

**THE INSTITUTE OF CHARTERED ACCOUNTANTS  
OF PRINCE EDWARD ISLAND  
BY-LAWS**

**Made Under Section 6 of  
The Public Accounting and Auditing Act and as Amended to  
May 11, 2006**

**MEMBERSHIP**

**1.** Any person who has fulfilled the conditions for admission as a member of the Institute set out in section 37 of these by-laws shall on payment of the prescribed fees become a member of the Institute and be granted a certificate of membership.

**1.1** (a) No member of the Institute shall engage in the practice of public accounting unless he or she has met the minimum requirements set out in subsection 3.(2) of the Public Accounting and Auditing Act R.S.P.E.I. 1988, Cap. P-28.1.

(b) A member shall apply for registration to engage in the practice of public accounting by filing an application with the Institute in the form prescribed by Council.

**2.** A member of another provincial institute of chartered accountants shall be admitted by Council on payment of the prescribed fees and on proof being submitted that the applicant is in good standing in the other provincial institute of chartered accountants at the time of application.

**3.** An annual certificate of membership signed by the president or vice-president and the executive director or a member of Council shall be issued to each member on payment of the annual fee.

**4.** (1) Every member of the Institute shall have one vote at all meetings of the Institute at which such person is present in person or by proxy, but no member who is in arrears in respect of any Institute fee, or who is under suspension, shall be entitled to vote at any meeting.

(2) The appointment of a proxy shall be in writing, signed by the member appointing the proxy. No particular form of appointment is required, it being sufficient that the form of proxy indicate the meeting in respect of which it is given, the name of the person appointed as proxy, the matter or matters on which the proxy is entitled to vote and the member's instructions, if any, as to how the proxy is to vote on each matter.

**5.** (1) Any member may submit a written application to resign to Council unless:

- (a) the member's practising unit is the subject of a practice inspection or a practice reinspection;
- (b) the member's professional conduct is the subject of an investigation by Council;
- (c) the member has not fully complied with an order of Council;
- (d) the member is in arrears in respect of any Institute fee.

(2) The Council may impose conditions which must be satisfied before an application to resign is accepted.

(3) A resignation shall take effect on the day set by Council.

## **MEMBERSHIP FEES**

**6.** All members admitted or re-admitted to membership in the Institute shall pay an admission fee of one hundred and fifty dollars in addition to the full annual fee, except as hereinafter provided.

**7.** (1) Each member shall pay an annual fee(s) as determined by Council and in addition each member shall pay the amount required to be paid on his or her behalf by the Institute to the Canadian Institute of Chartered Accountants. The whole amount shall be due and payable in advance on the last day of May in each year.

(2) The initial annual fee payable by a qualified registered student on admittance to the Institute may be reduced by Council, in proportion that the number of days from the last fiscal year of the Institute to the date of admittance bears to the number of days in the year.

(3) Membership applications by affiliation received in the first half of the Institute's fiscal year will be subject to a full year membership fee and reduced by 50% if the application is received in the balance of the year.

(4) Any non-resident Partner-in-Charge of a public accounting engagement on PEI must register with the Institute and pay a full year membership fee regardless of the date of registration. No public accounting activities can be conducted on PEI unless the Partner-in-Charge of the engagement has been issued a Certificate of Membership and a Certificate to Engage in the Practice of Public Accounting.

(5) In respect of a particular fiscal year, the annual membership fees shall be waived or reduced, if, prior to the first day of the fiscal year, the member has met eligibility criteria as the Council may prescribe from time to time.

(6) Membership fees remaining unpaid on June 1st will be assessed penalty of 5% of the amount due for each full month the amount remains unpaid. For greater certainty, the first penalty will be assessed on those amounts remaining unpaid at the Institute office at the close of business June 30<sup>th</sup>.

**8.** Any member whose membership fees have not been paid by August 31st shall automatically forfeit his or her membership in the Institute and shall be ineligible to continue as an officer or other member of the Council. Any person forfeiting his or her membership for non-payment of fees may be reinstated to membership and to any office or to another position on Council by a decision of Council and payment of the arrears and the re-admission fee as set out in bylaw 6.

**9.** Council may exempt any member from the payment of membership fees for such reason and upon such terms as it may determine.

## **RECOGNITION AND AWARDS**

**10.** (1) Any member of the Institute in good standing who has rendered conspicuous service which has reflected favourably on the profession may be recognized as a Fellow of the Institute if duly elected in accordance with this by-law.

(2) A nomination for fellowship (FCA), distinguished service award (DSA) or early achievement award (EAA), must be moved and seconded by two members of the Institute who shall complete and sign a nomination form (to be provided by the Institute) in which they have specified the reasons for the nomination.

(3) A member who is currently serving on council or on the Recognition and Awards Committee is not eligible for nomination.

(4) Nominations for fellowship (FCA) may be accepted by the Recognition and Awards Committee in October of each year. Nominations for distinguished service award (DSA) and early achievement award (EAA) may be accepted by the Recognition and Awards Committee February of each year.

