an accounting firm that holds a license.
- (6) No public accountant shall practise public accounting through or on behalf of a corporation, unless the corporation is a professional accounting corporation that holds a license.
- 29.** (1) No person other than a public accountant shall use the designation “public accountant” or the equivalent in a language other than English.

Prohibition, public accountant

Prohibition, accounting firm

Prohibition, corporation

Prohibition, service by person other than public accountant

Prohibition, practise through partnership

Prohibition, practise through corporation

Prohibition, use of designation

Offence (2) A person who contravenes section 28 or subsection (1) is guilty of an offence and liable upon summary conviction to a fine of not more than \$10,000.

License to Practise Public Accounting

Application for license **30.** (1) A member may apply to the Board, in a form approved by the Board, for a license to practise public accounting.

Requirements for license (2) Subject to subsection (3), the Board shall issue a license to a member who applies under subsection (1), if the member

- (a) satisfies the Board that he or she
 - (i) is a member in good standing of CPA PEI,
 - (ii) has completed the prescribed education requirements,
 - (iii) has completed the prescribed practical experience requirements, and
 - (iv) meets any other prescribed requirements; and
- (b) pays the license fee set out in the bylaws.

Transfer applicant (3) An applicant who satisfies the Board that he or she

- (a) is legally authorized to practise public accounting and use associated designations in another Canadian jurisdiction, without restriction; and
- (b) is in good standing with the organization or body governing public accounting and the use of associated designations in that other Canadian jurisdiction,

is deemed to meet the requirements of subclauses (2)(a)(ii) and (iii).

Terms and conditions of license (4) The following terms and conditions apply to a license issued to a member:

- (a) the licensee shall continue to be a member, in good standing, of CPA PEI;
- (b) the licensee shall be covered by professional liability insurance in the prescribed amount or assets equal in value to the prescribed amount, subject to and in accordance with the regulations;
- (c) the licensee shall submit proof satisfactory to the Board of the coverage required in clause (b) within the prescribed time period;
- (d) subject to clause (e), the licensee shall notify the Board as soon as practicable but no later than 15 days after any change occurs in the information submitted pursuant to clause (c);
- (e) the licensee shall notify the Board immediately if the licensee's professional liability insurance lapses or is cancelled;
- (f) the licensee is subject to the practice inspection program;
- (g) the licensee is subject to bylaws establishing or adopting standards, codes or rules for licensees respecting practice, professional conduct and ethics related to public accounting;

- (h) the licensee is subject to bylaws respecting actions or omissions of licensees in practising public accounting that constitute professional misconduct or professional incompetence;
- (i) the licensee is subject to any terms or conditions imposed by the Board on the license pursuant to section 32;
- (j) the license is not transferable;
- (k) the license expires on the date indicated on the license.

License to Provide Services of Public Accountant

- 31.** (1) An accounting firm or a professional accounting corporation may apply to the Board, in a form approved by the Board, for a license to provide or offer to provide the services of a public accountant. Application for license
- (2) The Board shall issue a license to an applicant that applies under subsection (1), if Requirements for license
- (a) the applicant's registration is in good standing with CPA PEI;
 - (b) the applicant pays the license fee set out in the bylaws; and
 - (c) the applicant meets any other prescribed requirements.
- (3) The following terms and conditions apply to a license issued to an accounting firm or a professional accounting corporation: Terms and conditions of license
- (a) the licensee shall continue to be registered in good standing with CPA PEI;
 - (b) each individual who practises public accounting through, or on behalf of, the licensee shall be a public accountant;
 - (c) the licensee shall be covered by professional liability insurance in the prescribed amount or assets equal in value to the prescribed amount, subject to and in accordance with the regulations;
 - (d) the licensee shall submit proof satisfactory to the Board of the coverage required in clause (c) within the prescribed time period;
 - (e) subject to clause (f), the licensee shall notify the Board as soon as practicable but no later than 15 days after any change occurs in the information submitted pursuant to clause (d);
 - (f) the licensee shall notify the Board immediately if the licensee's professional liability insurance lapses or is cancelled;
 - (g) the licensee is subject to the practice inspection program;
 - (h) the licensee is subject to bylaws establishing or adopting standards, codes or rules for licensees respecting practice, professional conduct and ethics related to public accounting;
 - (i) the licensee is subject to bylaws respecting actions or omissions of licensees that constitute professional misconduct or professional incompetence;
 - (j) the license is subject to any terms or conditions imposed by the Board on the license pursuant to section 32;
 - (k) the license is not transferable;

(l) the license expires on the date indicated on the license.

Other Terms and Conditions

Board may impose terms and conditions **32.** (1) In addition to the terms and conditions that apply to a license under the Act, the Board may impose any terms and conditions that it considers appropriate on the license of a licensee.

Terms and conditions effective on notice (2) The imposition of terms and conditions on a license pursuant to subsection (1) is not effective until notice of the imposition is served on the licensee.

Renewal of License

Renewal of license **33.** (1) A licensee may, at least 30 days before the license held by the licensee expires, apply to the Board, in a form approved by the Board, to renew the license.

Requirements for renewal, member (2) The Board shall renew the license of a licensee who applies under subsection (1), if the licensee

- (a) satisfies the Board that the licensee
 - (i) is a registrant in good standing with CPA PEI,
 - (ii) is covered by professional liability insurance in the prescribed amount or assets equal in value to the prescribed amount, subject to and in accordance with the regulations, and
 - (iii) has not contravened or is not in contravention of the Act, the regulations, or the bylaws, and
 - (iv) meets any other prescribed requirements; and
- (b) pays the license renewal fee set out in the bylaws.

Refusal to Issue or Renew License

Refusal to consider application **34.** (1) The Board may refuse to consider an application for a license or the renewal of a license by an applicant who

- (a) has an outstanding charge for an offence; or
- (b) is under investigation by the Board or another professional regulatory body,

until the matter has been resolved.

Offence or discipline (2) Notwithstanding any other provision of this Act, the Board may refuse to issue a license to an applicant, or renew the license of a licensee, who has been

- (a) found guilty of an offence; or
- (b) disciplined by the Board or another professional regulatory body,

for conduct that, in the Board's opinion, renders the applicant or licensee unsuitable to practise public accounting or to provide or offer to provide the services of a public accountant.

(3) The Board may refuse to issue a license to an applicant, or renew the license of a licensee, where the Board determines that the applicant or licensee does not meet the eligibility requirements for a license or the renewal of a license, as the case may be, under this Act or the regulations.

Failure to meet eligibility requirements

Suspension or Cancellation of License

35. (1) Where a licensee's registration is suspended, the license held by the licensee is also suspended.

Suspension of registration and license

(2) Where a licensee's registration is cancelled, the license held by the licensee is also cancelled.

Cancellation of registration and license

(3) The Board may immediately suspend or cancel the license of
 (a) a member who contravenes clause 30(4)(b); or
 (b) an accounting firm or a professional accounting corporation that contravenes clause 31(3)(b) or (c).

