



PLEASE NOTE

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This document is *not* the official version of the Act. The Act and the amendments as printed under the authority of the [Queen's Printer](#) for the province should be consulted to determine the authoritative statement of the law.

For more information concerning the history of this Act, please see the [Table of Public Acts](#).

If you find any errors or omissions in this consolidation, please notify the Legislative Counsel Office at (902) 368-4291.

CHAPTER P-28.1

PUBLIC ACCOUNTING AND AUDITING ACT

1. In this Act	Definitions
(a) “Association” means the Certified General Accountants Association of Prince Edward Island;	Association
(b) “Board” means the Board of Governors of the Association;	Board
(c) “certified general accountant” means an individual who is a member of the Association;	certified general accountant
(d) “chartered accountant” means an individual who is a member of the Institute;	chartered accountant
(e) “CICA handbook” means the Handbook of the Canadian Institute of Chartered Accountants;	CICA handbook
(f) “Council” means the Council of the Institute;	Council
(g) “executive director” means the person appointed by the Council of the Institute to perform the duties of the executive director for the Institute;	executive director
(h) “former Act” means, (i) in the context of the Institute or the Council, the <i>Public Accounting and Auditing Act</i> R.S.P.E.I. 1988, Cap. P-28, or (ii) in the context of the Association or the Board, the <i>Certified General Accountants Act</i> Stats. P.E.I. 1968 Cap. 64;	former Act
(i) “governor” means a member of the Board;	governor
(j) “Institute” means The Institute of Chartered Accountants of Prince Edward Island;	Institute
(k) “permit” means a permit issued by the Institute under section 25 or by the Association under section 48;	permit
(l) “practice of public accounting” means providing or offering to provide one or more of the following services to the public: (i) performing an assurance engagement as defined in the CICA Handbook, (ii) performing a specified auditing procedures engagement as defined in the CICA Handbook, (iii) performing a compilation engagement as defined in the CICA Handbook,	practice of public accounting

(iv) providing an accounting service insofar as it involves summarization, analysis, advice, counsel or interpretation, but excluding an accounting service which is part of, but incidental to, the provider's primary occupation which is not accounting,

(v) providing a forensic accounting, financial investigation or financial litigation support service,

(vi) providing advice, counsel or interpretation with respect to taxation matters when such advice, counsel or interpretation is in connection with a practice offering or providing a service described in clauses (i) to (v),

(vii) preparing a tax return or other statutory information filing when such preparation is in connection with a practice offering or providing a service described in clauses (i) to (v);

professional corporation

(m) "professional corporation" means a corporation which holds a permit issued by the Association or the Institute under this Act to engage in the practice of public accounting;

public accountant

(n) "public accountant" means a person who either alone or in partnership engages for reward in the practice of public accounting;

student

(o) "student" means a person who is registered as a student under the bylaws of the Association or the Institute for training in their qualifying program of study.

Not included in practice of public accounting

(2) For greater certainty, the practice of public accounting does not include the following:

(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 trusteeship in bankruptcy, or acting in the liquidation and administration of bankrupt or insolvent companies and estates;

(c) data processing, including manual record keeping;

(d) administratorship, insofar as it involves the management of affairs on behalf of others;

(e) computer systems consulting;

(f) business brokerage, 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;
- (l) the exercise by accountants and auditors of their functions as employees of the governments of the province or Canada. 2004, c.13, s.1

2. The purpose of this Act is to regulate public accountants and to enable The Institute of Chartered Accountants of Prince Edward Island and the Certified General Accountants Association of Prince Edward Island to regulate their members. 2004, c.13, s.2 Purpose

PART II REGULATION OF PUBLIC ACCOUNTANTS

3. (1) The Institute shall regulate chartered accountants who are engaged in the practice of public accounting. Institute regulates practice of CAs

(2) A chartered accountant shall meet the following minimum requirements in order to engage in the practice of public accounting: Minimum requirements

- (a) maintain membership in good standing in the Institute;
- (b) meet the minimum practical experience requirements in an approved public accounting office, as set out in the bylaws of the Institute, which shall prescribe no less than two years of practical experience;
- (c) maintain professional liability insurance in accordance with the requirements of the Institute;
- (d) undertake continuing professional development and education as prescribed by the Institute;
- (e) adhere to all practice standards and rules of professional conduct adopted by the Institute;
- (f) register with the Institute for the purposes of practising public accounting;
- (g) co-operate with the practice inspectors engaged by the Institute to conduct regular and special practice inspections;
- (h) comply with this Act and the bylaws of the Institute. 2004,c.13,s.3

4. (1) The Association shall regulate certified general accountants who are engaged in the practice of public accounting. Association regulates practice of CGAs

(2) A certified general accountant shall meet the following minimum requirements in order to engage in the practice of public accounting: Minimum requirements

- (a) maintain membership in good standing in the Association;
- (b) meet the minimum practical experience requirements in an approved public accounting office, as set out in the bylaws of the

Association, which shall prescribe no less than two years of practical experience;

- (c) maintain professional liability insurance in accordance with the requirements of the Association;
- (d) undertake continuing professional development and education as prescribed by the Association;
- (e) adhere to all practice standards, ethical rules and disciplinary procedures adopted by the Association;
- (f) register with the Association for the purposes of practising public accounting;
- (g) co-operate with the practice inspectors engaged by the Association to conduct regular and special practice inspections;
- (h) comply with this Act and the bylaws of the Association.