(5) The Recognition and Awards Committee will review all nominations in accordance with the Committee's terms of reference and report to Council in January regarding FCA nominations and in June for DSA and EAA nominations.

(6) Council will receive and consider the report of the Recognition and Awards Committee and will conduct an election by secret ballot at a regular or special meeting of Council where written notice of the election has been sent to each member of Council at least ten days prior to the meeting. A favourable majority of three quarters of the votes cast by the members of Council is required to elect the nominee as a Fellow of the Institute.

(7) Notwithstanding subsections (6) a Fellowship shall not be awarded to any member at a time when the number of members who have been admitted as Fellows represents ten per cent of the total membership of the Institute. This provision is intended to maintain the special significance of the FCA designation by limiting the number in relation to total membership.

(8) A member who has been duly elected as a Fellow of the Institute in accordance with this bylaw, and who remains as a member in good standing, shall be entitled to use the designation "Fellow of the Chartered Accountants" or the initials "F.C.A" and shall be granted a certificate accordingly.

(9) Members of our Institute who are duly elected as a Fellow by another Institute / Ordre in Canada or Bermuda will be recognized as a "Fellow of the Chartered Accountants" in all respects except that a certificate will not be issued by our Institute.

## **COUNCIL**

**11.** (1) The affairs of the Institute shall be managed and conducted by a Council elected at the annual general meeting or appointed to fill vacancies in accordance with the bylaws and consisting of not less than five members and not more than fourteen. If desired, up to two persons who are not members of the Institute may serve on Council.

(2) The members of Council shall continue to act until their successors are elected or appointed.

(3) The Council may declare by resolution that vacancies in the Council have occurred.

(4) Any vacancy which occurs in the Council by death, resignation or otherwise in the interval between annual general meetings shall be filled by the appointment of a member by Council.

(5) Members of Council shall be paid their reasonable out of pocket expenses of attending meetings of Council and committees of the Institute and of conducting the affairs of the Institute, and Council may authorize the payment of such expenses to any other members so engaged.

**12.** (1) The Council shall be elected at the annual general meeting of the Institute.

(2) A Nominating Committee, comprised of the three most recent past presidents of the Institute, shall seek out candidates interested in serving on Council and propose a list of members for election at

the annual general meeting. The list shall specify a slate of officers and council members as follows:

- (a) The Executive officers as specified in bylaw 19(1) and
- (b) Other Council Positions including the Past President

(3) The slate of officers and council members recommended by the Nominating Committee shall be presented to the annual general meeting. If there are no other nominations, the chairperson, upon a motion duly seconded and carried, shall declare to the meeting that the Executive and other members of Council have been elected for the ensuing year.

(4) Nominations for election to Council other than those proposed by the Nominating Committee will also be accepted. Such nominations must be presented in writing to the President or Executive Director at least three days before the date of the annual general meeting and must be signed by at least three members of the Institute of whom one shall be the nominee.

(5) Where there is more than one candidate for a position on Council, an election by secret ballot shall be held. Ballots shall be counted under the direction of three scrutineers appointed by the members present at the meeting. In case of a tie in the vote, it shall be broken by a deciding vote cast by the scrutineers.

### **COUNCIL MEETINGS**

**13.** (1) Council meetings may be called at any time by the President (or in his or her absence the Vice-President) whenever deemed necessary or at the request in writing duly signed by any three Council members. In the absence of the President and Vice-President any member of the Council may by consent of those present act as chairperson. A member of Council or an Institute staff member may act as secretary at any meeting if called upon to do so by the Chairperson.

(2) At any meeting of Council a quorum shall be constituted when fifty percent, plus one, of the council members are present.

(3) Every member of Council present at a meeting of Council shall have one vote and the chairperson shall, in addition, have a casting vote.

**14.** Notice of every Council meeting shall be given to each member of Council not less than three days (excluding a Sunday or statutory Holiday) before the time when the meeting is to be held save that no notice of a meeting shall be necessary if all the members of Council are present, and do not object to the holding of or have otherwise consented to the holding of such meeting.

**15.** The following shall be included in the order of business at Council meetings:

- (1) The minutes of previous meeting
- (2) Business arising from the minutes
- (3) Correspondence
- (4) Reports of committees
- (5) Applications
- (6) General business
- (7) Adjournment

### **OFFICERS**

**16.** (1) The President shall be the chief executive officer of the Institute and shall be entitled to

preside at all meetings of the Institute and Council.

(2) In the absence of the President or at his or her request the Vice-President shall act as President.

(3) At any meeting of the membership where the President or Vice-President is not in attendance, those present in person at the meeting, provided they constitute a quorum under these by-laws, may by resolution appoint any other member of Council to chair the meeting.

(4) The Council may appoint an Executive Director and such other officers and agents as the Institute may from time to time require.

(5) The Secretary-Treasurer shall be responsible to oversee the custody, receipt and disbursement of funds of the Institute, the keeping of accounts and the preparation of the budget and financial statements and shall perform such other duties as Council may direct.