Suspension or cancellation of license

(4) The Board may suspend or cancel the license of a licensee who is
 (a) found guilty of an offence; or
 (b) disciplined by another professional regulatory body,
 for conduct that, in the Board's opinion, renders the licensee unsuitable to practise public accounting or to provide or offer to provide the services of a public accountant.

Offence or discipline

(5) The suspension or cancellation of a license under subsection (3) or (4) is not effective until notice of it has been served on the licensee.

Suspension or cancellation effective on notice

(6) The Board may, in accordance with the regulations and upon payment of the reinstatement fee set out in the bylaws, reinstate a license that was

Reinstatement of license

(a) suspended or cancelled under this section; or
 (b) was not renewed under section 33 and has lapsed.

Notice

36. Where the Board refuses to issue, renew or reinstate a license under this part or imposes terms and conditions on, suspends or cancels a license under this part, the Board shall serve on the person affected written notice of

Notice of refusal, etc.

(a) the refusal, imposition, suspension or cancellation and the reasons therefore; and
 (b) the right of the person affected to appeal under section 37.

Appeal

- Right to appeal **37.** (1) A person who is aggrieved by
- (a) the Board's refusal to issue a license to the person or to renew or reinstate the person's license under this part;
 - (b) the imposition of terms and conditions by the Board on the person's license; or
 - (c) the suspension or cancellation of the person's license by the Board under this part,
- may appeal the refusal, imposition, suspension or cancellation to the Supreme Court within 30 days after being served with notice of it.
- Powers of Supreme Court (2) On hearing an appeal, the Supreme Court may do any of the following:
- (a) confirm, revoke or vary the terms and conditions imposed by the Board or the refusal, suspension or cancellation appealed from;
 - (b) refer the matter, or any issue, back to the Board for further consideration;
 - (c) provide any direction that it considers appropriate.
- Costs of appeal (3) The Supreme Court may make any order as to the costs of an appeal that it considers appropriate.

Relationships and Liability

- Relationship does not affect duties or liability **38.** (1) The relationship of a public accountant to an accounting firm as a sole proprietor, partner or employee or to a professional accounting corporation as a shareholder, director, officer or employee does not affect
- (a) the application of this Act, the regulations or the bylaws to the public accountant;
 - (b) the fiduciary, ethical or legal duties of the public accountant; or
 - (c) the professional liability of the public accountant.
- Joint and several liability (2) An accounting firm or professional accounting corporation is jointly and severally liable with an individual who practises public accounting through, or on behalf of, the accounting firm or professional accounting corporation, for any fines, costs or expenses that the individual is ordered to pay under this Act.

PART IV – PRACTICE INSPECTION PROGRAM

Establishment of Program

- Board to establish practice inspection program **39.** The Board shall establish a practice inspection program to provide for the inspection of the practices of licensees practising public accounting or providing the services of a public accountant.

Administration of Program

40. (1) The Board shall appoint a practice inspection committee, composed of three persons who are not members of the investigation committee or the discipline committee under Part V, to administer the practice inspection program. Practice inspection committee

(2) The Board shall appoint a member of the practice inspection committee as the chair of the committee. Chair

(3) Two members of the practice inspection committee constitute a quorum of the committee. Quorum

(4) Where a member of the practice inspection committee has a conflict of interest in respect of a practice inspection of the practice of a licensee, Conflict of interest

(a) the member of the practice inspection committee shall

(i) disclose the nature of the conflict of interest to the committee; and

(ii) refrain from participating in the practice inspection, considering any findings or recommendations arising from the practice inspection or taking any action related to the practice inspection; and

(b) the Board may appoint a person to act in the place of that member on the committee with respect to that practice inspection.

41. The practice inspection committee may appoint one or more persons as inspectors for the purposes of this part. Inspectors

42. The practice inspection committee shall, at the time and in the form required by the Board, provide to the Board an annual report respecting the practice inspection program, containing the information required by the Board. Annual report

Practice Inspection

43. (1) Subject to subsection (2), the practice inspection committee may, at any time, conduct, or direct an inspector to conduct, a practice inspection of the practice of a licensee. Inspection

(2) The practice inspection committee or an inspector, as the case may be, shall serve notice of an intention to conduct a practice inspection on the licensee at least ten days prior to commencing the practice inspection. Notice

(3) For the purposes of a practice inspection, the practice inspection committee or an inspector may do any of the following: Inspection powers

(a) on reasonable notice, during business hours, enter any premises or part of any premises used or intended to be used by the licensee

for the purpose of practising public accounting or providing or offering to provide the services of a public accountant;

(b) examine, extract information from and make copies of all records, documents and other relevant information required to carry out the practice inspection;

(c) request records, documents or other relevant information from, or interview,

(i) the individual licensee whose practice is being inspected,

(ii) the sole proprietor, partners, officers or directors of an accounting firm or professional accounting corporation whose practice is being inspected or that employs the individual licensee whose practice is being inspected, or

(iii) any person employed by a person referred to in subclause (i) or (ii).

Duties

(4) The persons referred to in subclauses (3)(c)(i) to (iii) shall, for the purposes of a practice inspection,

(a) on reasonable notice and during business hours, permit entry of the practice inspection committee or inspector;

(b) cooperate with the practice inspection committee or inspector; and

(c) provide all records, documents or information available to him or her as requested by the practice inspection committee or inspector in connection with the practice inspection.

Failure to comply

(5) Where a person fails to comply with subsection (4), without reasonable cause, the practice inspection committee or inspector shall report the failure to comply to the Registrar and the failure may be considered professional misconduct.

Practice inspection report

44. (1) On completion of a practice inspection, the practice inspection committee or inspector shall, within a reasonable time, prepare a written practice inspection report respecting

(a) the findings of the practice inspection; and

(b) any recommendations for ensuring the licensee practises public accounting, or provides or offers to provide the services of a public accountant, in accordance with this Act, the regulations and the bylaws.

Report to committee

(2) An inspector shall provide his or her practice inspection report to the practice inspection committee.

Service of practice inspection report

(3) The practice inspection committee shall serve a copy of the practice inspection report prepared under subsection (1) on the licensee whose practice was inspected and his or her employer, if any.

(4) The licensee whose practice was inspected may, within 30 days after receiving a copy of the practice inspection report, make a written submission to the practice inspection committee regarding the findings and recommendations, if any, in the report. Submission

45. (1) After considering the findings and recommendations, if any, in the practice inspection report, and any submissions of the licensee made under subsection 44(4), the practice inspection committee may do one or more of the following: Powers of Committee

- (a) consider the practice inspection completed;
- (b) monitor, or ensure an inspector monitors, any action the licensee has agreed to take in response to the findings and recommendations in the practice inspection report;
- (c) order the licensee to report back to the practice inspection committee, in writing, within the time period specified in the order, on any action the licensee has agreed to take in response to the findings and recommendations in the practice inspection report, and consider the matter further once the licensee's report has been received or the time for making the report has expired;
- (d) order that the licensee take any action the practice inspection committee considers necessary, within the time period specified in the order, to ensure the licensee practises public accounting, or provides or offers to provide the services of a public accountant, in accordance with this Act, the regulations and the bylaws;
- (e) refer any matter arising from the practice inspection that, in the opinion of the practice inspection committee, should be dealt with as a complaint, to the Registrar to be dealt with as a complaint under Part V.