2004,c.13,s.4

Restrictions on use
of public
accountant title

5. (1) No person other than

- (a) a chartered accountant who is registered by the Institute as a member who may engage in the practice of public accounting;
- (b) a firm of chartered accountants in which all partners of the firm and all chartered accountants employed by it who are engaged in the practice of public accounting in the province
 - (i) are members of the Institute, and
 - (ii) are registered by the Institute to engage in the practice of public accounting;
- (c) a professional corporation;
- (d) a certified general accountant who is registered by the Association as a member who may engage in the practice of public accounting; or
- (e) a firm of certified general accountants in which all the partners of the firm and all certified general accountants employed by it who are engaged in the practice of public accounting in the province
 - (i) are members of the Association, and
 - (ii) are registered by the Association to engage in the practice of public accounting,

shall

- (f) take or use the name or title of “Public Accountant” or its equivalent in any other language;
- (g) engage in the practice of public accounting; or
- (h) hold himself or herself out as being a public accountant or use any designation or initials indicating or implying that the person is a public accountant.

Exception

(2) For the avoidance of doubt, a student who is employed by a person entitled to engage in the practice of public accounting under this Act and

who acts under the direction and supervision of such person does not contravene subsection (1).

(3) Any person who contravenes subsection (1) is guilty of an offence and upon summary conviction is liable to a fine of not more than \$10,000 for a first offence and to a fine of not more than \$25,000 for any subsequent offence.

Offence

(4) No person is entitled to recover in any court any costs incurred or charges made as a public accountant unless the person may engage in the practice of public accounting under this Act. 2004,c.13,s.5

No cost recovery

6. (1) No person shall engage in the practice of public accounting through a corporation under any name containing the words “Professional Corporation”, “Corporation professionnelle” or “Societe professionnelle” unless that person is a professional corporation.

Corporation requirements

(2) Any person who contravenes subsection (1) is guilty of an offence and liable upon summary conviction to a fine of not more than \$10,000. 2004,c.13,s.6

Offence

7. Every prosecution under this Act shall be commenced within two years following the commission of the offence or, if the offence is not discovered during that time, within two years of the discovery of the matters which constitute the offence. 2004,c.13,s.7

Prosecution within 2 years

PART III

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PRINCE EDWARD ISLAND

8. (1) The Institute of Chartered Accountants of Prince Edward Island incorporated under the *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28 is continued under this Act as a body corporate.

Institute continued

(2) The Institute has the power of purchasing or otherwise acquiring, holding or alienating property, both real and personal, and performing all such acts and things a body corporate generally can do and perform under the *Companies Act* R.S.P.E.I. 1988, Cap. C-14. 2004,c.13,s.8

Powers under the Companies Act

9. The objects of the Institute are

Objects

- (a) to promote and increase the knowledge, skill and proficiency of its members and students;
- (b) to govern the members of the Institute and their firms;
- (c) to establish, maintain and develop standards of qualification for members and students;
- (d) to establish, maintain and develop standards of knowledge and skill among its members and students;

- (e) to establish, maintain and develop standards of practice for members, students, firms and professional corporations;
- (f) to establish, maintain and develop standards of professional ethics for members, students, firms and professional corporations;
- (g) to regulate the practice, discipline and professional conduct of its members, students, firms and professional corporations; and
- (h) to promote and protect the welfare and interest of the Institute and the accounting profession. 2004,c.13,s.9

Membership of the Institute	10. (1) The membership of the Institute consists of <ul style="list-style-type: none"> (a) each person who was, immediately before the coming into force of this section, a member of the Institute; and (b) each person who is admitted as a member under this Act, unless the person subsequently ceases to be a member under this Act.
Comply with bylaws	(2) Each member shall comply with this Act and the bylaws of the Institute. 2004,c.13,s.10
Head office	11. The head office of the Institute shall be at such place in the province as the Council may decide from time to time. 2004,c.13,s.11
Council manages Institute	12. (1) The affairs and business of the Institute shall be under the management and control of the Council.
Membership of Council	(2) The Council shall consist of <ul style="list-style-type: none"> (a) not less than five members of the Institute elected in accordance with the bylaws; and (b) up to two persons who are not members of the Institute who are appointed in accordance with the bylaws.
Term	(3) A person elected or appointed to the Council shall hold office for the term prescribed by the bylaws.
Vacancy	(4) If a vacancy occurs on the Council for any reason, the vacancy shall be filled in accordance with the bylaws.
Committees	(5) The Council may establish any committees that are provided for by this Act or the bylaws of the Institute, or that it considers necessary.
Members of committees	(6) The Council shall appoint members to committees it has established under subsection (5).
<i>Idem</i>	(7) The Council may appoint members of the Council, members of the Institute or non-members to serve on any committee.
Delegation to committees	(8) The Council may delegate to any committee any of its powers or duties except any power respecting bylaws, and it may dissolve any such committee.

(9) A decision of a majority of members of the Council or of any committee established under subsection (5) is the decision of the Council or the committee, as the case may be. 2004,c.13,s.12

Majority decision

13. (1) The Council may pass bylaws to carry out the objects of the Institute, including bylaws