(6) The Student Registrar shall be responsible to oversee the keeping all records relating to registered students of the Institute, including records of their names, addresses and employers, their course and examination results and standings, and to make such arrangements as are necessary for the conduct of courses and examinations.

**17.** Every person when acting in his or her capacity as:

- (a) a member of Council,
- (b) an officer of the Institute,
- (c) a member of a committee of the Institute,

and any other servant or agent of the Institute shall, out of the funds of the Institute, be indemnified and saved harmless

(i) from and against any liability he or she may suffer arising out of the normal operation of the Institute, or out of any duty or responsibility under these by-laws, or out of any undertaking or assignment authorized by the Council;

(ii) for all costs, charges and expenses which he or she may suffer or incur in or about the defence of any claim, action, suit or proceeding alleging such liability provided such liability, costs, charges and expenses are suffered or incurred without his or her own wilful default.

#### **APPOINTMENT OF COMMITTEES**

**18.** (1) The Council may appoint such committees in addition to those expressly provided for in these by-laws for the purpose of facilitating the business of the Institute as it deems necessary or desirable. The President shall be an ex-officio member of all such committees appointed.

(2) Meetings of a committee shall be called by the Chairperson of the Committee.

(3) The Chairperson of each Committee shall report in writing to Council on the activities of the committee.

#### **EXECUTIVE COMMITTEE**

**19.** (1) There shall be an Executive Committee consisting of the President, the Vice-President, Secretary-Treasurer and Student Registrar.

(2) Subject to the by-laws and the approval, direction and authorization of Council, the Executive Committee shall exercise general supervision and control of the business and affairs of the Institute and

shall perform such other duties as Council may from time to time require.

(3) If the decision on any matter considered at a meeting of the Executive Committee is not unanimous, any one (1) member thereof may at such meeting request that the matter be referred to Council for its consideration.

### **BANKING ARRANGEMENTS**

**20.** All monies of the Institute shall be deposited with a financial institution. The choice of any such institution shall be authorized by Council.

**21.** All cheques shall be signed by any two of the President, Vice-President, Secretary-Treasurer, Executive Director, or a member of Council designated by Council.

### **EXECUTION OF INSTRUMENTS**

**22.** All certificates of membership shall be signed by the President or the Vice-President and by the Executive Director or a member of Council and attested by the Seal of the Institute.

**23.** Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring the signature of the Institute shall be signed on behalf of the Institute by any two of the President, Vice-President, Secretary-Treasurer, Executive Director, or a member of Council designated by Council and the Institute seal shall be affixed to such instruments, as may be required, by any person authorized to sign on behalf of the Institute.

**24.** Notwithstanding any provisions to the contrary contained in the by-laws, the Council may at any time and from time to time by resolution direct the manner in which, and the person or persons by whom any particular deed, transfer, contract, obligation or other instrument in writing or any class of deeds, transfers, contracts, obligations or other instruments in writing requiring signature by the Institute may or shall be signed.

### **AUDITOR**

**25.** (1) The Council shall place before the annual general meeting of the Institute for adoption, financial statements for the last completed financial year prepared in accordance with generally accepted accounting principles.

(2) At the annual general meeting of the Institute, a member other than a member of Council shall be appointed auditor to hold office until the close of the next annual general meeting, at a remuneration to be fixed by Council.

### **MEETINGS OF THE MEMBERSHIP**

**26.** The fiscal year of the Institute shall terminate on March 31st of each year and the annual general meeting of the Institute shall be held within six months of the year end. The meeting shall be held at such place in Prince Edward Island as Council may direct, with power of adjourning from time to time. All members of the Institute shall be notified by mail to their last known address at least ten days before the meeting.

**27.** Special general meetings of the Institute may be called at any time by the President or in his or her absence by the Vice-president or by requisition to the President or Vice-president signed by fifteen members; and at least ten days notice shall be given of such meeting. No business other than that specified in the notice shall be brought before the meeting.

**28.** Fifteen members present in person or by proxy shall constitute a quorum of the Institute but at least twelve must be present in person.

**29.** The following shall be included in the order of business at the annual general meeting:

- (1) The minutes of previous meetings
- (2) Business arising from the minutes
- (3) Report of the Council
- (4) Report of the secretary-treasurer
- (5) Correspondence
- (6) New business
- (7) Election of officers and council
- (8) Appointment of auditor
- (9) Adjournment

**30.** Motions shall be offered in writing if required by the presiding officer.

**31.** Any question of procedure at or for any meeting of the Institute which has not been provided for in these by-laws shall be determined in accordance with the applicable laws in the province that govern procedure at meetings of corporations. If counsel for the Institute advises that there is no law applicable to any procedural question that arises, the procedure shall be determined by a majority of those present at the meeting at which the question arises.

**32.** No member in arrears in respect of any Institute fee or under suspension for any cause shall be eligible for election to Council or as an officer until such arrears are paid or suspension removed.