(2) Where the practice inspection committee acts under clause (1)(a), (b) or (e), the practice inspection committee shall serve a written notice thereof on the licensee. Notice

(3) Where the practice inspection committee makes an order under clause (1)(c) or (d), the practice inspection committee shall serve the order on the licensee together with a written notice of Idem

- (a) the reasons for the order; and
- (b) the licensee's right to appeal the order under section 46.

(4) An order of the practice inspection committee made under clause (1)(c) or (d) Order in effect when served

- (a) is in effect when it is served on the licensee who is the subject of the order; and
- (b) remains in effect pending an appeal unless the Supreme Court, on application, stays the order pending the appeal.

- Not compellable in civil proceeding (5) No person is compellable to produce or disclose in a civil proceeding, other than an appeal made pursuant to section 46,
- (a) information in any form that is communicated for the purpose of, or created in the course of, carrying out a practice inspection;
 - (b) a practice inspection report or written submission prepared pursuant to section 44; or
 - (c) an order made, or notice given, by the practice inspection committee under this section.

Appeal

- Appeal **46.** (1) A licensee who is aggrieved by an order of the practice inspection committee made under clause 45(1)(c) or (d) may appeal the order to the Supreme Court within 30 days after being served with notice of the order.
- Powers of court (2) On hearing an appeal, the court may
- (a) confirm, revoke or vary the order appealed from;
 - (b) refer the matter, or any issue, back to the practice inspection committee for further consideration; or
 - (c) provide any direction that it considers appropriate.
- Costs of appeal (3) The Supreme Court may make any order as to the costs of an appeal that it considers appropriate.

Fees

- Practice inspection fee **47.** (1) A licensee whose practice is the subject of a practice inspection shall, on being served with an invoice by the Board, pay the practice inspection fee set out in the bylaws within the time period specified on the invoice.
- Suspension of license for non-payment (2) Where a licensee fails to pay the practice inspection fee within 60 days after the due date specified on the invoice, the Board may suspend the license of the licensee for non-payment.
- Cancellation of license for non-payment (3) Where a license that was suspended pursuant to subsection (2) has not been reinstated in accordance with subsection (5) within 60 days of the date of the suspension, the Board may cancel the license for non-payment.
- Suspension or cancellation effective on notice (4) The suspension or cancellation of a license under subsection (2) or (3) is not effective until notice of it has been served on the licensee.
- Reinstatement of license (5) The Board may, upon receiving payment of the practice inspection fee, the reinstatement fee and the late payment fee set out in the bylaws, reinstate a license that was suspended or cancelled under this section.

PART V – COMPLAINTS AND DISCIPLINE

Interpretation

- 48.** In this Part,
- | | |
|--|---------------------------|
| | Definitions |
| (a) “complainant” means | complainant |
| (i) a person who makes a complaint to the Registrar under subsection 54(1), or | |
| (ii) the Registrar, in respect of a complaint initiated by the Registrar under subsection 54(2); | |
| (b) “complaint” means a complaint referred to the investigation committee under clause 53(2)(c) or a complaint made or initiated under section 54; | complaint |
| (c) “conduct” includes an act or an omission; | conduct |
| (d) “discipline committee” means the discipline committee appointed by the Board under subsection 51(1); | discipline committee |
| (e) “investigation committee” means the investigation committee appointed by the Board under subsection 51(1); | investigation committee |
| (f) “investigator” means an investigator appointed by the Board under subsection 51(6); | investigator |
| (g) “respondent” means a registrant, former registrant, licensee or former licensee who is the subject of a complaint; | respondent |
| (h) “response to the complaint” means a response to a complaint submitted by the respondent under subsection 55(2). | response to the complaint |
- 49.** (1) A former registrant or a former licensee continues to be subject to the jurisdiction of the Board, the investigation committee, an investigator and the discipline committee with respect to any conduct that occurred while the former registrant was a registrant, or the former licensee was a licensee, that may constitute professional misconduct or professional incompetence.
- (2) No complaint may be made or initiated pursuant to this Act against a former registrant more than six years after the day he or she ceased to be a registrant.
- | | |
|--|-------------------------|
| | Continuing jurisdiction |
| | Limitation period |
- 50.** (1) The conduct of a respondent may be found to constitute professional misconduct if
- | | |
|--|-------------------------|
| | Professional misconduct |
|--|-------------------------|
- (a) the respondent contravenes this Act, the regulations or the bylaws in a manner that, in the opinion of the investigation committee or the discipline committee, relates to the respondent’s suitability to be a registrant or licensee;

- (b) the respondent refuses or fails to cooperate fully in respect of a practice inspection or the investigation or hearing of a complaint;
- (c) the respondent contravenes an order made under this Act;
- (d) the conduct is harmful to the best interests of a client or the public or to the integrity of the profession; or
- (e) the conduct constitutes professional misconduct in accordance with the bylaws.

Professional
incompetence

- (2) The conduct of a respondent may be found to constitute professional incompetence where
- (a) the respondent demonstrates a lack of knowledge, skill or judgment or a disregard for the welfare of a client or the public;
 - (b) the respondent is unable to practise as a chartered professional accountant or practise public accounting in accordance with accepted professional standards for any reason, including that the respondent is impaired by a disability, illness, addiction or condition; or
 - (c) the conduct constitutes professional incompetence in accordance with the bylaws.

Administration

Investigation
committee and
discipline

51. (1) The Board shall appoint an investigation committee and a discipline committee, each composed of three persons who are not members of the Board and each of which may include a public representative.

No person may sit
on both committees

(2) No person shall sit on both the investigation committee and the discipline committee in respect of any matter.

Chair

(3) The Board shall appoint a member of the investigation committee as the chair of that committee and a member of the discipline committee as the chair of that committee.

Quorum

(4) Two members of a committee constitute a quorum of that committee.

Conflict of interest

(5) Where a member of the investigation committee or the discipline committee has a conflict of interest in respect of a matter that is referred to the respective committee,

- (a) the member
 - (i) shall disclose the nature of the conflict of interest to the committee, and
 - (ii) shall not participate in the consideration of the matter; and
- (b) the Board may appoint a person to act in the place of that member on the committee with respect to that matter.

(6) The Board may appoint one or more persons as investigators for the purposes of this part. Investigators

Confidentiality

52. No person who is involved in the administration of this Act shall disclose information respecting a complaint except where permitted under the Act or regulations or required for the proper administration of the Act or regulations. Disclosure of information respecting complaint

Interim Order

53. (1) Notwithstanding any other provision of this Act, where the Board has reasonable grounds to believe that the conduct of a registrant poses a demonstrable risk of harm to the registrant's clients or to the general public, the Board may make an order Interim order

- (a) imposing terms and conditions on the registrant's registration or a license held by the registrant; or
- (b) suspending the registrant's registration or a license held by the registrant.