Bylaws

- (a) respecting the appointment or election and terms of office of members of the Council;
- (b) prescribing the educational, experience and examination requirements to be met in order to be admitted to membership in the Institute;
- (c) respecting the qualifications of and conditions to be met by persons applying to the Institute for registration
 - (i) as a student in its qualifying program of study, or
 - (ii) as a member who may engage in the practice of public accounting;
- (d) respecting the establishment and maintenance of classes, lectures, courses of study, systems of training, periods of service and examinations for students;
- (e) respecting the standards of qualification and tests of competency, fitness and moral character required of students applying for membership in the Institute;
- (f) providing for the training and recognition of specialists;
- (g) prescribing standards of practice for members, students and firms;
- (h) providing for a practice inspection program and a committee to oversee its operation;
- (i) providing for rules of professional conduct, including the adoption of provisions from other professional bodies with objects similar to those of the Institute;
- (j) providing for the composition of, and procedures for proceedings before, the professional conduct committee and the discipline committee;
- (k) respecting the appointment, composition, powers and duties of such committees as Council may deem expedient;
- (l) providing for the exercise of disciplinary authority over members, students and firms, including the appointment of a committee to receive and investigate complaints made against members, students and firms;
- (m) respecting the definition of unprofessional conduct and other definitions that the Council considers are necessary for terms used in, but not defined or incompletely defined in this Act or the bylaws;
- (n) providing for mandatory liability insurance to be carried by members, firms and professional corporations in accordance with the prescribed terms and conditions;

- (o) providing for and governing the practice of public accounting by members through professional corporations, including requiring the certification of such corporations, governing the issuance, renewal, suspension and revocation of permits, governing the terms and conditions that may be imposed on permits and governing the names of those corporations and the notification of a change in the shareholders of those corporations;
- (p) requiring members or classes of members to participate in continuing professional development and to report thereon to the Institute in the prescribed manner;
- (q) respecting the powers and duties of officers of the Institute;
- (r) respecting meetings of the Council and the Institute;
- (s) respecting the fees payable to the Institute including
 - (i) establishing and requiring the payment of the fees for registration as a student,
 - (ii) establishing and requiring the payment of the fees for registration as a member, and other fees,
 - (iii) providing the times of payment of fees, and
 - (iv) providing penalties for the late payment of any fee; and
- (t) respecting all other matters of governance and management of the Institute.

- Changes to bylaws (2) Subject to subsection (3), the Council may at any time amend, add to or repeal the bylaws of the Institute.
- Bylaw to be ratified (3) A bylaw or an amendment to a bylaw takes effect when passed by the Council, but its continuance is subject to ratification by the members of the Institute at the next annual meeting, or at an earlier special meeting of the Institute called, in accordance with the bylaws, to consider the bylaw or amendment.
- Not ratified (4) Where a bylaw, or an amendment of a bylaw, is not ratified under subsection (3), at or before the next annual meeting after the bylaw or amendment was made, the bylaw or amendment shall expire.
- Incorporation by reference (5) In making or amending a bylaw, the Council may incorporate by reference as part of the bylaw a practice, rule or regulation of another association or organization having objects or purposes that are similar to those of the Institute. 2004,c.13,s.13
- Annual general meeting **14.** An annual general meeting of the Institute shall be held each year in the province in accordance with the bylaws. 2004,c.13,s.14
- Powers of Institute **15.** The Institute may, by resolution of the Council, and in accordance with the bylaws,

- (a) purchase, hold or dispose of any real or personal property for the purposes of the Institute; and
- (b) borrow money upon the credit of the Institute, issue bonds, debentures or other securities and pledge or sell such bonds, debentures or other securities. 2004,c.13,s.15

16. (1) The Institute shall, on application by a person in accordance with the bylaws, admit the person as a member of the Institute, if the person

- (a) meets the minimum practical experience requirements as set out in the bylaws, which shall not be less than two years of practical experience; and
- (b) complies with or meets such other requirements as are set out in the bylaws.

Application for membership

(2) Before being permitted to write the examinations of the Institute, candidates shall satisfy the requirements and fulfil the conditions prescribed by the bylaws of the Institute relating to courses, examinations and service.

Qualification to write exam

(3) Examinations of the Institute shall be held at least once in each year.

Exams once a year

(4) The Institute may, from time to time, make any arrangements or agreements with any universities, colleges, schools or other bodies relating to courses or examinations for students. 2004,c.13,s.16

Agreements re courses, exams

17. (1) The Institute shall keep a register and enter therein

- (a) a record of all persons who are admitted as members under this Act; and
- (b) a record of members of the Institute who may engage in the practice of public accounting.

Register

(2) Every member of the Institute is entitled to receive from the executive director a certificate of membership in such form as the Council may determine.

Certificate of membership

(3) A certificate of membership shall remain the property of the Institute and be immediately returned to the Institute whenever a person ceases to be a member.

Certificate, property of Institute

(4) Only those persons whose names are entered in the register are entitled to the privileges of membership.

Privileges of membership

(5) The register shall be open for inspection by the public. 2004,c.13,s.17

Inspection of register

18. Any member may resign as a member by delivering a written resignation to the Institute. 2004,c.13,s.18

Registration of member

Complaint	<p>19. (1) Any person may make a complaint to the Institute about the conduct of a member, student, firm or professional corporation.</p>
<i>Idem</i>	<p>(2) A complaint shall be in writing and signed by the complainant.</p>
Initial review of complaint by executive director	<p>(3) 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.</p>
Referral to professional conduct committee	<p>(4) On completing the initial review of the complaint the executive director shall refer the complaint and the results of the review to the professional conduct committee.</p>
Investigation	<p>(5) 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.</p>
Report by professional conduct committee	<p>(6) On completion of its investigation, the professional conduct committee shall make a written report to the discipline committee recommending that</p> <ul style="list-style-type: none"> (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.
Discipline committee to hear complaints	<p>(7) The discipline committee shall hear all complaints brought before it by the professional conduct committee. 2004,c.13,s.19</p>
Unprofessional conduct	<p>20. (1) Where a member is found by the discipline committee, after investigation and due inquiry, to be guilty of unprofessional conduct, the discipline committee may do one or more of the following:</p> <ul style="list-style-type: none"> (a) cancel the membership of a member and cancel the registration of the member, if any, as a member who may engage in the practice of public accounting ; (b) suspend the member from practice for such period as the discipline committee sees fit; (c) fine the member in an amount not exceeding \$10,000; (d) impose such conditions or restrictions on practice by the member as the discipline committee sees fit; (e) reprimand and counsel the member in such a manner as the discipline committee sees fit; (f) order that all or part of the expenses of the Institute incurred in connection with the inquiry and investigation be paid by the member; (g) order that the payment of any amounts ordered to be paid under this section be made a condition of continuing membership.

