PUBLIC ACCOUNTING STANDARDS OF CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

Amended November 1, 2026

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Public Accounting Standards of Chartered Professional Accountants of Ontario

Preamble and History

The following sets out the standards (the "Standards") developed by Chartered Professional Accountants of Ontario ("CPA Ontario") pursuant to section 19 of the *Public Accounting Act, 2004* (the "Act") as the minimum standards that CPA Ontario shall meet when licensing and governing the activities of its members as public accountants.

The Standards were first established by The Public Accountants Council for the Province of Ontario ("PAC") in 2006 to be no less rigorous than the internationally recognized standards under the *Public Accountancy Act* (which has since been repealed) as they existed on June 9, 2004. The Standards were subsequently updated by PAC to address changes to the accounting profession, including the amalgamation of the three legacy accounting bodies (The Institute of Chartered Accountants of Ontario, The Certified General Accountants Association of Ontario and the Certified Management Accountants of Ontario) into CPA Ontario on May 17, 2017. On April 30, 2021, PAC was dissolved and CPA Ontario assumed oversight of public accounting in Ontario. As required by the Act, these Standards reflect the public interest in the delivery of superior-quality public accounting services and are no less rigorous the standards as they existed immediately before CPA Ontario assumed oversight of public accounting from PAC. CPA Ontario made amendments to the Standards effective January 30, 2023 to reflect this transition.

Effective January 1, 2026 the Standards were again updated by CPA Ontario to address changes necessary to implement the *Ontario Labour Mobility Act, 2009* and related regulations (together, the "OLMA"). The OLMA requires CPA Ontario to implement "deemed certification" which is intended to allow members and public accounting licence holders in good standing of an affiliated provincial accounting body to be deemed as members and public accounting licence holders of CPA Ontario, for a one-time six-month period (the "OLMA Transitional Period"). These individuals are then required to apply through the established CPA Ontario process should they wish to maintain their membership in, and public accounting licence with, CPA Ontario beyond the OLMA Transitional Period. The Standards apply to members of CPA Ontario deemed to hold a public accounting licence while they are in the OLMA Transitional Period, except to the extent of any inconsistencies between the Standards and the OLMA.

Effective November 1, 2026, the Standards were again updated by CPA Ontario to address changes to the professional education component required to be completed by students to qualify for membership in CPA Ontario.

1 Definitions and Interpretation

(1) In these Standards,

(a) "Act" means the *Public Accounting Act, 2004* as amended from time to time, and words defined in the Act have the same meaning when used in these Standards;

(b) "affiliated provincial accounting body" means any other provincial or territorial regulator of Chartered Professional Accountants in Canada, or any other provincial

or territorial board, regulator or other body that licenses or certifies Chartered Professional Accountants in Canada to practise public accounting;

(c) "capabilities" means the attributes held by a student or individual licensee that enables the student or individual licensee to perform their role, including, but not limited to, content knowledge, technical, functional, and behavioural skills, intellectual abilities including professional judgement, and professional values, ethics, and attitudes;

(d) "certificate of authorization" means a certificate of authorization to practise public accounting that has been granted to a professional corporation by CPA Ontario in accordance with the provisions of the Act;

(e) "chargeable hours" means hours normally chargeable to clients of a public accounting practice, provided that work of a routine clerical nature shall not be included in the computation of chargeable hours;

(f) "competency" means the demonstrated ability to perform relevant roles or tasks to the required standard, which ability may be assessed by a variety of means, including but not limited to work place performance, work place simulations, and written and oral tests of various types;

(g) "competency map" means the specific competencies that are specified by CPA Ontario, including any amendments thereto, and which are required for entry into the public accounting profession, including both the professional education program component and practical experience component;

(h) "CPA Ontario" means the Chartered Professional Accountants of Ontario;

(i) "CPA Ontario Act" means the *Chartered Professional Accountants of Ontario Act, 2017*, as amended from time to time;

(j) "CPA Professional Program" means the CPA Ontario pre-certification education program that begins to run concurrently with the Legacy CPA Certification Program on January 1, 2027, and replaces that program after December 31, 2028;

(k) "credit course" means a course that is recognized for credit towards the completion of an academic degree that is awarded by a degree granting institution, or a course that is recognized for credit towards the completion of a graduate diploma that is awarded by a university, or course(s) offered by CPA Ontario that are established to be substantially equivalent to the level of courses offered by a recognized degree granting institution;

(l) "credit hour" means each classroom hour per week of a one term course at a recognized degree granting institution that is recognized as a credit towards an academic degree or university graduate diploma; a one-term course typically constitutes three credit hours;

(m) "degree granting institution" means a post-secondary academic institution that is a member of Universities Canada or Colleges and Institutes Canada (including any successor organizations), or the equivalent national association in another country, that is fully accredited by the appropriate regulatory authorities in Canada or the other country to grant degrees, and is recognized by CPA Ontario; new universities or colleges not yet eligible for membership in the associations noted above may also be considered if they are established to the satisfaction of CPA Ontario to be substantially equivalent to an institutional member of such associations;

(n) "extra-provincial applicant" means a person who, at the time of application to CPA Ontario for the granting of a licence, is a member of an affiliated provincial accounting body and holds a valid licence or certificate to practise public accounting granted by that affiliated provincial accounting body or is otherwise authorized to practise public accounting by that affiliated provincial accounting body;