(2) Where the Board makes an order under subsection (1), the Board shall promptly Service of order and referral

- (a) serve on the registrant who is the subject of the order
 - (i) a copy of the order,
 - (ii) written reasons for the order, and
 - (iii) written notice of the right to appeal under subsection 65(2);
- (b) serve a copy of the order on the Registrar; and
- (c) refer the matter as a complaint to the investigation committee, if a complaint has not been made or initiated in respect of the matter.

(3) An order of the Board made under subsection (1) Order in effect when served

- (a) is in effect when it is served on the registrant who is the subject of the order; and
- (b) is valid for the period, not exceeding 90 days, that is specified in the order.

Complaint

54. (1) Any person, other than the Registrar, may make a complaint in writing to the Registrar alleging that the conduct of a registrant or former registrant, or a licensee or former licensee, constitutes professional misconduct or professional incompetence. Complaint of professional misconduct or professional incompetence

(2) The Registrar may initiate a complaint, in writing, if he or she has reasonable grounds to believe that the conduct of a registrant or former Registrar may initiate complaint

registrant, or a licensee or former licensee, constitutes professional misconduct or professional incompetence.

Service of copy of complaint

55. (1) Within 15 days after receiving or initiating a complaint under section 54, the Registrar shall

- (a) serve on the respondent,
 - (i) a copy of the complaint, and
 - (ii) written notice of the respondent's right to submit a response to the complaint under subsection (2); and
- (b) notify the Board of the nature of the complaint and the name of the respondent.

Written response to complaint

(2) A respondent may submit to the Registrar a written response to a complaint within 15 days after being served with a copy of the complaint under clause (1)(a).

Service of response and referral to investigation committee

(3) The Registrar shall, immediately after the expiry of the period referred to in subsection (2),

- (a) where the complainant is a person other than the Registrar, serve a copy of any response to the complaint on the complainant; and
- (b) refer the complaint, and any response to the complaint, to the investigation committee.

Consideration by Investigation Committee

Powers of investigation committee

56. Within the prescribed time period after the referral of a complaint to the investigation committee under clause 53(2)(c) or subsection 55(3), the investigation committee shall consider the complaint and any response to the complaint, and do one of the following:

- (a) dismiss the complaint, if in the opinion of the investigation committee, the complaint is frivolous and vexatious, without merit or outside the limitation period in subsection 49(2);
- (b) make any order that the discipline committee is authorized to make under subsection 63(2), if the respondent consents to the order;
- (c) investigate the complaint or refer the complaint to an investigator for investigation.

Investigation

Powers of investigation committee or investigator

57. (1) The investigation committee or an investigator

- (a) may do all things necessary to provide a full and proper investigation of a complaint;
- (b) may deal with multiple complaints concerning a respondent severally or in combination;

- (c) shall consider the allegations and the evidence and ascertain the facts of each complaint in the manner that the investigation committee or investigator considers fit;
- (d) may make oral or written inquiries of any person who may have information relevant to the investigation;
- (e) may require the respondent or another person who is a registrant to be interviewed for the purpose of the investigation;
- (f) may require the respondent to produce for examination any documents, records and other materials that are in his or her possession or under his or her control that may be relevant to the investigation;
- (g) may copy and keep copies of any documents, records and other materials produced under clause (f); and
- (h) may investigate any matter in addition to the complaint that arises in the course of the investigation and that may constitute professional misconduct or professional incompetence.

(2) Where the investigation committee or an investigator investigates a complaint that the conduct of the respondent constitutes professional incompetence, the investigation committee or the investigator may

Requirement for examinations

- (a) require the respondent to undertake such examination of knowledge or skills related to practice as a chartered professional accountant or the practice of public accounting that the investigation committee or the investigator directs to determine whether or not the respondent is competent to practise; and
- (b) where the investigation committee or the investigator has reasonable grounds to believe that the respondent's capacity to practise as a chartered professional accountant or practise public accounting in accordance with accepted professional standards is impaired by a disability or a condition, including an addiction or an illness, request the respondent to submit to physical or psychological examinations by qualified persons that the investigation committee or the investigator designates.

(3) Where an investigator investigates a complaint and the respondent or another person who is a registrant fails or refuses, without reasonable cause, to

Failure or refusal to respond or comply

- (a) respond to an inquiry or comply with a requirement under subsection (1); or
- (b) comply with a requirement under subsection (2),

the investigator shall report the failure or refusal to the investigation committee in writing.

(4) Where

- (a) the investigation committee receives a report from an investigator under subsection (3); or

Suspension or imposition of terms and conditions on registration

(b) the investigation committee investigates a complaint and the respondent or another person who is a registrant fails or refuses, without reasonable cause, to

(i) respond to an inquiry or comply with a requirement under subsection (1), or

(ii) comply with a requirement under subsection (2),

the investigation committee may suspend or impose terms and conditions on the registration of the registrant or a license held by the registrant, if applicable, until he or she complies.

Investigation report **58.** (1) After completing an investigation, the investigation committee or the investigator shall, within a reasonable time, prepare a written investigation report of the findings of the investigation committee or the investigator.

Report to investigation committee (2) An investigator shall provide his or her investigation report to the investigation committee.

Service of investigation report (3) The investigation committee shall serve a copy of the investigation report prepared under subsection (1) on the complainant and the respondent.

Response to investigation report (4) The complainant and the respondent may each submit a written response to the investigation report within 15 days after being served with a copy of the investigation report.

Disposition by Investigation Committee

Powers of investigation committee **59.** (1) The investigation committee shall, within a prescribed time period after the time period in subsection 58(4) expires, after consideration of the investigation report prepared in accordance with subsection 58(1) and any response to the investigation report submitted in accordance with subsection 58(4), do one of the following:

(a) dismiss the complaint, if in the opinion of the investigation committee

(i) the allegations are frivolous or vexatious or without merit, or

(ii) there is insufficient evidence to support the allegations;

(b) make any order that the discipline committee is authorized to make under subsection 63(2), if the respondent consents to the order;

(c) refer the complaint to the discipline committee for a hearing.

Dismissal of complaint (2) Where the investigation committee dismisses a complaint under clause 56(a) or 59(1)(a), the investigation committee shall serve on

(a) the complainant and the respondent,

(i) written notice of and reasons for the dismissal,

(ii) written notice of the complainant's right to appeal the dismissal under subsection 65(1); and

(b) the Board, written notice of and reasons for the dismissal.

(3) Where the investigation committee makes an order under clause 56(b) or 59(1)(b), the investigation committee shall serve a copy of the order on the complainant, the respondent and the Board.

Service of copy of order

(4) Where the investigation committee refers a complaint to the discipline committee under clause (1)(c), the investigation committee shall

Referral to discipline committee

(a) serve written notice of the referral on the complainant, the respondent and the Board;

(b) provide the discipline committee with a copy of the complaint and any response to the complaint; and

(c) carry the complaint before the discipline committee and may, for that purpose, retain any legal or other assistance it considers necessary.

