

**CHARTERED PROFESSIONAL
ACCOUNTANTS OF ONTARIO**

REGULATION 10-1

FIRMS

Adopted by the Council under the *Chartered Professional Accountants of Ontario Act, 2017* and the By-law on September 21, 2018, and effective as of November 19, 2018 and amended on June 18, 2021.

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**REGULATION 10-1
FIRMS**

Application

This Regulation applies to Firms. Members who engage in the Practice of Public Accounting or Provide Accounting Services to the Public must do so only through Firms registered with CPA Ontario. This Regulation sets out additional requirements for Firms.

Definitions and Interpretation

1. In this Regulation, words have the same meaning as they do in the Act and the By-law, and for the purpose of this Regulation:
 - 1.1 “email address” means an address where the portion of the address before the “@” is associated with one and only one individual and is not shared or generic.
 - 1.2 “Firm domain name” refers to the URL or web address associated with a Firm’s website.
 - 1.3 “Firm Representative” has the meaning given to it in the By-law, and may also be referred to as Local Senior Officer or LSO by CPA Ontario;
 - 1.4 “partner” refers to a Member or a Member’s Professional Corporation that is a partner of a Firm that is a partnership, including a limited liability partnership; and
 - 1.5 “Related Business or Practice” means a business or practice that refers to, or is referred to by, a Practice of Public Accounting or Providing Accounting Services to the Public in its material (including any use of any name, word, design, feature, or characteristic of presentation or communication) which, in a reasonable person’s view, would imply that the Practice of Public Accounting or Providing Accounting Services to the Public, or any of its proprietors, has a proprietary interest or management influence in the other business or practice, or has any other ongoing economic association or relationship with the other business or practice.
2. For the purposes of this Regulation, a reference to the registration of a Firm means the registration of each office of the Firm through which a Member engages in the Practice of Public Accounting or Provides Accounting Services to the Public.

Registration

3. The Registrar shall register as a Firm any partnership, Professional Corporation, or sole proprietorship Providing Accounting Services to the Public or engaged in the Practice of Public Accounting that otherwise meets all of the requirements of the Act, by-laws, and this Regulation and that, to the satisfaction of the Registrar:

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- 3.1 makes an application for registration in the prescribed form and pays the prescribed fee;
 - 3.2 discloses all Related Businesses or Practices, if any;
 - 3.3 discloses whether any of its partners or shareholders is the subject of an investigation, or is or has been the subject of disciplinary proceedings by CPA Ontario or any other Regulatory Body, whether or not they are a member of that Regulatory Body, and provides the consent(s) of the partner(s) or shareholder(s) permitting the Registrar to access information about the investigation or disciplinary proceedings from that Regulatory Body; and
 - 3.4 provides all other information, documents, and materials requested by the Registrar.
4. The Registrar may defer consideration of an application for registration until such time as any disclosed investigation or discipline proceeding has been concluded.
 5. The Registrar shall not register a Firm, and shall not issue a Registration Certificate to a Firm, that:
 - 5.1 fails to make any disclosure or provide any information, document, or other materials required by this Regulation; or
 - 5.2 provides information or a document or materials that the Registrar knows or believes is false or misleading, unless the Registrar is satisfied that the falsehood or misleading information, document, or material is not material and was made inadvertently.
 6. Every Firm shall, upon registration, provide the Registrar with:
 - 6.1 the name, title, business address, and a valid email address of a Member, who is designated to act as the Firm Representative; and
 - 6.1A the Registrar may exempt a Firm from the requirement set out in section 6.1 to have a valid email address for the Firm Representative in extraordinary circumstances.
 - 6.2 the name, business address, telephone number, and website URL, if applicable, of the Firm.
 7. No Student may register a Firm.
 8. A Related Business or Practice shall not be promoted as a Firm.
 9. An application for registration as a Firm after an order deregistering the Firm or permitting the Firm to surrender its registration made by an Adjudicative Committee shall be made by:

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- 9.1 fulfilling the qualifications for registration as set out in this Regulation;
 - 9.2 obtaining written confirmation from the Registrar that the Firm otherwise meets the requirements for registration, as provided in the applicable provisions of Regulation 6-2 or 6-3; and
 - 9.3 making an application to the Adjudicative Committee that made the deregistration order, under the applicable provisions of Regulation 6-2 or 6-3.
10. A Firm that has been deregistered shall not be permitted to register again except in extraordinary circumstances at the discretion of, and on the restrictions and conditions deemed appropriate by, the Registrar, the Discipline Committee, or the Appeal Committee, as the case may be.