(o) "firm" means an entity registered as a firm under section 23 of the CPA Ontario Act, in accordance with the by-laws and regulations of CPA Ontario, and in addition shall be:

(i) a partnership, including a limited liability partnership, established under section 27 of the CPA Ontario Act, or other association of CPA Ontario members, at least one of whom is a licensee; or

(ii) a professional corporation; or

(iii) a sole proprietor who is a licensee;

(p) "independence" includes:

(i) independence of mind – the state of mind that permits the provision of an opinion without being affected by influences that compromise professional judgment, allowing an individual to act with integrity, and exercise objectivity and professional skepticism;

(ii) independence in appearance – the avoidance of facts and circumstances that are so significant a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would reasonably conclude a licensee's, or a member of the assurance team's integrity, objectivity or professional skepticism had been compromised;

(q) "Legacy CPA Certification Program" means the pre-certification education program existing prior to and concurrently with the CPA Professional Program until such time as it is replaced by the CPA Professional Program;

(r) "licence" means a licence to practise public accounting that has been granted to a member of CPA Ontario in accordance with the provisions of the Act;

(s) "licensee" means:

(i) a member of CPA Ontario who is licensed to practise public accounting in accordance with the provisions of the Act; or

(ii) a professional corporation that holds a certificate of authorization in accordance with the provisions of the Act;

(t) "non-degree holding student" means a person who has at least eight years of relevant accounting experience;

(u) "pre-approved workplan" means, for purposes of the CPA Professional Program, a workplan established by a student and approved by CPA Ontario to achieve the work experience required by the CPA Professional Program;

(v) "professional corporation" means a professional corporation established under section 28 of the CPA Ontario Act that is composed of CPA Ontario members (and, for the purposes of this definition, "CPA Ontario member" includes a professional corporation);

(w) "professional education component" means the Legacy CPA Certification Program or the CPA Professional Program, as applicable;

(x) "public representative" means a member of the public who is not a member, student, or employee of CPA Ontario or an affiliated provincial accounting body and who does not have any obligation, commitment, relationship or interest that could conflict with or may be perceived to conflict with their duties to or the interests of CPA Ontario;

(y) "rules of professional conduct" means the rules set out in the CPA Code of Professional Conduct adopted by CPA Ontario, as it may be amended or replaced from time to time;

(z) "sole proprietor" means a CPA Ontario member providing public accounting services other than in association with another CPA Ontario member;

(aa) "student" means a person who is registered with CPA Ontario in its public accounting training pathway;

(bb) "training office or organization" means an entity that has, to CPA Ontario's satisfaction, implemented an approved external audit training program for students; and

(cc) "verifiable experience" means experience in professional accounting verified by a licensed public accountant to the satisfaction of the licensed public accountant's licensing body or by a person under Standard 4, Section (1)(b).

(2) In determining whether the requirements of Standards 2 to 6 are satisfied, the Standards contemplate that except as hereinafter expressly provided:

(a) the starting point of a program of professional accounting education may vary and such program may commence with an undergraduate or post-graduate entry level of education from a recognized degree granting institution;

(b) certain post-secondary education or pre-licensing education and study may be recognized as being equivalent to an undergraduate degree from a recognized degree granting institution;

(c) the education or credit course requirements set out in the Standards must always be completed before the relevant examination(s) or evaluation(s); and

(d) professional accounting education may be gained alongside general education while pursuing a degree from a recognized degree granting institution or may be obtained in advanced study after completing such a degree or may be obtained in advanced study after completing such a degree.

2 Post-secondary education requirements

(1) The post-secondary education requirements for the students of CPA Ontario shall consist of:

(a) a combination of degree granting institution and professional programs in public accounting education that include, or are equivalent to, the following:

(i) a four-year undergraduate degree comprising 120 credit hours or equivalent from a recognized degree granting institution that includes or is supplemented by the course requirements described in Standard 2, Section (2) or (2B); and

(ii) a post-degree professional program in public accounting that fulfills the requirements set out in Standard 3.

(2) For purposes of the Legacy CPA Certification Program, CPA Ontario shall require that students successfully complete, as part of its pre-professional education requirements, prescribed credit courses that include the following:

(a) financial reporting;

(b) management accounting;

(c) finance;

(d) assurance;

(e) taxation;

(f) information and information technology (including business information systems);

(g) economics; and

(h) business law.

(2B) For purposes of the CPA Professional Program, CPA Ontario shall require that students successfully complete, as part of its pre-professional education requirements, the Knowledge Assessment requirement of the CPA Professional Program.

(3) For purposes of the Legacy CPA Certification Program, CPA Ontario shall require that students achieve:

(a) a minimum average grade of 70 percent (or the equivalent alphabetic or other grade indicator must be obtained in these prescribed credit courses) and that a passing grade must be obtained in each of these credit courses; or

(b) that a minimum grade of 65 percent (or the equivalent alphabetic or other grade indicator) must be obtained in each of these prescribed credit courses, unless a lower minimum grade is otherwise permitted by CPA Ontario in exceptional circumstances.

(3B) For purposes of the CPA Professional Program, CPA Ontario shall require that students achieve a minimum average grade of 70 percent (or the equivalent alphabetic or other grade indicator) across all courses in the 120 credit hours required by Standard 2, Section (1).