Hearing

60. (1) The discipline committee shall,

Hearing

(a) hold a hearing into a complaint referred to it within the prescribed time period after the referral; and

(b) conduct its proceedings in accordance with the rules of natural justice.

(2) The discipline committee shall, not less than 30 days before the date set for the hearing, serve written notice of the date, time, place and subject matter of the hearing on

Notice of hearing

(a) the complainant;

(b) the respondent; and

(c) the investigation committee.

(3) The discipline committee may retain any legal or other assistance that it considers necessary for the purposes of conducting a hearing.

Retaining assistance

(4) In the discharge of the functions of the discipline committee, the discipline committee and each member of the discipline committee have all of the powers, privileges and immunities of a commissioner appointed under the *Public Inquiries Act* R.S.P.E.I. 1988, Cap. P-31.

Powers, privileges and immunities

61. (1) The respondent has the right to appear, to be represented by legal counsel, and to examine, cross-examine and re-examine witnesses at a hearing.

Right to appear

(2) Where the respondent fails to appear at a hearing after being served with notice in accordance with subsection (2), the discipline

Hearing in absence of respondent

committee may proceed with the hearing in the absence of the respondent and make any decision, determination or order as if the respondent were in attendance.

Powers of discipline committee

62. (1) The discipline committee

- (a) may do all things necessary to provide a full and proper hearing in respect of a complaint;
- (b) may deal with multiple complaints concerning a respondent severally or in combination; and
- (c) may hear any matter in addition to the complaint before the discipline committee that arises in the course of its proceedings and that may demonstrate, in respect of the respondent, professional misconduct or professional incompetence.

Opportunity to respond

(2) Where the discipline committee hears an additional matter referred to in clause (1)(c), the discipline committee shall give the respondent a reasonable opportunity to respond to the matter.

Hearing open to public

(3) A hearing shall be open to the public unless the discipline committee is of the opinion that

- (a) the interests of a person other than the respondent may be detrimentally affected if the hearing, or part of the hearing, is not held in private; and
- (b) the desirability of avoiding public disclosure of financial, personal or other matters in the interest of a person affected, other than the respondent, or in the public interest outweighs the desirability of adhering to the principle that inquiries be open to the public.

Protection of witness identity

(4) The discipline committee may, on the request of a witness whose testimony is of a confidential or personal and sensitive nature, order that no person publish the identity of the witness or any information that could disclose the identity of the witness.

Failure of registrant to comply

(5) Where a registrant fails to comply with a subpoena issued by the discipline committee or a member of the discipline committee, or refuses to answer any question under oath that he or she is directed to answer by the discipline committee or a member of the discipline committee, the failure or refusal may be held by the discipline committee to be professional misconduct.

Rules of evidence

(6) The discipline committee is not bound by strict rules of evidence or the provisions of the *Evidence Act* R.S.P.E.I. 1988, Cap. E-11.

Determination and Order

63. (1) On concluding a hearing, the discipline committee shall determine whether conduct of the respondent constitutes professional misconduct or professional incompetence.

Determination of
discipline
committee

(2) Where the discipline committee determines that conduct of a respondent constitutes professional misconduct or professional incompetence, the discipline committee may make one or more of the following orders, as applicable to an individual, persons forming a partnership or a corporation:

Order

- (a) an order directing the respondent to undergo additional education or training;
- (b) an order directing the respondent to participate in counselling or a rehabilitative treatment program;
- (c) an order reprimanding the respondent;
- (d) an order imposing terms and conditions on the registration of the respondent or a license held by the respondent;
- (e) an order suspending the registration of the respondent or a license held by the respondent for a specified period of time or until the occurrence of a specified future event;
- (f) an order cancelling the registration of the respondent or a license held by the respondent;
- (g) an order requiring the respondent to pay all or part of the costs incurred by the discipline committee to conduct the hearing;
- (h) an order imposing a fine on the respondent in an amount permitted by the regulations;
- (i) an order imposing any other sanction that the discipline committee considers to be appropriate.

(3) Within the prescribed time period after the completion of a hearing, the discipline committee shall serve

Service of notice of
determination and
order

- (a) written notice of, and reasons for, the determination made under subsection (1), and a copy of any order made under subsection (2), on
 - (i) the respondent,
 - (ii) the complainant,
 - (iii) the investigation committee,
 - (iv) the Registrar, and
 - (v) the Board; and
- (b) written notice of the right to appeal the determination made under subsection (1), and any order made under subsection (2), on the respondent.

(4) An order of the discipline committee is in effect when it is served on the respondent and remains in effect pending an appeal unless the Supreme Court, on application, stays the order pending the appeal.

Order in effect
when served

Failure to comply with order (5) Where the Board is satisfied that a respondent has failed to comply with an order of the investigation committee or the discipline committee, the Board may, without further hearing, make an order suspending the respondent's registration or a license held by the registrant subject to any terms and conditions that the Board considers appropriate.

Criminal Offence

Reasonable belief of criminal offence **64.** (1) Where the investigation committee or the discipline committee has reasonable grounds to believe that the respondent whose conduct is the subject of an investigation or a hearing, as the case may be, may be guilty of a criminal offence, the committee

- (a) may immediately suspend its investigation or hearing, as the case may be; and
- (b) shall make a report of its findings to the Board, which shall in turn report those findings to law enforcement.

Resumption of investigation or hearing (2) Where the investigation committee or the discipline committee suspends an investigation or a hearing, as the case may be, under subsection (1), the committee may resume its investigation or hearing on the conclusion of the criminal matter.

Appeal

Appeal **65.** (1) A complainant may appeal the dismissal of a complaint by the investigation committee under clause 56(a) or 59(1)(a) to the Supreme Court within 30 days after being served with notice of the dismissal.

Idem (2) A respondent may appeal

- (a) an order of the Board made under subsection 53(1);
- (b) a determination of the discipline committee made under subsection 63(1); or
- (c) an order of the discipline committee made under subsection 63(2),

to the Supreme Court within 30 days after being served with notice of the determination or a copy of the order.

Notice of appeal (3) Notice of an appeal under subsection (1) or (2) shall be served on the Registrar.

Decision of court (4) On hearing the appeal, the Supreme Court may

- (a) confirm, revoke or vary the dismissal, determination or order appealed from;
- (b) refer the matter, or any issue, back to the investigation committee or the discipline committee for further consideration; or
- (c) provide any direction that it considers appropriate.

(5) The Supreme Court may make any order as to the costs of an appeal that it considers appropriate.

Costs of appeal

Notification and Publication

66. (1) The Board shall notify a respondent's employer of an order made respecting the respondent by the investigation committee or of a determination or order made respecting the respondent by the discipline committee.

Notification of employer

(2) Where the investigation committee or the discipline committee

(a) suspends or cancels a respondent's registration or a license held by the respondent; or

(b) imposes terms and conditions on a respondent's registration or a license held by the respondent,

the Board may publish a notice of the suspension, cancellation or terms and conditions in the manner that it considers appropriate to inform the public.