- (2) For the purpose of any inquiry the discipline committee may summon any person to appear before it and require any person to give evidence and to produce documents and may examine and hear any such person on oath administered by a member of the discipline committee. Witnesses
- (3) Any public accountant who fails to comply with a summons or a requirement issued or imposed under subsection (2) is guilty of an offence and liable upon summary conviction to a fine of not more than \$10,000. Offence
- (4) A decision of a majority of the members of the discipline committee is the decision of the discipline committee. Decision of majority
- (5) Any person aggrieved by a decision of the discipline committee made under this section may, within one month from the date on which notice of the decision is given to such person, appeal on any question of law or jurisdiction by filing a notice of appeal with the Appeal Division of the Supreme Court. Appeal
- (6) The Council may at any time suspend a member from practising public accounting pending the completion of an investigation or adjudication of a complaint if it considers it necessary to do so for the protection of the public. Suspension
- (7) Where a member has been suspended under subsection (6), the suspension shall lapse unless within 45 days of the date of the suspension a formal complaint has been laid against the member by the chair of the professional conduct committee. Formal complaint
- (8) Where the registration of a member has been cancelled under clause (1)(a) or suspended under subsection (6), the Council shall give notice of the cancellation or suspension in a daily newspaper distributed in the province in the area of the member's current or former practice, employment or residence and shall notify its members and the other provincial institutes of chartered accountants in Canada. Notice of cancellation of registration
- (9) Where disciplinary action has been taken against a member under clause (1)(b), (c), (d), (e), (f) or (g), the Council may, if it is in the public interest to do so, give notice of the disciplinary action in a daily newspaper distributed in the province in the area of the member's current or former practice, employment or residence and may notify its members and the other provincial institutes of chartered accountants in Canada. *Idem*
- (10) No member or officer of the Institute or a person serving on a committee of the Institute is liable for loss or damage suffered by any person by reason only of anything done or omitted to be done in good Limitation of liability

faith by that member or officer or person in the execution of a power under this Act or the bylaws of the Institute. 2004,c.13,s.20

Use of CA designation

21. (1) A member of the Institute has the right to use the designation “Chartered Accountant” or the french equivalent and the initials “C.A.”.

Idem

(2) A partnership, all of whose partners are chartered accountants, has the right to use the designation “Chartered Accountants”.

Idem

(3) A professional corporation which holds a permit under section 25 has the right to use the designation “Chartered Accountant” or “Chartered Accountants”, as applicable.

Use of FCA designation

(4) A chartered accountant elected a Fellow of the Institute in accordance with the Institute bylaws has the right to use the designation “Fellow of the Chartered Accountants” or the initials “F.C.A.”.

Offence

(5) Any person who uses the designation “Chartered Accountant” or “Chartered Accountants” or the initials “C.A.” or “F.C.A” or the French equivalent of any of them otherwise than as permitted by this section is guilty of an offence and liable upon summary conviction to a fine of not more than \$10,000. 2004,c.13,s.21

Extraordinary expenditure assessment

22. (1) The Institute may, with the approval of two-thirds or more of the members present at a meeting held for the purpose of approving the same, assess its members for any extraordinary expenditure.

Member liable only for fees

(2) No member shall in any manner be liable to, or charged with, the payment of any debt or demand due by the Institute beyond the amount of his or her unpaid fees or assessments.

No claim against Institute property

(3) Where a person ceases to be a member, neither that person nor that person's representative has an interest in or claim against the funds and property of the Institute by reason only of being a member. 2004,c.13,s.22

Annual list published

23. At least once in each year the executive director shall cause to be published in at least one daily newspaper in the province a list of the names and addresses of the Institute members and a list of corporations which hold permits issued under section 25. 2004,c.13,s.23

Limited liability partnership

24. Two or more members of the Institute may form a limited liability partnership or continue a partnership as a limited liability partnership within the meaning of the *Partnership Act* R.S.P.E.I. 1988, Cap. P-1 for the purpose of practising as a chartered accountant. 2004,c.13,s.24

Permit

25. (1) The executive director may issue a permit to a corporation that
(a) files an application in the form prescribed by the Council;

- (b) pays the fees prescribed by the Council;
- (c) is a corporation in good standing under the legislation under which it is incorporated;
- (d) has a name which includes the words “chartered accountant(s)”, “Comptables agrees”, “Professional Corporation”, “Corporation professionnelle” or “Societe professionnelle” and otherwise complies with the bylaws of the Institute;
- (e) satisfies the executive director that the legal and beneficial ownership of a majority of all issued voting shares of the corporation is vested in one or more members of the Institute and that all of the directors and officers of the corporation are members of the Institute; and
- (f) satisfies the executive director that the person or persons who will carry on the practice of public accounting on behalf of the corporation are members of the Institute.

(2) A permit is valid for the period stated on it. Period of validity

(3) A permit may be suspended or cancelled or its renewal may be withheld by the Council if any of the conditions specified in subsection (1) cease to be fulfilled. Permit

(4) When the executive director issues a permit to a corporation the name of the corporation shall be entered in a register of professional corporations. 2004,c.13,s.25 Register of professional corporations

26. (1) If a professional corporation ceases to fulfil any condition specified in section 25 by reason only of Death, resignation, etc.