(4) For purposes of the Legacy CPA Certification Program, CPA Ontario shall review or cause to be reviewed the prescribed credit courses and degree program requirements of each degree granting institution accredited by CPA Ontario and attended by its students to determine whether the degree granting institution meets, and continues to meet, the content, learning methods and assessment methods prescribed by CPA Ontario for purposes of fulfilling the degree requirements set out in Standard 2, Section (1) and, if so, which credit courses meet the content, learning methods and assessment methods prescribed by CPA Ontario for the purposes of fulfilling the credit course requirements set out in Standard 2, Section (2).

(4B) For purposes of the CPA Professional Program, CPA Ontario shall review or cause to be reviewed the status of each degree granting institution accredited by CPA Ontario and attended by its students to determine whether the degree granting institution meets, and continues to meet, the content, learning methods and assessment methods prescribed by CPA Ontario.

(5) Despite Standard 2, Section (1), CPA Ontario may recognize for the purposes of entry into a public accounting training pathway:

(a) certification of enrolment in a co-operative education or other similar degree-in-progress program at a degree granting institution in Canada, provided that the conferral of a degree is a mandatory requirement that must be met before the person

enrolled in such pathway may qualify to attempt the examination(s) or evaluation(s) for licensing prescribed by Standard 6; or

(b) membership in good standing in an accounting body in another country or an affiliated provincial accounting body; or

(c) qualification for non-degree holding student or degree-equivalent status where CPA Ontario is satisfied that the intellectual and personal skills of the applicant have been developed to the required level in other ways.

(6) CPA Ontario may, in respect of applicants who are members in good standing of another accounting body in another country or an affiliated provincial accounting body and have been accepted for entry into the public accounting training pathway of CPA Ontario pursuant to Standard 2, Section (5)(b), grant exemptions from, or reductions of, any one or more of the requirements set out in this Standard 2 but shall not grant exemption to any such applicant from the evaluation(s) or examination(s) for licensing prescribed by Standard 6. pursuant to Standard 2, Section (5)(b), grant exemptions from, or reductions of, any one or more of the requirements set out in this Standard 2 but shall not grant exemption to any such applicant from the evaluation(s) or examination(s) for licensing prescribed by Standard 6.

3 Pre-licensing education and study requirements

(1) CPA Ontario shall prescribe an integrated program of study, practical experience and professional education that ensures that its students who seek to be licensed as public accountants develop and demonstrate their attainment of the specific capabilities and competencies at the levels of proficiency that an entry-level public accountant must possess, as prescribed in the applicable competency map(s) and any related resources.

(2) CPA Ontario shall require that all students who seek to be licensed as public accountants attain proficiency to the level prescribed in the applicable competency map(s) and any related resources.

(3) CPA Ontario shall also ensure that the competency requirements described in Standard 3, Section (2) are integrated with the public accounting capabilities prescribed in the applicable competency map(s) and any related resources including the following:

(a) ethical behaviour and professionalism (e.g. integrity, protecting the public interest, with a particular focus on the standards pertaining to services where third party assurance is provided);

(b) personal attributes (e.g. maintaining and demonstrating competence, applying strategic thinking, developing innovative ideas); and

(c) professional skills (e.g. intellectual and personal; creation, analysis, synthesis, and evaluation and communication of information; professional skepticism and professional judgment; solving problems and making decisions).

4 Pre-licensing experience requirements

(1) CPA Ontario shall provide for pre-licensing experience requirements that specify that each student seeking to qualify as a public accountant must complete, (i) for purposes of the CPA Legacy Certification Program, a minimum period of 30 months (including up to five months of time off work), and (ii) for purposes of the CPA Professional Program, a minimum of 24 months (excluding any time off work), of full-time structured and monitored practical experience in public accounting and other accounting services acquired in a training office or organization:

(a) under the supervision of a licensee or a member of CPA Ontario or an affiliated provincial accounting body who holds a valid and equivalent licence, certificate or other form of authorization to practice public accounting granted by CPA Ontario or that affiliated provincial accounting body, as prescribed in the applicable competency map(s) and any related resources; or

(b) under the supervision of a person providing public accounting services and who is exempted from the requirement to be licensed under section 3(2) of the Act.

(2) CPA Ontario shall provide for pre-licensing experience requirements of sufficient breadth and depth of experience and of appropriate nature and quality in respect of all of the public accounting services defined in the Act. The pre-licensing experience requirements must seek to develop in students the core competencies of an entry-level public accountant and their ability to perform the requisite roles and tasks to the proficiency levels prescribed in the applicable competency map(s) and any related resources.

(3) CPA Ontario's pre-licensing experience requirements shall be structured to expose students to a variety of professional engagements and special assignments in public accounting services in one or more related competencies through engagements performed for a variety of clients. The requirements shall also provide for ongoing discussions with mentors approved by the person outlined in Standard 4, Section (1) and client management in order to develop an understanding of professional responsibilities.

(4) CPA Ontario shall also require that each student fulfill, within the training period referred to in Standard 4, Section (1), a minimum of 2,500 chargeable hours in public accounting and other accounting services (or equivalent in training offices or organizations where hours are not charged to clients), which shall include:

a minimum of 1,250 chargeable hours in assurance work in a wide range of applications within which the student must have spent:

(i) a minimum of 625 chargeable hours in financial statement audit procedures in accordance with the *CPA Canada Handbook – Assurance*; and

(ii) a minimum of 100 chargeable hours of review procedures in review and other assurance engagements, in accordance with the *CPA Canada Handbook – Assurance*.