Notification of public

(3) Subject to any publication ban ordered by the discipline committee under subsection 62(4), the Board may publish the discipline committee's decision or a summary of the decision by any means.

Publication of decision or summary

PART VI - GENERAL

Evidence

67. (1) A certificate respecting a matter dealt with by this Act that purports to be issued by the Registrar is admissible in evidence as proof of its contents without proof of the office or signature of the Registrar.

Certificate admissible in evidence

(2) A copy of a certificate respecting a matter dealt with by this Act that purports to be certified by the Registrar is admissible in evidence as proof of the original document without proof of the office or signature of the Registrar.

Certified copies

Limitation of Liability

68. No action or proceeding lies or shall be instituted for anything done, or omitted to be done, in good faith in the performance, or intended performance, of any duty or in the exercise, or intended exercise, of any power under this Act, the regulations or the bylaws against the following:

Limitation of liability

- (a) the Minister;
- (b) CPA PEI;
- (c) the Board;
- (d) the Registrar;

- (e) an inspector;
- (f) an investigator;
- (g) the investigation committee;
- (h) the discipline committee;
- (i) a member of the Board, the investigation committee or the discipline committee;
- (j) an employee of CPA PEI;
- (k) any other person acting on behalf of CPA PEI under the authority of this Act.

Service

- 69.** (1) Any notice, order or other document required to be served on a person under this Act, the regulations or the bylaws is deemed to be sufficiently served
- (a) upon a copy being personally served on the person to whom it is directed;
 - (b) upon a copy being sent by facsimile or other electronic means to the person to whom it is directed and an acknowledgement of receipt being received;
 - (c) five days after a copy is sent by registered mail addressed to the person to whom it is directed at the last known address for that person; or
 - (d) in the case of a registrant, five days after a copy is sent by registered mail addressed to the registrant at the business address shown in the records of the Registrar.
- Service on corporation (2) Where the person to be served is a corporation, service on a director, officer or recognized agent of the corporation in accordance with subsection (1) is deemed to be service on the corporation for the purposes of this Act.
- Service on Board (3) Service of any document on the Board may be made by service on the Registrar.
- Substituted service (4) Where it is impractical for any reason to serve an order in a manner referred to in subsection (1), an application may be made, without notice, to the Supreme Court for an order for substituted service and the court may make such an order providing for the steps to be taken to bring the matter to the attention of the person to be served.

Prohibitions

- 70.** No registrant shall
- (a) act in violation of any terms or conditions on the registration of the registrant or a license held by the registrant; or

(b) do anything requiring authorization by registration or a license under the Act while the registration of the registrant or a license held by the registrant, as the case may be, is suspended.

71. No person shall knowingly give false information in any application under this Act, or in any statement or report required under this Act, the regulations or the bylaws. False information

Offences and Penalties

72. Every person who contravenes this Act, the regulations or an order made under this Act or the regulations is guilty of an offence and, where a penalty has not already been provided, is liable on summary conviction to Offences and penalties

- (a) a fine not exceeding \$50,000;
- (b) imprisonment for a term not exceeding six months; or
- (c) both clauses (a) and (b).

73. (1) Every officer, director or agent of a corporation who directs, authorizes, assents to, acquiesces in, or participates in the commission of an offence by that corporation is also guilty of the offence and, where a penalty has not already been provided, is liable on summary conviction to Penalties

- (a) a fine not exceeding \$50,000;
- (b) imprisonment for a term not exceeding six months; or
- (c) both clauses (a) and (b).

(2) Subsection (1) applies whether or not the corporation has been prosecuted or convicted of the offence. *Idem*

74. No prosecution for an offence under this Act or the regulations shall be commenced after two years from the date when the offence is alleged to have been committed. Prosecution, limitation period

Injunction

75. Where a person does, or threatens or attempts to do, anything that contravenes this Act or the regulations, the Supreme Court may, on the application of the Board, grant an injunction restraining the person from committing or continuing the contravention. Injunction

Regulations

76. Subject to the approval of the Lieutenant Governor in Council, the Board may make regulations Regulations

- (a) prescribing the practical experience requirements for registration as a member;

- (b) prescribing the examination an individual is required to pass for registration as a member;
- (c) prescribing continuing professional education requirements for members;
- (d) respecting the reinstatement of a registration suspended or cancelled pursuant to section 22;
- (e) prescribing the education requirements a member shall complete for a license;
- (f) prescribing the practical experience requirements a member shall meet for a license;
- (g) prescribing other requirements for registration, a license or the renewal of a license;
- (h) prescribing the amount of public liability insurance, or the equivalent value of assets, a licensee is required to be covered by;
- (i) respecting the circumstances in which a licensee may rely on assets instead of public liability insurance;
- (j) requiring a former licensee to continue to be covered by public liability insurance, or the equivalent value of assets, for a specified period of time;
- (k) exempting a type of licensee, or a licensee performing certain activities in certain circumstances, from the requirement for coverage by public liability insurance or the equivalent value of assets;
- (l) prescribing the time period within which a licensee shall provide to the Board proof of holding public liability insurance or the equivalent value of assets;
- (m) respecting the reinstatement of a license pursuant to subsection 35(6);
- (n) prescribing time periods within which certain actions must be completed in the complaints and discipline process under Part V;
- (o) respecting the maximum amount of a fine that may be imposed on a respondent by the discipline committee by order;
- (p) providing for any transitional matters the Board considers necessary or advisable to facilitate the implementation of this Act; and
- (q) defining any word or expression used but not defined in this Act.

PART VII - TRANSITIONAL PROVISIONS

Interpretation

Definitions

77. In this part,

- (a) “Association” means The Certified General Accountants Association of Prince Edward Island, as it existed on the day before the coming into force of this Act; Association
- (b) “Institute” means The Institute of Chartered Accountants of Prince Edward Island, as it existed on the day before the coming into force of this Act; Institute
- (c) “Society” means the Society of Management Accountants of P.E.I., as it existed on the day before the coming into force of this Act. Society

Initial Board

- 78.** (1) Notwithstanding subsection 6(1), the initial Board shall consist of Initial board
- (a) six persons who were members of the Council of the Institute on the day before the coming into force of this Act, appointed by the Council as it existed on the day before the coming into force of this Act;
- (b) three persons who were members of the Board of Governors of the Association on the day before the coming into force of this Act, appointed by that Board as it existed on the day before the coming into force of this Act;
- (c) two persons who were members of the Council of the Society on the day before the coming into force of this Act, appointed by the Council as it existed on the day before the coming into force of this Act; and
- (d) at least one but not more than two public representatives who are not members of CPA PEI, nominated by the members of the Board appointed under clauses (a) to (c), appointed by the Minister.
- (2) Notwithstanding subsection 6(2), Terms of office
- (a) in respect of the persons appointed under clause (1)(a),
- (i) two shall be appointed for a six-year term,
- (ii) two shall be appointed for a four-year term, and
- (iii) two shall be appointed for a two-year term;
- (b) in respect of the persons appointed under clause (1)(b),
- (i) one shall be appointed for a six-year term,
- (ii) one shall be appointed for a four-year term, and
- (iii) one shall be appointed for a two-year term;
- (c) in respect of the persons appointed under clause (1)(c),
- (i) one shall be appointed for a six-year term, and
- (ii) one shall be appointed for a four-year term; and
- (d) in respect of the person or persons appointed under clause (1)(d), one or both shall be appointed for a two-year term.