- (a) the death of a member of the Institute; or
- (b) the resignation, suspension or cancellation of the membership of a member of the Institute,

who is a shareholder of the professional corporation, the professional corporation has a period of 90 days from the date of the death, resignation, suspension or cancellation in which to fulfil the condition, failing which the permit is automatically terminated effective on the expiration of the 90 day period.

(2) In the event of the death of a member of the Institute, the Council may order that the ninety day period provided for in (1) be extended for a further period that it considers reasonable. 2004,c.13,s.26 Extension of time

27. (1) Notwithstanding anything to the contrary in the legislation under which a professional corporation is incorporated, every person who is a shareholder of a professional corporation Liability of shareholder of professional corporation

- (a) during the time that it is the holder of a permit; or

(b) during the time that it practises or acts in contravention of this Act or the Institute bylaws,
is liable to the same extent and in the same manner as if the shareholders of the corporation were, during that time, carrying on the business of the corporation as a partnership or, where there is only one shareholder, as an individual practising as a public accountant.

Liability not affected

(2) The liability of a person in carrying on the practice of a public accountant is not affected by the fact that the practice of a public accountant is carried on by the person as an employee and on behalf of a professional corporation. 2004,c.13,s.27

No proxy to non-member

28. No shareholder of a professional corporation shall 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 of the Institute the authority to exercise the voting rights attached to any or all of his or her shares. 2004,c.13,s.28

Continues to be subject to Act, etc.

29. The relationship of a chartered accountant to a professional corporation, whether a shareholder, director, officer or employee, does not affect, modify or diminish the application to him or her of this Act or the bylaws of the Institute. 2004,c.13,s.29

Not limiting fiduciary, etc. relationship

30. (1) Nothing contained in this Act shall affect, modify or limit any law or rule applicable to the fiduciary, confidential and ethical relationships between a chartered accountant and a person receiving the professional services of such chartered accountant.

Subject to applicable laws

(2) The relationship between a professional corporation engaging in practice as a public accountant and a person receiving the professional services of the corporation is subject to all applicable laws relating to the fiduciary, confidential and ethical relationships between a public accountant and his or her client. 2004,c.13,s.30

Prohibition

31. (1) No person shall engage in practice as a public accountant through a corporation under any name containing the words “chartered accountant” or “Comptables agrees” unless that person is incorporated and the corporation is the holder of a subsisting permit from the Institute.

Offence

(2) A person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine of not more than \$10,000. 2004,c.13,s.31

PART IV
CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF
PRINCE EDWARD ISLAND

32. (1) The Certified General Accountants Association of Prince Edward Island, incorporated under the *Certified General Accountants Act* Stats. P.E.I. 1968 Cap. 64 is continued under this Act as a body corporate. CGA Association continued

(2) The Association has the power of purchasing or otherwise acquiring, holding or alienating property, both real and personal, and performing all such acts and things a body corporate generally can do and perform under the *Companies Act* R.S.P.E.I. 1988, Cap. C-14. 2004,c.13,s.32 Powers under *Companies Act*

33. The objects of the Association are Objects of Association

- (a) to promote and increase the knowledge, skill and proficiency of its members and students;
- (b) to govern the members of the Association and their firms;
- (c) to establish, maintain and develop standards of qualification for members and students;
- (d) to establish, maintain and develop standards of knowledge and skill among its members and students;
- (e) to establish, maintain and develop standards of practice for members, students, firms and professional corporations;
- (f) to establish, maintain and develop standards of professional ethics for members, students, firms and professional corporations;
- (g) to regulate the practice, discipline and professional conduct of its members, students, firms and professional corporations;
- (h) to promote and protect the welfare and interest of the Association and the accounting profession; and
- (i) to make any arrangements or agreements with any universities, colleges, schools or other bodies relating to courses or examinations for students. 2004,c.13,s.33

34. (1) The membership of the Association consists of Membership

- (a) each person who was, immediately before the coming into force of this section, a member of the Association; and
- (b) each person who is admitted as a member under this Act,

unless the person subsequently ceases to be a member under this Act.

(2) Each member shall comply with the bylaws of the Association. 2004,c.13,s.34 Comply with bylaws

35. The head office of the Association shall be at such place in the province as the Board may decide from time to time. 2004,c.13,s.35 Head office

Board of Governors	36. (1) The affairs and business of the Association shall be under the management and control of the Board of Governors.
Board membership	(2) The Board shall consist of <ul style="list-style-type: none"> (a) not less than five members of the Association elected in accordance with the bylaws; and (b) up to two persons who are not members of the Association who are appointed in accordance with the bylaws.
Term of office	(3) A person elected or appointed to the Board shall hold office for the term prescribed by the bylaws.
Vacancy	(4) If a vacancy occurs on the Board for any reason, the vacancy shall be filled in accordance with the bylaws.
Committees	(5) The Board may establish any committees that are provided for by this Act or the bylaws of the Association, or that it considers necessary.
Members of committees	(6) The Board shall appoint members to committees it has established under subsection (5).
<i>Idem</i>	(7) The Board may appoint members of the Board, members of the Association or non-members to serve on any committee.
Delegation to committees	(8) The Board may delegate to any committee any of its powers or duties except any power respecting bylaws, and it may dissolve any such committee.
Majority decision	(9) A decision of a majority of the members of the Board or on any committee established under subsection (6) is the decision of the Board or the committee, as the case may be. 2004,c.13,s.36
Powers of Association	37. The Association 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 the Association; and (b) borrow money upon the credit of the Association, issue bonds, debentures or other securities and pledge or sell such bonds, debentures or other securities. 2004,c.13,s.37
Bylaws	38. (1) The Board may pass bylaws to carry out the objects of the Association, including bylaws <ul style="list-style-type: none"> (a) respecting the appointment or election and terms of office of members of the Board; (b) prescribing the educational, experience and examination requirements to be met in order to be admitted to membership in the Association;