Firm Name

11. In accordance with section 13, the Registrar shall be entitled to approve or reject the name, and any change of name, by which the Firm intends to, and does, engage in the Practice of Public Accounting, or in Providing Accounting Services to the Public. The Registrar's decision shall not be subject to review or appeal.
12. A Firm may apply for the Registrar's pre-approval of its name by making an application in the prescribed form. The Registrar's pre-approval of a name shall remain valid for a period of 180 Days, but shall remain subject to the Registrar's continuing discretion to approve or reject the name. The Registrar's pre-approval of a Firm name does not constitute CPA Ontario's reserving the name.
13. A Firm's name:
 - 13.1 shall not be the same or misleadingly similar to a name held by another unrelated Firm, and shall not otherwise be misleading, self-laudatory, contravene professional good taste, or use a Fellow distinction; and
 - 13.2 shall comply with the By-law, Code, Business Names Act and, if applicable, the Business Corporations Act and the regulations adopted under that Act.
14. If changes in a Firm's circumstances or practice occur that make the Firm name misleading, the Firm shall immediately apply to the Registrar to change its name.
15. No Firm, and no Member at any Firm, shall engage in the Practice of Public Accounting or Providing Accounting Services to the Public, or hold itself out, in any name other than the approved Firm name.
16. The Registrar may suspend the membership of the Firm Representative of a Firm that engages in the Practice of Public Accounting or in Providing Accounting Services to the Public using a non-compliant name.
17. Only a Firm in good standing may use CPA Ontario's logo or other marks and always in compliance with CPA Ontario's intellectual property licensing requirements.

- 17.1 The CPA designation and initials may be used in the Firm's domain name only if the designation and initials are likewise part of the Firm's registered name.

Updates

18. A Firm shall:
- 18.1 disclose to the Registrar if it or any of its partners or shareholders becomes the subject of an investigation or of disciplinary proceedings by another Regulatory Body, whether or not they are members of that Regulatory Body, and provide the consent(s) of the Firm and its partner(s) or shareholder(s) permitting the Registrar to access information regarding the investigation or disciplinary proceedings from that Regulatory Body;
 - 18.2 disclose to the Registrar any changes in the information submitted in its application for registration as a Firm within 30 Days of the change; and
 - 18.3 provide all other information, documents, and materials requested by the Registrar from time to time.
19. Any changes in the information submitted by a Firm in its application for registration as a Firm shall be subject to the Registrar's approval.
- 19A The Registrar may exempt a Firm from the requirement to maintain a valid email address for the Firm Representative in extraordinary circumstances.

Bankruptcy

20. A Firm, and any person applying for registration as a Firm, shall disclose to the Registrar immediately upon:
- 20.1 becoming the subject of an application for a bankruptcy order;
 - 20.2 making an assignment for the general benefit of creditors;
 - 20.3 making or becoming the subject of a Division I or Division II proposal; or
 - 20.4 having a business which the Firm controls, directly or indirectly, become subject to a bankruptcy order,
- as set out in the Bankruptcy and Insolvency Act.
21. The disclosure referenced in section 20 shall be in writing, and shall include:
- 21.1 documents about the subject of the disclosure to the satisfaction of the Registrar or, if a document is not yet available, an undertaking to provide the document as soon as it becomes available;
 - 21.2 the pleadings related to the subject of the disclosure or, if the pleadings are not yet filed, an undertaking to provide the pleadings as soon as they become available;

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- 21.3 documents about the financial circumstances of the Firm or person applying for registration as a Firm to the satisfaction of the Registrar, including income tax returns, financial statements, and financial records; and
 - 21.4 a consent permitting CPA Ontario to directly access information and documents related to the subject of the disclosure from the trustee, the Superintendent (as defined in the Bankruptcy and Insolvency Act), or the official receiver, as the case may be.
22. The person making the disclosure shall also immediately provide any other information and documents requested by or on behalf of the Registrar, unless the person is asserting in good faith and on reasonable grounds the specific information or document requested is subject to legal privilege and that privilege is not waived.
23. The Registrar shall, in respect of a person applying for registration as a Firm, consider the disclosure and the information and documents provided under sections 21 and 22, and shall, provided the person otherwise meets the requirements for registration as a Firm:
- 23.1 register the person as a Firm;
 - 23.2 register the person as a Firm, subject to one or more of the following restrictions and/or conditions:
 - 23.2.1 engaging, for a time specified, an advisor or supervisor;
 - 23.2.2 restricting the practice in a specified manner for a specified period of time;
 - 23.2.3 reporting as specified to the Registrar on the progress of the subject of the disclosure; or
 - 23.2.4 any other restrictions and/or conditions the Registrar deems appropriate; or
 - 23.3 refuse to register the person as a Firm.
24. The Registrar shall, in respect of a Firm, consider the disclosure and the information and documents provided under sections 21 and 22, and shall, provided the Firm otherwise meets the requirements for Firms:
- 24.1 take no further action;
 - 24.2 require the Firm to practise subject to one or more of the following restrictions and/or conditions:
 - 24.2.1 engaging, for a time specified, an advisor or supervisor;
 - 24.2.2 restricting the practice in a specified manner for a specified period of time;