(5) For purposes of the Legacy CPA Certification Program,

(a) A minimum of 50 percent of each of the chargeable hour requirements set out in Standard 4, Section (4) must be gained alongside or after the professional program in public accounting. The balance of these requirements may be gained in the five years immediately prior to commencing the professional program in public accounting provided the experience is verifiable.

(b) Verifiable experience gained in the five years immediately prior to commencing the professional program in public accounting may also be taken into account in satisfying the pre-licensing experience requirements of Standard 4 other than those specified in Standard 4, Section (4).

(5B) For purposes of the CPA Professional Program,

(a) A minimum of 50 percent of each of the chargeable hour requirements set out in Standard 4, Section (4) must be gained within a firm registered with CPA Ontario to provide public accounting services and alongside or after the professional program in public accounting, provided that this requirement must be achieved before the student may enroll in the Professional Readiness module of the CPA Professional Program. The balance of these requirements may be gained in the five years immediately prior to commencing the professional program in public accounting provided the experience is verifiable.

(b) Verifiable experience gained in the five years immediately prior to commencing the professional program in public accounting may also be taken into account in satisfying the pre-licensing experience requirements of Standard 4, other than those specified in Standard 4, Section (4).

(6) Practical experience gained in environments other than a training office or organization and under the supervision of other than the appropriate licensees or persons outlined in Standard 4, Section (1)(a) can satisfy the pre-licensing experience requirements other than those specified in Standard 4, Section (4) provided that CPA Ontario is satisfied that the work environment and the competencies and capabilities acquired within the work environment are equivalent to the requirements described in Standard 4, Section (4).

(7) CPA Ontario shall require that the appropriate licensee or person outlined in Standard 4, Section (1)(b) in the training office or organization provide a declaration that a student being presented for licensure has completed the duration and the chargeable-hour requirements and that the student has been exposed to a reasonable cross-section of the competencies set out in the applicable competency map(s) and any related resources.

5 Training offices and organizations

(1) CPA Ontario shall require a training office or organization to:

(a) be engaged in the practice of public accounting as defined in the Act;

(b) be periodically inspected by CPA Ontario to ensure that:

(i) each student employed by the office or organization who seeks to be licensed would be able to fulfill the experience requirements prescribed in the applicable competency map(s) and any related resources;

(ii) the training office or organization is adhering to the requirements of CPA Ontario; and

(iii) the training office or organization provides a diverse mix of assignments to ensure well-rounded training for students;

(c) satisfy CPA Ontario that the requirements of Standard 5, Section (1)(b) have been fulfilled; and

(d) be approved by CPA Ontario for the training of students to provide public accounting services as defined in the Act.

(2) CPA Ontario shall require each training office or organization to give each student in its employ who seeks to be licensed such practical experience and instruction and to offer such training opportunities as are necessary to enable the student to acquire the competencies and capabilities required to provide the public accounting services set out in the Act.

(3) CPA Ontario shall require each training office and organization to maintain and to submit to CPA Ontario for review records showing, in reasonable detail, the disposition of the time spent by each student while engaged in public accounting services and the type of work allocated to the student. Such records shall include the chargeable hours (or equivalent in training offices or organizations where hours are not charged to clients) in any of the applications specified in Standard 4, Section (4) and shall be submitted to CPA Ontario at such time as the student terminates employment with the office/organization or has completed the experience requirement.

(4) CPA Ontario shall, at the time of the mandatory, cyclical practice inspection required under Standard 9, conduct a reappraisal of each training office to determine if the office should continue to be a training office.

6 Examinations used for licensing public accountants

(1) CPA Ontario shall prescribe evaluation(s) or examination(s) that require students to satisfactorily demonstrate their acquisition of the competencies and capabilities to practise public accounting at the proficiency levels prescribed for entry-level public accountants in the applicable competency map(s) and any related resources.

(2) The evaluation(s) or examination(s) for licensing established by CPA Ontario shall be rigorous and competency-based, using essay, short-answer and/or objectively-scored formats that substantially rely on simulations or case-studies to test competencies, higher-

order cognitive skills and the public accounting capabilities prescribed in Standard 3, Sections (2) and (3) and also shall:

(a) test knowledge across multiple subjects and the competencies prescribed in the applicable competency map(s) and any related resources;

(b) emphasize the ability to use knowledge and to exercise professional judgment appropriate to an entry-level public accountant;

(c) be integrative in nature; and

(d) be based on a process that is fair, equitable, valid and reliable.

7A Licensing of persons admitted to membership from an affiliated provincial accounting body

(1) Notwithstanding the requirements of Standards 2 through 6, CPA Ontario shall grant a licence to any member who is an extra-provincial applicant and who applies for a licence without requiring any material additional training, experience, examinations or assessments provided that, prior to granting a new licence, CPA Ontario has received confirmation that the member, at the time of application to CPA Ontario for the granting of a licence, is in good standing with the other affiliated provincial accounting body, which shall include, but is not limited to confirming, as permitted by law, that the member:

(a) is a member and holds a licence granted by the other affiliated provincial accounting body, is certified to practise public accounting by the affiliated provincial accounting body or is otherwise authorized to practise public accounting by the affiliated provincial accounting body; and

(b) is not the subject of a complaint, investigation, disciplinary proceeding, disciplinary finding, order or settlement in respect of a disciplinary matter.