Registrants and Licensees

- Deemed to be member **79.** (1) Every person who, immediately before the date this section comes into force, is
- (a) an active member of the Association;
 - (b) a member of the Institute; or
 - (c) a certified member of the Society
- is deemed to be registered as a member of CPA PEI, until he or she ceases to be registered as a member under this Act.
- Fellow of CPA PEI (2) Every person who, immediately before the date this section comes into force, is a fellow of the Association, the Institute or the Society is deemed to be a fellow of CPA PEI, until he or she ceases to be a fellow under the bylaws.
- Deemed to hold license (3) Every person who, immediately before the date this section comes into force, is
- (a) an active member of the Association, authorized by the Association to practise public accounting; or
 - (b) a member of the Institute, authorized by the Institute to practise public accounting,
- is deemed to hold a license to practise public accounting, until he or she ceases to hold a license under this Act.
- Deemed to be student (4) Every person who, immediately before the date this section comes into force, is
- (a) registered as a student by the Association and enrolled in a foundational or advance studies course established by CGA Canada;
 - (b) registered as a student by the Society and enrolled in the Foundational Studies Program established by CMA Canada; or
 - (c) registered as a student by the Association, Institute or Society and enrolled in the CPA Prerequisite Education Program,
- is deemed to be registered as a student, until he or she ceases to be registered as a student under this Act.
- Deemed to be candidate (5) Every person who, immediately before the date this section comes into force, is
- (a) registered as a student by the Association and enrolled in a Professional Applications and Competence Evaluation course established by CGA Canada;
 - (b) registered as a student by the Institute and is eligible to write the Uniform Final Exam established by the Canadian Institute of Chartered Accountants;
 - (c) registered as a student by the Society and enrolled in either the Strategic Leadership Program or CMA/MBA Program, established by CMA Canada; or

(d) registered as a student by the Association, Institute or Society and enrolled in the CPA Professional Education Program, is deemed to be registered as a candidate, until he or she ceases to be registered as a candidate under this Act.

(6) Where the office of a member of the Institute is, immediately before the date this section comes into force, an approved training office for the training of students in public accounting under the bylaws of the Institute, the member and the accounting firm in which he or she is a proprietor, partner or employee or the professional accounting corporation for which he or she is a director, shareholder or employee, if any, is deemed to have been approved by the Board for the purposes of section 19.

Approved training office

(7) Every professional corporation that, immediately before the date this section comes into force, holds a valid and subsisting permit under the *Public Accounting and Auditing Act* is deemed

Deemed professional accounting corporation that holds license

(a) to be registered as a professional accounting corporation; and

(b) to hold a license to provide or offer to provide the services of a public accountant,

until it ceases to be registered or hold a license, as the case may be, under this Act.

Legacy Designations

80. (1) In this section, a reference to a designation includes a reference to the equivalent of the designation in a language other than English.

Designation includes equivalent in other language

(2) No person shall use the following designations, except as required or permitted under this section:

Use of legacy designations

(a) “Chartered Accountant” or “CA”;

(b) “Fellow Chartered Accountant” or “FCA”;

(c) “Certified General Accountant” or “CGA”;

(d) “Fellow Certified General Accountant” or “FCGA”;

(e) “Certified Management Accountant” or “CMA”;

(f) “Fellow Certified Management Accountant” or “FCMA”.

(3) If a member uses the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA” and the member was, immediately before the date this section comes into force, a member, but not a fellow, of the Institute

Chartered Accountant designation

(a) the member shall use the designation “Chartered Accountant” or “CA” in conjunction with the use of the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, for a prescribed period of time after this Act comes into force; and

(b) the member may use the designation “Chartered Accountant” or “CA” in conjunction with the use of the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, at any time after the period specified in clause (a).

Fellow Chartered
Accountant
designation

(4) If a member uses the designation “Fellow Chartered Professional Accountant” or “FCPA” and the member was, immediately before the date this section comes into force, a fellow of the Institute

(a) the member shall use the designation “Fellow Chartered Accountant” or “FCA”, in conjunction with the use of the designation “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, for a prescribed period of time after this Act comes into force; and

(b) the member may use the designation “Fellow Chartered Accountant” or “FCA”, in conjunction with the use of the designation “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, at any time after the period specified in clause (a).

Certified General
Accountant

(5) If a member uses the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA” and the member was, immediately before the date this section comes into force, an active member, but not a fellow, of the Association

(a) the member shall use the designation “Certified General Accountant” or “CGA” in conjunction with the use of the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, for a prescribed period of time after this Act comes into force; and

(b) the member may use the designation “Certified General Accountant” or “CGA” in conjunction with the use of the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, at any time after the period specified in clause (a).

Fellow Certified
General Accountant
designation

(6) If a member uses the designation “Fellow Chartered Professional Accountant” or “FCPA” and the member was, immediately before the date this section comes into force, a fellow of the Association

(a) the member shall use the designation “Fellow Certified General Accountant” or “FCGA” in conjunction with the use of the designation “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, for a prescribed period of time after this Act comes into force; and

(b) the member may use the designation “Fellow Certified General Accountant” or “FCGA” in conjunction with the use of the designation “Fellow Chartered Professional Accountant” or

“FCPA”, as the case may be, at any time after the period specified in clause (a).

(7) If a member uses the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA” and the member was, immediately before the date this section comes into force, a certified member, but not a fellow, of the Society

Certified
Management
Accountant

- (a) the member shall use the designation “Certified Management Accountant” or “CMA” in conjunction with the use of the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, for a prescribed period of time after this Act comes into force; and
- (b) the member may use the designation “Certified Management Accountant” or “CMA” in conjunction with the use of the designation “Chartered Professional Accountant”, “CPA”, “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, at any time after the period specified in clause (a).

(8) If a member uses the designation “Fellow Chartered Professional Accountant” or “FCPA” and the member was, immediately before the date this section comes into force, a fellow of the Society

Fellow Certified
Management
Accountant
designation

- (a) the member shall use the designation “Fellow Certified Management Accountant” or “FCMA” in conjunction with the use of the designation “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, for a prescribed period of time after this Act comes into force; and
- (b) the member may use the designation “Fellow Certified Management Accountant” or “FCMA” in conjunction with the use of the designation “Fellow Chartered Professional Accountant” or “FCPA”, as the case may be, at any time after the period specified in clause (a).

Applications and Proceedings

81. (1) An application to become an active member of the Association, a member of the Institute or a certified member of the Society made under the bylaws of the Association, Institute or Society, as the case may be, but not concluded before the date this section comes into force, shall be dealt with as an application for registration under this Act.