### **RULES OF PROFESSIONAL CONDUCT**

**33.** (1) The Council may from time to time pass rules of professional conduct prescribing the standards of competency, fitness, moral character and conduct of members and students, but no such rule or any amendment thereto shall take effect until it has been approved at an annual general meeting of the Institute or at a special general meeting of the Institute called to consider such rule or amendment. Such rules are not an exhaustive codification of the standards expected of members and students.

(2) Members and students shall comply with the by-laws, rules of professional conduct and regulations of the Institute.

### **COMPLAINTS**

**34.** (1) If a complaint is received by the Institute that a member, student, firm or professional corporation has engaged in misconduct or violated the by-laws, rules of professional conduct and regulations of the Institute, the complaint shall be referred to the Executive Director.

(2) A complaint shall be in writing and signed by the complainant.

(3) The Executive Director shall give the member, student, firm or professional corporation complained against written notice of the complaint.

(4) The executive director shall conduct an initial review of the complaint and may require the complainant to answer any inquiries or to provide any records or other information relevant to the complaint.

(5) On completing the initial review of the complaint the executive director must refer the complaint and the results of the review to the professional conduct committee.

(6) The professional conduct committee shall investigate the complaint by taking any steps that it considers necessary, including summoning before it the member, student, firm or professional corporation whose conduct is the subject of the complaint.

(7) A member, student, firm or professional corporation complained against shall provide all information requested by the professional conduct committee for the purpose of its investigation and shall otherwise cooperate fully with the professional conduct committee in the conduct of the investigation.

(8) On completion of its investigation, the professional conduct committee shall make a written report to the discipline committee recommending that:

- (a) the discipline committee hear and determine the complaint set out in the written report; or
- (b) no further action be taken with respect to the matter under investigation.

(9) If the professional conduct committee concludes that there is not sufficient evidence that such a finding might be made, it shall report that conclusion to the complainant. The complainant may, notwithstanding the committee's conclusion, request that the complaint be referred to the discipline committee. That request is to be made within thirty days of the date on which the complainant is notified of the professional conduct committee's conclusion.

(10) If the professional conduct committee concludes that there is sufficient evidence that such a finding might be made or if the complainant requests that the complaint be referred to the discipline committee, the professional conduct committee shall notify the discipline committee, the complainant and the member, student, firm or professional corporation complained against that the discipline committee will be required to deal with the complaint. The notice shall be accompanied by the complaint, or, if the professional conduct committee considers it necessary or advisable, a complaint restated in order to fairly reflect the evidence that the professional conduct committee has concluded might support a finding of misconduct or violation of the by-laws, rules of professional conduct and regulations.

(11) On receipt of a notice under subsection (10), the discipline committee shall set a time and place for the hearing of the complaint and shall issue such directions as it considers necessary or advisable for the purpose of the hearing of the complaint. The complainant and the member, student, firm or professional corporation complained against shall be advised of the time and place of the hearing and of any directions issued in respect of the hearing.

(12) At the hearing, the professional conduct committee shall present the evidence that it compiled during its investigation, together with any other relevant evidence that comes to its attention. The complainant may then present any additional evidence that he or she wishes to present, following which the member, student, firm or professional corporation complained against may present evidence. Any evidence to be presented hereunder may be presented by counsel instructed by the party providing evidence.

(13) Following the hearing the discipline committee shall issue a written decision, providing copies to the professional conduct committee, the complainant and the member, student, firm or professional corporation complained against.

## PRACTICE INSPECTION

35. (1) Subject to these by-laws, Council shall administer a practice inspection program.
- (2) Council shall:
- (a) supervise the inspection of practices for the maintenance of proper professional standards by members engaged in the full or part-time practice of public accounting in Prince Edward Island as such standards relate to the performance of accounting and auditing services;
  - (b) report or cause reports to be made to the member or firm whose practice has been inspected any desired improvement in the standards of his or her accounting and auditing services.
- (3) Council in the execution of its duties shall have power:
- (a) to carry out a program of practice inspection in accordance with procedures as adopted by Council from time to time;
  - (b) to require the co-operation of any member and the production of any working paper files, books, documents or other material in his or her possession, custody or control which it may require from time to time and which are relevant to the work of Council as it relates to the practice inspection program;
  - (c) to retain the services of a chartered accountant on a fee basis or otherwise and to authorize any such person to enquire into all matters brought to his or her attention and to interview any member or student and to examine any working papers, files, books, documents or other material that are directly relevant to the practice inspection program.
- (4) Council and any member thereof and any person acting on its behalf shall maintain the confidentiality of:
- (a) all practice inspection reports and files;
  - (b) all working paper files, books, documents, or other material; and
  - (c) the affairs of any member and of his or her client and, notwithstanding any other provision of these bylaws or the rules of professional conduct, any matter arising out of a practice inspection shall not be disclosed or brought before Council unless, as a result of an inspection, Council is of the opinion that any failure to maintain professional standards is sufficiently serious as to reflect adversely upon the professional competence, reputation or integrity of a member or student.
- (5) Every member engaged in the practice of public accounting in Prince Edward Island, either as a sole practitioner or as a partner, any firm of members engaged in such practice, and any member performing public accounting services on a part-time basis shall pay for their inspection by Council, the amount payable to be determined in accordance with rates as authorized by Council from time to time.
- (6) Council may adopt and publish from time to time the schedule of rates to be paid, which rates shall be designed to cover the costs of inspection.
- (7) Where the practice inspection fee of any member is not paid within two (2) months after the date when such fee has become due and payable, all rights and privileges as a member under the Public Accounting and Auditing Act and these by-laws may be suspended upon the reporting of such non-payment to Council.
- (8) The membership of any person whose amount charged for practice inspection is not paid within two (2) months after the date of his or her suspension for such non-payment may, upon the