(2) Nothing in Standard 7A, Section (1) above limits the ability of CPA Ontario to:

(a) refuse to license a member, or impose terms, conditions or restrictions on the licence granted by CPA Ontario to such a member where such action is considered necessary to protect the public interest as a result of complaints or disciplinary or criminal proceedings in any jurisdiction relating to the competency, conduct or character of the member;

(b) require that the conditions of Standard 15, Section (1) be completed prior to granting a licence to a member when the member applying for the licence has not, within the immediate past five years, engaged in the practice of public accounting;

(c) assess the equivalency of a licence limitation, restriction or condition imposed upon a member by the affiliated provincial accounting body to any licence limitation, restriction or condition that may be applied by CPA Ontario to a licensee, and apply an equivalent licence limitation, restriction or condition to the licence granted by

CPA Ontario to such a member, or where CPA Ontario has no provision for applying an equivalent limited, restricted or conditional licence, refuse to license the member; or

(d) refuse a licence to a member who does not consent to the disclosure of the information required under Standard 7A, Section (1) above.

(3) Despite the provisions of Standard 7A, Section (1) above, CPA Ontario shall refuse the issuance or renewal of a licence to a member if the member held a licence issued by an affiliated provincial accounting body or was certified to practise public accounting by that affiliated provincial accounting body and such licence or certification was suspended or revoked and not reinstated by that affiliated provincial accounting body.

7B Licensing of persons admitted to membership from accounting bodies outside of Canada

(1) Subject to the provisions of Standard 7B, Sections (2) and (3), CPA Ontario may adopt by-laws or regulations or policies to permit admission to membership in CPA Ontario, for the purpose of qualifying a person who is a member in good standing of an accounting body outside of Canada to be a licensee.

(2) CPA Ontario shall establish policies and procedures for:

(a) assessing the standards applicable to accounting bodies in other countries to determine whether the standards applicable to such bodies are substantially equivalent to these Standards;

(b) determining the appropriate recognition that may be granted to the members of any such body by means of exemption from or reduction of any of the qualification requirements of CPA Ontario.

(3) In respect of an accounting body outside of Canada, any by-laws or regulations or policies for the purpose of Standard 7B, Section (1) shall require that CPA Ontario be satisfied that:

(c) there are standards applicable to the accounting body outside of Canada that have been assessed by CPA Ontario as being substantially equivalent to Standards 3, 4, 6, 10 and 11; and

(d) the accounting body outside of Canada has entered into a mutual recognition agreement with or for the benefit of CPA Ontario.

(4) Despite the provisions of Standard 7B, Section (3):

(a) CPA Ontario shall not grant a licence under this Standard to any member of an accounting body outside of Canada who has not successfully completed the accounting body outside of Canada's qualification requirements, including the qualifying examination for public accounting referred to in Standard 6;

(b) CPA Ontario may grant a licence to any member of an accounting body outside of Canada who has not completed, while registered with or as a member of that other body, the pre-licensing experience required under Standard 4, Sections (4) and (5), or who has completed the requirements in part, provided such person completes public accounting experience in a training office or organization in Ontario as prescribed by CPA Ontario or pursuant to a pre-approved workplan, that ensures that the requirements of these Standards have been fulfilled;

(c) CPA Ontario shall require a member of an accounting body outside of Canada to successfully complete an examination(s) or evaluation(s) prescribed by CPA Ontario that demonstrate(s) that the person possesses sufficient knowledge of the generally accepted accounting principles applicable to non-public corporations and organizations in Canada for certain Canadian sectors and the rules of professional conduct prescribed in these standards, and of Canadian tax and business law, to be able to practise public accounting in Ontario.

(5) In respect of an accounting body outside of Canada to which Standard 7B, Section (3) does not apply, CPA Ontario shall require members of that body who are admitted to membership in CPA Ontario to meet the requirements of Standards 2 to 6 to become a licensee.

7C Deemed licensing of persons who become members pursuant to the OLMA from an affiliated provincial accounting body

(1) CPA Ontario shall adopt by-laws, regulations or policies to permit a person who is authorized to practice public accounting with an affiliated provincial accounting body and who has been deemed a member of CPA Ontario pursuant to the deemed certification provisions of the OLMA to be deemed to be licensed to practice public accounting in Ontario during the OLMA Transition Period.

8 Mandatory post-licensing public accounting experience and continuing professional development

(1) CPA Ontario shall provide that an individual licensee shall not be eligible to renew a licence, if, within the immediate past five years, the individual licensee has not engaged in the practice of public accounting in a substantive way. Standard 15, Section (1) sets out the requirements respecting the issuance of a new licence to such a member.

(2) CPA Ontario shall provide that an individual licensee that is granted a licence in accordance with Standard 7A shall not be eligible to renew a licence, if, within five years of the date of issuance of the licence, the individual licensee has not engaged in the practice of public accounting in a substantive way. Standard 15, Section (1) sets out the requirements respecting the issuance of a new licence to such a member.