Application for
membership

(2) An application for membership in a category of membership other than one referred to in subsection (1), made under the bylaws of the Association or the Society, but not concluded before the date this section comes into force, shall be dealt with as an application for membership under the bylaws of CPA PEI.

Idem

Complaint and discipline	82. A complaint made, or a discipline proceeding commenced, under the bylaws of the Association, the Institute or the Society, but not concluded before the date this section comes into force, shall be concluded under the applicable bylaws as if this Act had not come into force.
Conduct occurring before Act comes into force	83. Where a complaint made after this Act comes into force relates to conduct that occurred in whole or in part before this Act came into force, in respect of which no complaint was made or discipline proceeding commenced before this Act came into force, the complaint shall be dealt with pursuant to this Act.

Dissolution of Legacy Organizations

Dissolution	84. (1) The Association, the Institute and the Society are hereby dissolved.
Transfer of assets and liabilities	(2) Any assets and liabilities of the Association, the Institute or the Society are transferred and vest in CPA PEI.
Assignment of agreements	(3) All agreements entered into by the Association, the Institute or the Society are assigned to CPA PEI.
Continuation of proceedings	(4) No action, appeal, application or other proceeding being carried on or power or remedy being exercised with respect to the operations of the Association, the Institute or the Society is to be discontinued or abated on account of this Act, but may be continued in the name of CPA PEI, which has the same rights, is subject to the same liabilities and shall pay or receive the same costs as if the action, appeal, application or other proceedings had been commenced or defended in the name of CPA PEI.

PART VIII CONSEQUENTIAL AMENDMENTS, REPEAL AND COMMENCEMENT

Consequential Amendments

<i>Certified Fisheries Organizations Support Act</i>	85. (1) The <i>Certified Fisheries Organizations Support Act</i> R.S.P.E.I. 1988, Cap. C-2.1 is amended by this section.
	(2) Subsection 7.1(2) of the Act is amended by the deletion of the words “qualified to practise as a public accountant under the <i>Public Accounting and Auditing Act</i> R.S.P.E.I. 1988, Cap. P-28.1” and the substitution of the words “licensed as a public accountant or licensed to provide the services of a public accountant under the <i>Chartered Professional Accountants and Public Accounting Act</i> R.S.P.E.I. 1988, Cap. C-4.2”.

86. (1) The *Charlottetown Area Municipalities Act* R.S.P.E.I. 1988, Cap. C-4.1 is amended by this section.

*Charlottetown Area
Municipalities Act*

(2) Subsection 24(2) of the Act is amended by the deletion of the words “qualified to practise as a public accountant under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28” and the substitution of the words “licensed as a public accountant or licensed to provide the services of a public accountant under the *Chartered Professional Accountants and Public Accounting Act* R.S.P.E.I. 1988, Cap. C-4.2”.

(3) Subsection 99(2) of the Act is amended by the deletion of the words “qualified to practise as a public accountant under the *Public Accounting and Auditing Act*” and the substitution of the words “licensed as a public accountant or licensed to provide the services of a public accountant under the *Chartered Professional Accountants and Public Accounting Act*”.

87. (1) The *Credit Union Act* R.S.P.E.I. 1988, Cap. C-29.1 is amended by this section.

Credit Union Act

(2) Subsection 93(1) of the Act is amended by the deletion of the words “qualified to practise as a public accountant under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28” and the substitution of the words “licensed as a public accountant or licensed to provide the services of a public accountant under the *Chartered Professional Accountants and Public Accounting Act* R.S.P.E.I. 1988, Cap. C-4.2”.

88. (1) The *Insurance Act* R.S.P.E.I. 1988, Cap. I-4 is amended by this section.

Insurance Act

(2) Subsection 354(3) of the Act is amended by the deletion of the words “an accountant authorized to act under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28” and the substitution of the words “a person licensed as a public accountant under the *Chartered Professional Accountants and Public Accounting Act* R.S.P.E.I. 1988, Cap. C-4.2”.

89. (1) The *Judicature Act* R.S.P.E.I. 1988, Cap. J-2.1 is amended by this section.

Judicature Act

(2) Subsection 30(1) of the Act is amended by the deletion of the words “a chartered accountant as defined in the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28.1” and the substitution of the words “entitled to practise as a chartered professional accountant under

the *Chartered Professional Accountants and Public Accounting Act* R.S.P.E.I. 1988, Cap. C-4.2”.

Municipalities Act

90. (1) The *Municipalities Act* R.S.P.E.I. 1988, Cap. M-13 is amended by this section.

(2) Subsection 27(2) of the Act is amended by the deletion of the words “qualified to practise as a public accountant under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28” and the substitution of the words “licensed as a public accountant or licensed to provide the services of a public accountant under the *Chartered Professional Accountants and Public Accounting Act* R.S.P.E.I. 1988, Cap. C-4.2”.

City of Summerside Act

91. (1) The *City of Summerside Act* R.S.P.E.I. 1988, Cap. S-9.1 is amended by this section.

(2) Subsection 24(2) of the Act is amended by the deletion of the words “qualified to practise as a public accountant under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28” and the substitution of the words “licensed as a public accountant or licensed to provide the services of a public accountant under the *Chartered Professional Accountants and Public Accounting Act* R.S.P.E.I. 1988, Cap. C-4.2”.

Trust and Fiduciary Companies Act

92. (1) The *Trust and Fiduciary Companies Act* R.S.P.E.I. 1988, Cap. T-7.1 is amended by this section.

(2) Subsection 11(2) of the Act is amended by the deletion of the words “qualified to practise as a public accountant under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28” and the substitution of the words “licensed as a public accountant or licensed to provide the services of a public accountant under the *Chartered Professional Accountants and Public Accounting Act* R.S.P.E.I. 1988, Cap. C-4.2”.

Repeal

Repeal – Society of Industrial Accountants

93. An Act to Incorporate the Society of Industrial Accountants of Prince Edward Island S.P.E.I. 1951, Cap. 34 is repealed.

Repeal – Public Accounting and Auditing Act

94. The *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28 is repealed.

Commencement

95. This Act comes into force on a date that may be fixed by Commencement proclamation of the Lieutenant Governor in Council.

CHAPTER 2

(Bill No. 15)

**Chartered Professional Accountants and
Public Accounting Act**

<i>STAGE:</i>	<i>DATE:</i>
<i>1st Reading:</i>	November 14, 2014
<i>2nd Reading:</i>	November 18, 2014
<i>To Committee:</i>	November 18, 19 & 21, 2014
<i>Reported:</i>	November 18, 19 & 21, 2014
<i>3rd Reading and Pass:</i>	November 27, 2014
<i>Assent:</i>	November 27, 2014

SIGNATURES:

Honourable H. Frank Lewis, Lieutenant Governor

Honourable Carolyn I. Bertram, Speaker

Clerk

Honourable Janice A. Sherry
Minister of Environment, Labour and Justice
and Attorney General

GOVERNMENT BILL