reporting of the continued non-payment to Council be terminated and the person's name shall be removed from the membership register.

### **BANKRUPTCY**

**36.** (1) Upon receipt by Council of proof, any member who becomes a bankrupt, as defined in the Bankruptcy Act, is thereupon suspended from membership in the Institute.

(2) For the purposes of subsection (1), a certified copy of the receiving order or a certificate of the official receiver certifying that the person is a bankrupt, may be given as conclusive proof of the facts certified, evidenced, or declared.

(3) Any person suspended under subsection (1) shall forthwith be given written notice of such suspension.

(4) Any person whose membership is suspended under subsection (1), may, whether or not the condition giving rise to the suspension has been removed, apply to have the suspension terminated; any such application shall be investigated by Council.

(5) A person applying under subsection (4), shall be given prompt written notice of the findings of Council.

(6) In arriving at its findings, Council shall have regard to such considerations as may seem appropriate, including whether the applicant:

- (a) is of good moral character, and
- (b) has been discharged from bankruptcy as evidenced by a court order to that effect.

(7) Any member or student who becomes bankrupt shall advise the Institute of the fact as soon as practicable, but no later than fifteen days after the event.

### **REGISTERED STUDENTS, EDUCATION, and EXPERIENCE REQUIREMENTS**

**37.** (1) The registration requirements for students are those outlined in Part III of the Atlantic School of Chartered Accountancy Information Handbook (the "Student Handbook") as amended from time to time.

(2) The Institute is responsible for educating its registered students for the profession of chartered accountancy, and for ensuring that each candidate it qualifies to write the Institute's Uniform Final Evaluation has been provided the opportunity to acquire the knowledge and skills to satisfy the objectives of this examination.

(3) The Institute adopts for use in Prince Edward Island the examinations arranged and prepared from time to time by the Board of Examiners of the Interprovincial Education Committee as its prescribed evaluation, which evaluations are referred to as the "Uniform Final Evaluation".

- (4)
- (a) The Institute acknowledges the Atlantic School of Chartered Accountancy (ASCA) as a recognized post-graduate education institution offering a co-operative education program. The Institute accepts ASCA's prescribed program of study as fulfilling the Institute's student education mandate.
  - (b) The Institute adopts the regulations, policies, rules and guidelines of the Atlantic School of Chartered Accountancy as its own, with power to vary such regulations, policies, rules, and guidelines as the Council deems appropriate.
  - (c) The Institute's experience requirements governing the student's training period are set

out in by-law 38. Regulations concerning the application of the experience requirements are described in the ASCA Student Handbook.

(5) Before being permitted to write the Uniform Final Evaluation of the Institute, registered students must have:

- (a) passed examinations in all of the specific subject area courses referred to in Part II of the Student Handbook in accordance with Part II, other than those from which the student has been exempted, and
- (b) satisfied such other requirements of the Institute as appropriate.

(6) The conditions to be fulfilled by a registered student for admission as a member of the Institute are as follows:

- (a) the student must have met the experience requirements set out in by-law 38;
- (b) the student must have passed the Uniform Final Evaluation referred to in Part VI of the Student Handbook in accordance with Part VI; and
- (c) the student must have paid all applicable fees pursuant to Part V of the Student Handbook.

**38.** (1) To fulfil the experience requirements for admission as a member, a registered student must have completed at least 30 months of experience in an approved office exclusive of approved leaves of absence, study and examination time, but inclusive of normal vacation time not to exceed three weeks per annum.

(2) In addition to satisfying the criteria of ByLaw 38(1), the practical experience requirements of every registered student seeking admission into the Institute as a member with the right to practice public accounting in Prince Edward Island as a Chartered Accountant must comprise a minimum of 2,500 chargeable hours of work of which:

- (a) at least 1,250 of such hours must consist of assurance as defined by the Canadian Institute of Chartered Accountants, a minimum of 625 hours of which must be comprised of attestation work, and,
- (b) at least 100 of such hours must consist of taxation work.

(3) In order to satisfy the requirements of Bylaw 38(1) and (2), the practical work experience of every registered student must adhere to the parameters established in the Competency Map as enunciated from time to time by the Canadian Institute of Chartered Accountants.