(3) CPA Ontario shall require all individual licensees to undertake continuing professional development to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities. A preferred

approach shall be established by CPA Ontario for measuring the continuing professional development activity from three models: output-based, input-based or combination approaches.

If an output-based approach is followed, each individual licensee shall demonstrate the development and maintenance of appropriate professional competence by annually providing evidence that has been:

(a) verified by a competent source; and

(b) measured using a valid competence assessment method.

If an input-based approach is followed each licensee shall:

(c) complete at least 120 hours of relevant professional development activity in each rolling three-year period, of which 60 hours shall be verifiable; and

(d) complete at least 20 hours of relevant professional development activity in each year.

If a combination of input and output-based approaches is followed, each individual licensee shall comply with the requirements of input and output-based approaches, as applicable.

(4) CPA Ontario shall require each individual licensee to fulfill, and upon request to report to CPA Ontario on compliance with, the continuing professional development requirements prescribed in Standard 8, Section (3).

(5) CPA Ontario shall specify the adverse consequences arising from an individual licensee's failure to comply with the continuing professional development requirements or failure to file annually or upon the request of CPA Ontario a report of compliance with the requirements. Such consequences shall include referral to the disciplinary process of CPA Ontario and, where circumstances warrant, suspension or revocation of the licence to practise public accounting.

(6) The mandatory continuing professional development requirements that CPA Ontario establishes and maintains for licensees may permit each individual licensee to determine whether the content of the activity contributes to their own personal professional development, but the licensee must be required to base such determination on ensuring that the activity:

(a) is quantifiable, meaning it must be specifically identifiable and be able to be expressed in terms of a specific time requirement;

(b) is directly related to the competencies needed to practise public accounting;

(c) is relevant to the member's current professional needs and/or longer-term career interests as a public accountant; and

(d) contains significant intellectual or practical content.

(7) At least 50 per cent of the annual and periodic continuing professional development requirements for the input-based approach must be verifiable, meaning that the learning can be objectively verified by a competent source.

(8) The annual continuing professional development requirements for an individual licensee may, at the discretion of CPA Ontario, be reduced or exempted during periods of absence from the practice of public accounting due to parental leave, medical or compassionate circumstances where:

(a) CPA Ontario is satisfied that the individual licensee otherwise has the required capabilities, competence and current skills to provide public accounting services; and

(b) CPA Ontario records its reasons for doing so.

9 Practice inspections of public accountants

(1) CPA Ontario shall require all licensees engaged in the practice of public accounting, or where the licensee practises public accounting through a firm, CPA Ontario shall require the firm, to be subject to a system of mandatory, cyclical practice inspection that may include on-site or remote inspections, or due to the size of the practice, desk inspections, by CPA Ontario to ensure maintenance of an appropriate level of professional standards.

(2) CPA Ontario shall require every licensee, or firm, as applicable, that issues, or seeks to be authorized to issue, audit reports on financial statements of any reporting issuer as defined under the *Securities Act* to be registered with the Canadian Public Accountability Board, to be subject to the rules and oversight of that Board and to be inspected by that Board in respect of the performance of such engagements.

(3) The practice inspection process of CPA Ontario shall:

(a) require that a practice is selected for inspection within twelve months of inception of the practice;

(b) involve the testing of quality management systems;

(c) involve the review of auditing and review engagement files and files for compilation services;

(d) contain sufficient procedures to ensure careful assessment of the nature of the types of engagements and the types of clients of the licensee and to determine key areas of risk in respect of each;

(e) retain the services of inspectors having senior experience in public accounting who are independent of the particular licensee or firm subject to inspection;

(f) provide the practice inspection system, through enactment of by-laws or regulations, with the power to:

(i) compel a licensee or firm to produce working paper files, books, documents or other materials in paper or electronic form, provided that only documents and information that are compellable by law are producible (e.g. documents and information subject to legal privilege of the licensee, firm or the licensee's or firm's client are not producible, unless privilege is waived by the licensee, firm or the client, respectively); and

(ii) make complaints of professional misconduct where warranted, including in situations where the licensee or firm fails to co-operate in the inspection of the practice;

(g) adopt procedures to ensure consistency in the conducting of inspections and of inspector reporting standards, including review of an inspection report by an inspector not involved in the report and a final review by a committee that includes individual licensees; and

(h) verify that every licensee or firm, as applicable, that issues audit reports on financial statements of any reporting issuer as defined under the *Securities Act* is registered with the Canadian Public Accountability Board.

(4) The practice inspection system shall be based on a selection of licensees and where applicable, firm, within a cycle of inspection that shall not exceed three years.

10 Generally accepted accounting principles and generally accepted assurance standards

CPA Ontario shall require every licensee or firm to use the generally accepted accounting principles and generally accepted assurance standards set out in the *CPA Canada Handbook – Accounting*, the *CPA Canada Public Sector Accounting Handbook* and the *CPA Canada Handbook – Assurance* as the same are amended from time to time, in accordance with the generally accepted standards of practice of the public accounting profession.