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- 24.2.3 reporting as specified to the Registrar on the progress of the subject of the disclosure; or
 - 24.2.4 any other restrictions and/or conditions the Registrar deems appropriate; or
 - 24.3 suspend the registration of the Firm until the fulfillment of the terms and/or conditions imposed by the Registrar.
25. The Registrar, in making a decision provided for in sections 23 and 24, shall consider appropriate factors, which may include:
- 25.1 the circumstances pertaining to the event requiring disclosure under section 20 and to the conduct of the person making the disclosure;
 - 25.2 the extent to which the event requiring disclosure may put at risk the interests of:
 - 25.2.1 any client or employer associated with the person making the disclosure; or
 - 25.2.2 any other party impacted or affected by the event;
 - 25.3 the number and nature of creditors affected;
 - 25.4 whether any potential civil or criminal liability has arisen as a result of the event requiring disclosure;
 - 25.5 the current financial circumstances of the person making the disclosure;
 - 25.6 the anticipated Day of release from insolvency; and
 - 25.7 whether the person making the disclosure can perform, without impairment, the essential duties of any current or anticipated business or practice.

Registration Certificates

- 26. Upon registration, a Firm is entitled to receive one Registration Certificate.
- 27. The Registration Certificate is the property of CPA Ontario, and shall be immediately destroyed upon request of the Registrar.

Voluntary Surrender of Registration

- 28. A Firm may apply in writing to the Registrar in the prescribed form to surrender its registration.
- 29. The Registrar shall not accept an application made under section 28 if the Firm:

- 29.1 is all or part of a practising unit that is the subject of a practice inspection or a practice reinspection;
 - 29.2 is the subject of a complaint, including any review, investigation, proposed settlement agreement, or Allegations by the Professional Conduct Committee;
 - 29.3 has not fully complied with a settlement agreement or order of a Committee of CPA Ontario;
 - 29.4 has not demonstrated that it will maintain discovery insurance for a period of six years as required under section 9 of Regulation 14-1: Professional Liability Insurance; and/or
 - 29.5 owes any Dues to CPA Ontario.
30. The Registrar may require a Firm to fulfill such conditions as, in the discretion of the Registrar, are necessary to protect the public interest and the reputation of the Profession before accepting the application for surrender.

Administrative Suspension, Reinstatement, and Deregistration

31. The Registrar may suspend the registration of any Firm for the failure to maintain professional liability insurance in accordance with the By-law.
32. The Registrar may suspend the Firm Representative upon the breach by the Firm of the obligations listed in section 10.7.2 of the By-law.
33. The Registrar shall reinstate the Firm or Firm Representative once:
- 33.1 the obligations listed in section 10.7.2 of the By-law are satisfied, to the satisfaction of the Registrar;
 - 33.2 the Firm or Firm Representative files for reinstatement in the prescribed form; and
 - 33.3 the Firm or Firm Representative pays the reinstatement fee,
- unless otherwise provided in the by-laws or Regulations.
34. The Registrar shall deregister any Firm as provided in section 10.8 of the By-law.
35. The Registrar shall revoke the membership of any Firm Representative as provided in section 7.7 of the By-law, unless:
- 35.1 otherwise provided in the by-laws or Regulations; or
 - 35.2 that Firm Representative is the subject of a practice inspection, or an investigation, proposed settlement agreement, referral, or Allegation by the Professional Conduct Committee or the Registrar, or is subject to an order of the Capacity Committee.

Appeal of Registrar's Decisions

36. A person who is refused registration as a Firm, or who is registered as a Firm subject to restrictions and/or conditions on practice, and a Firm that becomes subject to restrictions and/or conditions on practice, is suspended, or is deregistered, may appeal the Registrar's decision to the Admission and Registration Committee.
37. The parties to an appeal are the person appealing and the Registrar.
38. The appeal shall be conducted in accordance with the applicable provisions of Regulation 6-1.
39. On hearing the appeal, the Admission and Registration Committee may confirm or vary the decision being appealed, or may substitute its own decision for that of the Registrar.
40. The Admission and Registration Committee's decision is final.