(4) An Experience Certification Form completed by the student and employer is required to be submitted in writing to the Institute within 30 days of:

- (a) completion of the student's practical experience period,
- (b) termination of the student's employment,
- (c) completion of a recognized co-op work term, and
- (d) completion of experience obtained prior to receiving university degree.

(5) This by-law applies to all students registering after September 1, 2009, and to all offices that continue or apply to be approved training offices after that date.

#### **OFFICE APPROVAL**

**39.** (1) Except with the approval of Council, no member engaged in the practice of public accounting shall employ, continue to employ, or offer employment to any person who applies to be registered as a student, and no applicant shall be registered as a student, unless the office of such member has been approved for the training of students.

as amended to June 25, 2009

(2) An approved training office shall have no more than three registered students for each chartered accountant practising therein.

(3) All approved offices must be able to provide each registered student with sufficient work experience to satisfy the requirements of by-law 38. Each year offices must complete an Office Practice Questionnaire and where the completed questionnaire indicates some deficiency in the practice, such deficiency must be corrected.

(4) This by-law applies to all students registering after March 31, 1993, and to all offices that continue or apply to be approved training offices after that date.

### **COUNCIL INTERPRETATIONS**

**40.** (1) In addition to all its other powers Council may interpret the intent or meaning of any by-law, any rule, regulation, resolution or report in connection with the Institute and may determine any dispute with regard to such intent or meaning.

(2) Any such interpretation shall be final, binding and conclusive with regard to any such dispute.

### **COUNCIL POWERS**

**41.** (1) With respect to any matter which could have been but has not been provided for in these by-laws, Council shall have the authority to act for and on behalf of the Institute, and, in doing so, Council may take into account such considerations as appear to it to be relevant and may act as appears appropriate to it.

(2) Without limitation of subsection (1), for the purpose of determining whether a member has engaged in misconduct, the Council may consider, in addition to the rules prescribed under section 33 of these by-laws, any other professional standards whether generally accepted standards or standards that appear to Council to be indicated in the circumstances as appropriate standards of professional behaviour.

### **TRANSITIONAL**

**42.** Any action or decision of the Council or the Institute carried out or made prior to the coming into force of these by-laws pursuant to by-laws of the Institute which were at the time but are no longer in effect, (including but not limited to grants of certificate of membership, exemptions from payment of membership fees, elections of Fellows, the election of Council [including officers], the creation and appointment of committees, the choice of the Institute's bank, execution of instruments, the appointment of an auditor, the adoption or passing of rules of professional conduct, the investigation and any other steps in connection with any complaint, the administration of a practice inspection program, the suspension of a member for bankruptcy and any other steps in connection therewith, the adoption and administration of registration and other requirements applicable to students, office approval decisions and Council interpretations) shall, except to the extent that the same is inconsistent with these by-laws or with any action or decision carried out or made pursuant to these by-laws, have the same force and effect as if done or made in accordance with these by-laws.

### **PROFESSIONAL LIABILITY INSURANCE**

**43.** (1) Professional liability insurance coverage shall be maintained by  
(a) every member engaged in the practice of public accounting in Prince Edward Island as a sole proprietor;

(b) every firm engaged in the practice of public accounting in Prince Edward Island; and  
(c) every professional corporation engaged in the practice of public accounting in Prince Edward Island.

- (2) The amount of insurance to be maintained shall be in an amount at least equal to the lesser of  
(a) \$250,000 for each member who, as applicable, is a partner, proprietor, employee or shareholder; and  
(b) \$1,000,000;  
Until April 30, 2007 and thereafter the amount of insurance to be maintained shall be in an amount at least \$1 million where one member practices public accounting;  
\$1.5 million where two or three members practice public accounting;  
\$2 million where four or more members practice public accounting;

The minimum limits would apply to all members in public practice, including part-time practitioners and those with small limited practices except that a firm of members which cannot realistically obtain insurance in the amount required by the Institute because of the size of their firm or practice may certify to the Institute that the firm has set aside assets at least equal in value to the amount of insurance required above in lieu of such insurance.

- (3) In the event of  
(a) the withdrawal of a member from the practice of public accounting, whether or not that member continues to carry on the practice of public accounting elsewhere; or  
(b) the merger, dissolution or cessation of practice of a proprietorship, partnership or professional corporation engaged in the practice of public accounting the professional liability insurance coverage required to be carried pursuant to subsection (2), or the assets set aside in lieu of the insurance, prior to the occurrence of the event referred to in (a) or (b), shall continue to be maintained for a period of at least six years following the event to cover acts or omissions occurring prior to the event.

(4) Satisfactory proof of insurance coverage or the assets set aside in lieu thereof shall be provided to the Institute within two months of the commencement of the practice of public accounting in Prince Edward Island, and on an annual basis thereafter, and shall be submitted in the form and manner prescribed by the Council.