- (c) respecting the qualifications of and conditions to be met by persons applying to the Association for registration
 - (i) as a student in its qualifying program of study, or
 - (ii) as a member who may engage in the practice of public accounting;
- (d) respecting the establishment and maintenance of classes, lectures, courses of study, systems of training, periods of service and examinations for students;
- (e) respecting the standards of qualification and tests of competency, fitness and moral character required of students applying for membership in the Association;
- (f) providing for the training and recognition of specialists;
- (g) prescribing standards of practice for members, students and firms;
- (h) providing for a practice inspection program and a committee to oversee its operation;
- (i) providing for rules of professional conduct, including the adoption of provisions from other professional bodies with objects similar to those of the Association;
- (j) providing for the composition of, and procedures for proceedings before, the discipline committee and the Board;
- (k) respecting the appointment, composition, powers and duties of such committees as Board may deem expedient;
- (l) providing for the exercise of disciplinary authority over members, students and firms, including the appointment of a committee to receive and investigate complaints made against members, students and firms;
- (m) respecting the definition of unprofessional conduct and other definitions that the Board considers are necessary for terms used in, but not defined or incompletely defined in this Act or the bylaws;
- (n) providing for mandatory liability insurance to be carried by members, firms and professional corporations in accordance with the prescribed terms and conditions;
- (o) providing for and governing the practice of public accounting by members through professional corporations, including requiring the certification of such corporations, governing the issuance, renewal, suspension and revocation of permits, governing the terms and conditions that may be imposed on permits and governing the names of those corporations and the notification of a change in the shareholders of those corporations;
- (p) requiring members or classes of members to participate in continuing professional development and to report thereon to the Association in the prescribed manner;
- (q) respecting the powers and duties of officers of the Association;

- (r) respecting meetings of the Board and the Association;
- (s) respecting the fees payable to the Association including
 - (i) establishing and requiring the payment of the fees for registration as a student,
 - (ii) establishing and requiring the payment of the fees for registration as a member, and other fees,
 - (iii) providing the times of payment of fees, and
 - (iv) providing penalties for the late payment of any fee; and
- (t) respecting all other matters of governance and management of the Association.

Changes to bylaws	(2) Subject to subsection (3), the Board may at any time amend, add to or repeal the bylaws of the Association.
Ratification	(3) A bylaw or an amendment to a bylaw takes effect when passed by the Board, but its continuance is subject to ratification by the members of the Association at the next annual meeting, or at an earlier special meeting of the Association called, in accordance with the bylaws, to consider the bylaw or amendment.
Not ratified	(4) Where a bylaw, or an amendment of a bylaw, is not ratified under subsection (3), at or before the next annual meeting after the bylaw or amendment was made, the bylaw or amendment shall expire.
Incorporation by reference	(5) In making or amending a bylaw, the Board may incorporate by reference as part of the bylaw a practice, rule or regulation of another association or organization having objects or purposes that are similar to those of the Association. 2004,c.13,s.38
Annual general meeting	39. An annual general meeting of the Association shall be held each year in the province in accordance with the bylaws. 2004,c.13,s.39
Application for membership	40. (1) The Association shall, on application by a person in accordance with the bylaws, admit the person as a member of the Association, if the person <ul style="list-style-type: none"> (a) meets the minimum practical experience requirements, as set out in the bylaws, which shall not be less than two years of practical experience; and (b) complies with or meets such other requirements as are set out in the bylaws.
Qualification to write exam	(2) Before being permitted to write the examinations of the Association, candidates shall satisfy the requirements and fulfil the conditions prescribed by the bylaws of the Association relating to courses, examinations and service. 2004,c.13,s.40
Register	41. (1) The Association shall keep a register and enter therein

- (a) a record of all persons who are admitted as members under this Act; and
- (b) a record of members of the Association who may engage in the practice of public accounting.
- (2) Every member of the Association is entitled to receive a certificate of membership in such form as the Board may determine. Certificate
- (3) A certificate of membership shall remain the property of the Association and be immediately returned to the Association whenever a person ceases to be a member. Certificate, property of Association
- (4) Only those persons whose names are entered in the register are entitled to the privileges of membership. Privileges of membership
- (5) The register shall be open to inspection by the public. 2004,c.13,s.41 Inspection of register
- 42.** (1) Any person may make a complaint to the Association about the conduct of a member, student, firm or professional corporation. Complaint
- (2) A complaint shall be in writing and signed by the complainant. *Idem*
- (3) The chair of the discipline committee 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. Initial review
- (4) On completing the initial review of the complaint the chair of the discipline committee shall refer the complaint and the results of the review to the discipline committee. Referral to discipline committee
- (5) The discipline 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. Investigation
- (6) On completion of its investigation, the discipline committee shall make a written report to the Board recommending that
- (a) the Board 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. Report by discipline committee
- (7) The Board shall hear all complaints brought before it by the discipline committee. 2004,c.13,s.42 Discipline committee to hear complaints