11 Rules of professional conduct

(1) The rules of professional conduct shall be based on the following principles:

(a) a licensee or student shall conduct themselves at all times in a manner that will maintain the good reputation of public accountants and their ability to serve the public interest;

(b) a licensee or student shall perform professional services with integrity and due care;

(c) a licensee shall be independent of the assurance client. Independence of mind and in appearance is necessary to enable the licensee to express a conclusion;

(d) a licensee shall accept an obligation to sustain their professional competence by complying with relevant laws, rules and regulations, and keeping informed of, and complying with, developments in professional standards;

(e) a licensee who is engaged in providing assurance engagements such as an audit or review of financial statements, or a specified auditing procedures engagement, shall take reasonable steps to identify circumstances that could pose a conflict of interest, and shall hold himself or herself free of any influence, interest or relationship, in respect of the client's affairs, which impairs professional judgement or objectivity or which, in the view of a reasonable observer, would impair the licensee's professional judgement or objectivity;

(f) a licensee or student has a duty of confidentiality in respect of the affairs of any client or employer (or former client or former employer) and shall not disclose, without proper cause, any information obtained in the course of their duties, nor shall they in any way exploit such information for personal advantage;

(g) the development of the practice of a licensee shall be founded upon a reputation for professional excellence;

(h) a licensee shall meet the requirements of professional competence and due care, and shall provide only those services that the licensee is competent to perform;

(i) a licensee shall act in relation to any other person licensed under the Act, or any firm under the Act, with the courtesy and consideration due between professional colleagues. A licensee who is asked to replace another licensee or who is considering accepting a new engagement currently held by another licensee shall determine whether there are any professional reasons for not accepting the engagement;

(j) a licensee associated in the practice of public accounting with any person who is not a licensee under the Act shall be responsible to CPA Ontario for any failure of such person, in respect of such practice, to abide by the rules of professional conduct, and the rules of professional conduct of CPA Ontario shall specify that the rules are deemed to apply to such person as if he or she were a licensee of CPA Ontario;

(k) a licensee must be required to establish, maintain and uphold policies and procedures designed to ensure that:

    (i) all public accounting services as defined in the Act are performed in accordance with generally accepted standards of practice of the public accounting profession, including the standards set out in the *CPA Canada Handbook – Assurance*, the *CPA Canada Handbook – Accounting* and the *CPA Canada Public Sector Accounting Handbook*; and

(ii) all licensees, students and other employees with whom the licensee contracts to carry out public accounting engagements or services comply with the rules of professional conduct of CPA Ontario.

(2) CPA Ontario shall require licensees to identify threats to the independence requirements set out in the rules of professional conduct and apply safeguards, when necessary, to eliminate the threats or reduce them to an acceptable level.

(3) CPA Ontario shall adopt and enforce rules of professional conduct that:

(a) are specific to the practice of public accounting;

(b) ensure protection of the public and the users of the services of licensees;

(c) require maintenance of high professional standards of competence and ethical conduct by licensees;

(d) meet or exceed the standards established by the International Federation of Accountants, augmented or supplemented, where applicable, by any standards required by or under the authority of the Ontario Securities Commission or other regulatory body having jurisdiction in Ontario to regulate reporting issuers.

(4) The rules of professional conduct shall include at least the following actions among those that constitute professional misconduct:

(a) fraud, theft, forgery, tax evasion, violation of securities laws, or unlawful conduct in the licensee's professional capacity;

(b) acts or omissions likely to bring the accountancy profession into disrepute;

(c) breaches of professional standards; and

(d) instance(s) of professional negligence that either alone or cumulatively may indicate an inability to effectively practise public accounting.

(5) In developing and maintaining rules of professional conduct, CPA Ontario shall endeavor, to the extent possible given the obligations imposed by these Standards, to achieve harmonization of the rules of professional conduct that are specific to the practice of public accounting with the rules of the accounting bodies in other jurisdictions within Canada with which it is affiliated or associated.

12 Discipline procedure: complaints

(1) CPA Ontario shall establish a process under which a complaint of professional misconduct made against a licensee or firm, once received by CPA Ontario, shall be investigated until it has been determined whether or not to refer an allegation or allegations of professional misconduct to an adjudicative committee.

(2) CPA Ontario shall require that, once a complaint of professional misconduct is made and until the complaint has been fully addressed and any allegations relating to the complaint have been finally disposed of:

(a) the individual licensee shall not be permitted to resign from membership in CPA Ontario;

(b) the firm shall not be able to withdraw or terminate its registration with CPA Ontario;

(c) the licensee or firm shall not be able to make an arrangement with the complainant whereby the complainant would withdraw the complaint or agree not to testify.

(3) The complaint investigation process shall be overseen by an investigating committee appointed by the Council of CPA Ontario that shall include individual licensees, or persons who have been licensed in the three-year period prior to their appointment to the investigating committee provided such appointment is for no longer than a three-year term, and public representatives. For complaints pertaining to individuals who were licensees at the time of the conduct complained about, a quorum of not fewer than three drawn from the members of the investigating committee may make decisions in accordance with Standard 12, Section (7), provided that such quorum includes a minimum of one public representative and one individual licensee or person that has been licensed in the three-year period prior to their appointment to the investigating committee provided such appointment is for no longer than a three year term.

(4) The complaint shall be investigated in a timely manner and such investigation shall be carried out by staff of CPA Ontario or by investigators appointed by CPA Ontario who shall report to the investigating committee.