(5) Any change in the insurance coverage or other information provided to the Institute under subsection (4) shall be submitted to the Institute within fifteen business days following the change.

- (6) In the event professional liability insurance coverage as required in subsection (2) is not maintained, or satisfactory proof of such coverage is not provided to the Institute, then  
(a) in the case of a member engaged in the practice of public accounting in Prince Edward Island as a sole proprietor the rights and privileges of membership in the Institute of the member shall be suspended;  
(b) in the case of a firm engaged in the practice of public accounting in Prince Edward Island, the rights and privileges of membership in the Institute of the partners of the firm shall be suspended;  
(c) in the case of a professional corporation practising public accounting in Prince Edward Island, the rights and privileges of membership in the Institute of the members who are shareholders or officers or directors of the professional corporation shall be suspended;

(7) A person whose rights and privileges of membership in the Institute have been suspended pursuant to subsection (6) shall be reinstated to membership in good standing effective the date upon which satisfactory proof of the required coverage, together with the reinstatement fee as determined by Council, are received by the Institute.

(8) Subject to subsection (10), in the event a person whose rights and privileges of membership in the Institute have been suspended pursuant to subsection (6) remains suspended for a period of thirty (30) days, that person's membership in the Institute shall be terminated.

(9) A person whose membership has been terminated pursuant to subsection (8) may apply to the Council to be readmitted to membership in the Institute upon

- (a) making a written application in the form prescribed by the Council;
- (b) providing satisfactory proof of the required coverage;
- (c) remitting the reinstatement fee required pursuant to subsection (7); and
- (d) remitting the readmission fee as determined by Council.

(10) Notwithstanding subsection (8), where

- (a) a member's practising unit is the subject of a practice inspection; or
- (b) a member is the subject of an investigation or a charge made by the professional conduct committee; or

(c) a member has not fully complied with an order of the Council; his or her membership shall not be terminated pursuant to subsection (8) until the practice inspection or professional conduct committee investigation has been completed, or the final disposition of the charge has been made, or the member has fully complied with the Council order, as the case may be.

(11) The Office of the Auditor General of Prince Edward Island and every member therein employed in carrying out the responsibilities of that Office shall be exempt from the requirements of this bylaw.

(12) A member rendering audit or review engagement services shall be exempt from the requirements of this bylaw provided

- (a) the audit or review engagement services are rendered exclusively to non-profit organizations;
- (b) the gross annual revenues of each non-profit organization do not exceed \$250,000; and
- (c) The audit or review engagement services are provided to each non-profit organization without a fee.

#### **MANDATORY CONTINUING PROFESSIONAL DEVELOPMENT**

**44.** (1) Every member shall undertake continuing professional development as required by this bylaw, and demonstrate compliance as set out in this bylaw.

(2) The minimum amount of continuing professional development that a member must complete is 20 hours per year minimum and 120 hours in a three year rolling period.

(3) Each member of the Institute who has not been granted an exemption by the membership committee from the continuing professional development requirements imposed by Bylaw 44(2) must complete the minimum number of hours of relevant continuing professional development described in Bylaw 44(2)

(4) Council will recognize as continuing professional development

- (a) measurable and verifiable learning activities; at least 60 of the 120 hours must be

verifiable and at least 10 of the 60 hours shall be completed in each of the three years. Annually, Council will publish guidelines outlining “verifiable” learning activities; (b) independent and informal professional development activities; which contain significant intellectual and practical content and are directly related to The CA Competency Map or relate directly to the member’s area of calling or intended calling.

- (5) For the purposes of this bylaw continuing professional development includes:
- (a) attending or teaching courses or seminars such as those offered by CICA or any provincial institute;
  - (b) being a participant, lecturer or presenter at a conference;
  - (c) participating in or leading technical discussion groups;
  - (d) attending or teaching advanced or post-secondary education courses;
  - (e) completing structured self-study programs;
  - (f) private reading, study and technical research;
  - (g) preparation time for lectures and presentations;
  - (h) research and writing time for professional or business-related articles; and
  - (i) any other form of education that is related to the member’s situation which enables the member to maintain professional competence in all functions in which the member practises or is relied upon because of the member’s calling.

- (6) The Council shall appoint a professional development committee that shall have the power to
- (a) prescribe a form of compliance report to be filed by a member;
  - (b) review compliance reports submitted by members; and
  - (c) require a member to produce such verification of the contents of the member’s compliance report as the committee deems necessary.

(7) Every member shall submit annually, on or before May 31, a report in the prescribed form declaring that the requirements of this bylaw have been met in accordance with subsection (2).

(8) Every member shall keep, for a period of five years, sufficient documentation to support their declaration of professional development compliance and, on request, provide such supporting documentation to the Council.

(9) The professional development committee, upon receipt of a member’s compliance report that indicates the member did not fulfill the continuing professional development requirements of subsection (2) during the previous calendar year, may:

- (a) waive all or a portion of the member’s continuing professional development requirement in compassionate or other exceptional circumstances;
- (b) consider and approve a plan proposed by the member to remedy any deficiencies in an appropriate manner over a reasonable period of time; or
- (c) make a complaint to the discipline committee.