- Unprofessional conduct
- 43.** (1) Where a member is found by the Board after investigation and due inquiry, to be guilty of unprofessional conduct, the Board may do one or more of the following:
- (a) cancel the membership of a member and cancel the registration of the member, if any, as a member who may engage in the practice of public accounting;
 - (b) suspend the member from practice for such period as the Board sees fit;
 - (c) fine the member in an amount not exceeding \$10,000;
 - (d) impose such conditions or restrictions on practice by the member as the Board sees fit;
 - (e) reprimand and counsel the member in such a manner as the Board sees fit;
 - (f) order that all or part of the expenses of the Association incurred in connection with the inquiry and investigation be paid by the member;
 - (g) order that the payment of any amounts ordered to be paid pursuant to this section be made a condition of continuing membership.
- Witnesses
- (2) For the purpose of any inquiry the Board may summon any person to appear before it and require any person to give evidence and to produce documents and may examine and hear any such person on oath administered by a member of the Board or by a member of any committee appointed by the Board.
- Offence
- (3) Any public accountant who fails to comply with a summons or a requirement issued or imposed under subsection (2) is guilty of an offence and liable upon summary conviction to a fine of not more than \$10,000.
- Decision of majority
- (4) A decision of a majority of the members of the Board is the decision of the Board.
- Appeal to Court
- (5) Any person aggrieved by a decision of the Board made under this section may, within one month from the date on which notice of the decision is given to such person, appeal on any question of law or jurisdiction by filing a notice of appeal with the Appeal Division of the Supreme Court.
- Suspension
- (6) The Board may at any time suspend a member from practising public accounting pending the completion of an investigation or adjudication of a complaint if it considers it necessary to do so for the protection of the public.

(7) Where a member has been suspended under subsection (6), the suspension shall lapse unless within 45 days of the date of the suspension a formal complaint has been laid against the member by the chair of the discipline committee.

Formal complaint

(8) Where the registration of a member has been cancelled under clause (1)(a) or suspended under subsection (6), the Board shall give notice of the cancellation or suspension in a daily newspaper distributed in the province in the area of the member's current or former practice, employment or residence and shall notify its members and the other provincial associations of certified general accountants in Canada.

Notice of
cancellation of
registration

(9) Where disciplinary action has been taken against a member pursuant to clause (1)(b), (c), (d), (e), (f) or (g) the Board may, if it is in the public interest to do so, give notice of the disciplinary action in a daily newspaper distributed in the province in the area of the member's current or former practice, employment or residence and may notify its members and the other provincial associations of certified general accountants in Canada. 2004,c.13,s.43

Idem

44. No member or officer of the Association, or a person serving on a disciplinary body or committee of the Association is liable for loss or damage suffered by any person by reason only of anything done or omitted to be done in good faith by that member or officer or person in the execution of a power under this Act or the bylaws of the Association. 2004,c.13,s.44

Limitation of
liability

45. Where a person ceases to be a member, neither that person nor that person's representative has an interest in or claim against the funds and property of the Association by reason only of being a member. 2004,c.13,s.45

No claim against
Association
property

46. (1) Where, at the end of a fiscal year, the Association has surplus funds, the funds shall be applied to the promotion and implementation of the objects of the Association and shall not be distributed to the members.

Surplus funds

(2) The Association may invest its funds only in investments in which a trustee is authorized to invest under the *Trustee Act* R.S.P.E.I. 1988, Cap. T-8. 2004,c.13,s.46

Investments

47. (1) A member of the Association has the right to use the designation "Certified General Accountant" or the french equivalent and the initials "C.G.A.".

Use of CGA
designation

<i>Idem</i>	(2) A partnership, all of whose partners are certified general accountants, has the right to use the designation “Certified General Accountants”.
<i>Idem</i>	(3) A professional corporation which holds a permit under Section 49 has the right to use the designation “Certified General Accountant” or “Certified General Accountants”, as applicable.
Use of designation FCGA	(4) A certified general accountant awarded a Fellow of the Association by the Certified General Accountants Association of Canada has the right to use the designation “Fellow of the Certified General Accountants” or the initials “F.C.G.A.”.
Offence	(5) Any person who uses the designation “Certified General Accountant” or “Certified General Accountants” or the initials “C.G.A.” or “F.C.G.A” or the French equivalent of any of them otherwise than as permitted by this section is guilty of an offence and liable upon summary conviction to a fine of not more than \$10,000. 2004,c.13,s.47
Limited liability partnership	48. Two or more members of the Association may form a limited liability partnership or continue a partnership as a limited liability partnership within the meaning of the <i>Partnership Act</i> for the purpose of practising as a certified general accountant. 2004,c.13,s.48
Permit	49. (1) The Association may issue a permit to a professional corporation that <ul style="list-style-type: none"> (a) files an application in the form prescribed by the Board; (b) pays the fees prescribed by the Board; (c) is a corporation in good standing under the legislation under which it is incorporated; (d) has a name which includes the words “certified general accountant(s)”, “Comptables generaux accredits”, “Professional Corporation”, “Corporation professionnelle” or “Societe professionnelle” and otherwise complies with the bylaws of the Association; (e) satisfies the Board that the legal and beneficial ownership of a majority of all issued voting shares of the corporation is vested in one or more members of the Association and that all of the directors and officers of the corporation are members of the Association; and (f) satisfies the Board that the person or persons who will carry on the practice of public accounting on behalf of the corporation are members of the Association.
Period of validity	(2) A permit is valid for the period stated on it.

(3) A permit may be suspended or cancelled or its renewal may be withheld by the Board if any of the conditions specified in subsection (1) cease to be fulfilled. Change in permit

(4) When the Board issues a permit to a corporation the name of the corporation shall be entered in a register of professional corporations. Register of professional corporations
2004,c.13,s.49

50. (1) If a professional corporation ceases to fulfil any condition specified in section 49 by reason only of Death, resignation, etc.

(a) the death of a member of the Association; or

(b) the resignation, suspension or cancellation of the membership of a member of the Association,

who is a shareholder of the corporation, the professional corporation has a period of 90 days from the date of the death, resignation, suspension or cancellation in which to fulfil the condition, failing which the permit is automatically terminated effective on the expiration of the 90 day period.

(2) In the event of the death of a member of the Association, the Board may order that the ninety day period provided for in subsection (1) be extended for a further period that it considers reasonable. Extension of time
2004,c.13,s.50

51. (1) Notwithstanding anything to the contrary in the legislation under which a professional corporation is incorporated, every person who is a shareholder of a professional corporation Liability of shareholder of professional corporation

(a) during the time that it is the holder of a permit; or

(b) during the time that it practices or acts in contravention of this Act or the Association bylaws,

is liable to the same extent and in the same manner as if the shareholders of the corporation were, during that time, carrying on the business of the corporation as a partnership or, where there is only one shareholder, as an individual practising as a public accountant.

(2) The liability of a person in carrying on the practice of a public accountant is not affected by the fact that the practice of a public accountant is carried on by the person as an employee and on behalf of a professional corporation. Liability not affected
2004,c.13,s.51

52. No shareholder of a professional corporation shall 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 of the Association the authority to exercise the voting rights attached to any or all of his or her shares. No proxy to non-member
2004,c.13,s.52

53. The relationship of a certified general accountant to a professional corporation, whether a shareholder, director, officer or employee, does Continues to be subject to Act, etc.

not affect, modify or diminish the application to him or her of this Act or the bylaws of the Association. 2004,c.13,s.53

Not limiting
fiduciary, etc.
relationship

54. (1) Nothing contained in this Act shall affect, modify or limit any law or rule applicable to the fiduciary, confidential and ethical relationships between a certified general accountant and a person receiving the professional services of such certified general accountant.

Subject to
applicable laws

(2) The relationship between a professional corporation engaging in practice as a public accountant and a person receiving the professional services of the corporation is subject to all applicable laws relating to the fiduciary, confidential and ethical relationships between a public accountant and his or her client. 2004,c.13,s.54

Prohibition

55. (1) No person shall engage in practice as a public accountant through a corporation under any name containing the words “certified general accountant” or “comptables generaux” unless that person is incorporated and the corporation is the holder of a subsisting permit from the Association.

Offence

(2) A person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine of not more than \$10,000. 2004,c.13,s.55

Annual list
published

56. At least once in each year the secretary of the Association shall cause to be published in at least one daily newspaper in the province a list of the names and addresses of the Association members and a list of corporations which hold permits issued under section 49. 2004,c.13,s.56

PART V MISCELLANEOUS AND TRANSITIONAL

Current members of
the Council

57. (1) The persons who, immediately before the date this section comes into force, are members of the Council established under the former Act are deemed, on the date this section comes into force, to be the members of the Council referred to in subsection 12(2) until the election of Council members next following the date this section comes into force.

Current members of
the Board

(2) The persons who, immediately before the date this section comes into force, are members of the Board established under the former Act are deemed, on the date this section comes into force, to be the members of the Board referred to in subsection 36(2) until the election of Board members next following the date this section comes into force.

Member who may
engage in the
practice of public
accounting

(3) Every person who, immediately before the date this section comes into force, is a member of the Institute, is deemed on the date this section comes into force to be a chartered accountant who is registered by the

Institute as a member who may engage in the practice of public accounting until December 31 2005 , unless the person sooner ceases to be so registered under this Act.

(4) Every person who, immediately before the date this section comes into force, is a member of the Association and who is registered with the Association to offer professional services to the public, is deemed on the date this section comes into force to be a certified general accountant who is registered by the Association as a member who may engage in the practice of public accounting until December 31, 2005 , unless the person sooner ceases to be so registered under this Act. *Idem*

(5) A bylaw of the Institute that is in force prior to the coming into force of this Act continues to be a bylaw of the Institute until it is replaced, repealed or amended under this Act. *Current bylaws*

(6) A bylaw of the Association that is in force prior to the coming into force of this Act continues to be a bylaw of the Association until it is replaced, repealed or amended under this Act. *Idem*

(7) An application for membership made under the bylaws of the Institute but not concluded before the coming into force of this Act shall be dealt with as an application for registration under this Act. *Application continues*

(8) An application for membership made under the bylaws of the Association but not concluded before the coming into force of this Act shall be dealt with as an application for registration under this Act. *Idem*

(9) A complaint made or discipline proceeding commenced but not concluded before the coming into force of this Act shall be concluded pursuant to the bylaws of the Institute as though this Act had not come into force. *Compliant prior to Act*

(10) A complaint made or discipline proceeding commenced but not concluded before the coming into force of this Act shall be concluded pursuant to the bylaws of the Association as though this Act had not come into force. *Idem*

(11) A complaint made or discipline proceeding commenced after the coming into force of this Act shall, where the complaint or proceedings relates to conduct occurring all or partly before the coming into force of this Act, shall be dealt with under this Act and the bylaws, unless the person subsequently ceases to be a member under this Act. 2004,c.13,s.57 *Complaint after Act*

58. The *Public Accounting and Auditing Act* R.S.P.E.I. 1988, Cap. P-28 is repealed. 2004,c.13,s.58 *Public Accounting and Auditing Act repealed*

*Certified General
Accountants Act*
repealed

59. The *Certified General Accountants Act* Stats. P.E.I. 1968, Cap. 64 is repealed. 2004,c.13,s.59