(10) In the event a member fails to comply with the plan approved pursuant to subsection 8(b), the professional development committee may make a complaint to the discipline committee.

(11) In the event the Institute has not received a member’s compliance report by August 31, the professional development committee shall report accordingly to the discipline committee, and that member’s rights and privileges as a member of the Institute may be suspended by the discipline committee.

(12) Filing the compliance report with the Institute following suspension pursuant to subsection (11) shall reinstate the person's rights and privileges as a member of the Institute, provided that the report and reinstatement fee of \$250.00 are received by the Institute not later than three months from the date of the suspension.

(13) The membership of any person whose rights and privileges of membership have not been reinstated within the three months from the date of the suspension may be terminated by the discipline committee.

(14) A person whose membership was terminated pursuant to subsection (13) may apply to the professional development committee for either:

- (a) confirmation that he or she has satisfied the professional development requirements of subsection (2); or
- (b) approval of a proposed professional development plan acceptable to the professional development committee, subject to such condition or conditions as the committee thinks appropriate.

(15) A person whose membership was terminated pursuant to subsection (14) may apply to Council for readmission to membership in the Institute. The person must file with his or her application confirmation of the professional development committee that he or she has satisfied the professional development requirements of subsection (2), or confirmation of approval of a proposed professional development plan acceptable to the professional development committee, including such condition or conditions as the committee has stipulated.

(16) An application for readmission under subsection (15) must be accompanied by:

- (a) the reinstatement fee as determined by Council; and
- (b) the readmission fee as determined by Council.

(17) A member who resides outside Prince Edward Island and is a member of another provincial institute shall be exempt from the requirements of this bylaw.

## **PROFESSIONAL CORPORATIONS**

**45.** (1) The name of a professional corporation shall contain the words "chartered accountant(s)", "comptables agrees", "professional corporation", "corporation professionnelle" or "societe professionnelle" and shall be in accordance with these bylaws and the rules of professional conduct of the Institute.

(2) Except as provided in subsection (3), a professional corporation shall carry on the practice of public accounting under its corporate name.

(3) A professional corporation may carry on the practice of public accounting under a firm name that is in accordance with the bylaws and the rules of professional conduct of the Institute and is registered under the Partnership Act R.S.P.E.I. 1988, Cap. P-1.

**46.** (1) Every applicant for a permit under subsection 25(1) of the Public Accounting and Auditing Act R.S.P.E.I. 1988, Cap. P-28.1 shall furnish to the Executive Director

- (a) an application in the form approved by Council,
- (b) a copy of the letters patent of the corporation issued under the Companies Act R.S.P.E.I. 1988, Cap. C-14, and
- (c) The fee as determined by Council payable to the Institute.

(2) Upon receipt of a completed application, documentation and fees referred to in (1) the

Executive Director shall issue a permit to the professional corporation in the form approved by Council.

(3) A permit may be issued for a term not exceeding one year and shall expire on the 30th day of April. The permit may be renewed by the Executive Director upon receipt of application for renewal and applicable fee.

**47.** Every professional corporation shall inform the Executive Director of any change in the particulars set forth in the application furnished pursuant to bylaw 46 by filing a statement of change in the form approved by Council within fifteen days of the change.

**48.** (1) A professional corporation seeking renewal of its permit shall annually, at least fifteen days prior to the expiry date of the permit, complete an application for renewal in the form approved by Council and pay the renewal fee of \$50.00 to the Institute.

(2) Upon receipt of a completed renewal application, documentation and fees referred to in (1) the Executive Director shall renew the permit of the professional corporation.

**49.** Subject to section 26 of the Public Accounting and Auditing Act, the permit of a professional corporation shall be cancelled by the Executive Director if the conditions specified in section 25(1)(e) and (f) of the Act do not continue to exist at all times subsequent to the issuance of the permit.

**50.** If any of the conditions specified in section 25(1)(c) and (d) of the Public Accounting and Auditing Act no longer continue to exist, the permit of the professional corporation shall be suspended by the Executive Director until such condition is satisfied.

**51.** Unless otherwise provided in the Public Accounting and Auditing Act, the bylaws and rules of the Institute, where the permit of a professional corporation has been suspended, the permit shall be reinstated and reissued if the Executive Director is satisfied that the professional corporation has complied with all conditions set for such reinstatement.

**52.** Unless otherwise provided in the Public Accounting and Auditing Act, the bylaws and rules of the Institute, where the permit of a professional corporation has been cancelled, Council may order the reinstatement of the permit upon such terms as it approves and the Executive Director shall reinstate and reissue the permit in accordance with the Council direction.

**53.** The Executive Director shall keep and maintain the Register of Professional Corporations and enter therein the name of each professional corporation approved to carry on the practice of public accounting under a corporate name, and the names and addresses of the directors and shareholders of each professional corporation.