(5) The complaint investigation process of CPA Ontario shall provide the investigating committee, through enactment of by-laws, rules or regulations, with the power to compel a licensee or firm to produce working paper files, books, documents or other materials in paper or electronic form, provided that only documents and information that are compellable by law are producible (e.g. documents and information subject to legal privilege of the licensee, firm or the licensee's or firm's client are not producible, unless privilege is waived by the licensee, firm or the client, respectively).

(6) CPA Ontario shall ensure that the members of the investigating committee and the investigators have, and are provided with, ongoing appropriate training.

(7) When the investigation of a complaint regarding the professional conduct of the licensee or firm is complete, the investigating committee shall decide whether to:

(a) refer an allegation or allegations of professional misconduct to the adjudicative committee;

(b) provide guidance to or admonish the licensee or firm; or

(c) dismiss the complaint.

(8) The investigating committee shall provide each party with notice of its decision within 30 days of being rendered. In the event there is an allegation, each party shall be given a copy of the allegation, and when the date for adjudication is set each party shall be advised of that date. In the event that the investigating committee decides to provide guidance to or admonish the licensee or firm or dismiss the complaint, it shall notify the complainant of the complainant's right to request an independent review.

(9) A complainant may make a written request to CPA Ontario to have a complaint that was dismissed in the investigative process, or dealt with by providing guidance to or admonishing the licensee or firm reviewed by an independent reviewer of complaints appointed by CPA Ontario. Such requests shall be granted by CPA Ontario provided that the request is received within 30 days following the original notification to the complainant that the complaint was dismissed, or the licensee or firm was admonished. The complainant shall be notified in writing of the outcome of the initial review and this notification shall inform the complainant that if the complainant is unsatisfied with that outcome, the complainant may request that a second independent reviewer appointed by CPA Ontario review CPA Ontario's handling of the complaint.

13 Discipline procedure: prosecution and adjudication

(1) The adjudication of allegations of professional misconduct shall be carried out in accordance with the provisions of the *Statutory Powers Procedure Act* by an adjudicative committee appointed by the Council of CPA Ontario that includes individual licensees, or persons who have been licensed in the three-year period prior to their appointment to the adjudicative committee provided such appointment is for no longer than a three year term, and public representatives.

(2) CPA Ontario shall at its expense retain or employ a person who is licensed by the Law Society of Ontario to practise law or provide legal services in Ontario to prosecute all allegations of professional misconduct.

(3) CPA Ontario shall provide that a panel of not fewer than three drawn from the members of the adjudicative committee may hear allegations of professional misconduct made against a licensee or firm, provided that a minimum of one public representative and one individual licensee, or person who has been licensed in the three-year period prior to their appointment to the adjudicative committee provided such appointment is for no longer than a three year term, shall serve on every panel.

(4) CPA Ontario shall at its expense retain or employ a person who is licensed by the Law Society of Ontario to practise law or provide legal services in Ontario to advise the adjudicative committee.

(5) CPA Ontario shall ensure that the members of the adjudicative committee have, and are provided with, ongoing appropriate training.

(6) CPA Ontario shall, in respect of all hearings, prominently set out on its website the place, date and time of the hearing, along with the licensee's and/or firm's name, as applicable, a description of the allegation(s) and a notice that the hearing is open to the public, unless an exception to the presumption that the hearing proceed in public as provided in the *Statutory Powers Procedure Act* has been established or the parties have otherwise agreed to proceed in writing.

(7) The adjudicative committee shall have the power, through the enactment of by-laws, rules or regulations, to compel a licensee or firm to produce working paper files, books, documents or other materials in paper or electronic form, provided that only documents and information that are compellable by law are producible (e.g. documents and information subject to legal privilege of the licensee, firm or the licensee's or firm's client are not producible, unless privilege is waived by the licensee, firm or the client, respectively).

(8) If it appears to the adjudicative committee that a member or members of the public would be at risk by reason of the fact that a licensee and/or firm alleged to have committed professional misconduct remains a licensee and/or firm in good standing with CPA Ontario, CPA Ontario may order that the rights and privileges of such licensee and/or firm be suspended in whole or in part until the final disposition of the allegation(s). In the event that the adjudicative committee makes such order, it must proceed expeditiously with a hearing to consider the matter.

(9) The decision of the adjudicative committee, including the reasons for the decision, shall be provided in writing to each party together with a notice of each party's right to appeal the decision.

(5) Subject to Standard 13, Section (8), CPA Ontario shall provide in respect of sanctions, that:

(a) a sanction must only be considered after a finding of professional misconduct;

(b) the sanction(s) shall be imposed by the same adjudicative committee or panel of the adjudicative committee that made the determination of professional misconduct;

(c) the power to impose sanctions shall include the power to:

(i) suspend or revoke membership in CPA Ontario;

(ii) suspend or revoke a licence or, in the case of a professional corporation, suspend or revoke its certificate of authorization;

(iii) limit the scope of the professional practice or activities either for a specified time or on such terms and conditions as may be ordered;

(iv) complete a period of supervised practice;

(v) order a re-investigation by the investigating committee by a prescribed date;

(vi) prescribe professional development or other courses or successful completion of examinations;

(vii) fine;

(viii) formally reprimand;

(ix) require a practice inspection;

(x) impose such other sanction(s) as the case may require in the public interest.

(6) CPA Ontario shall require, in respect of a finding of professional misconduct, that notice of the decision and order of the adjudicative committee, disclosing the name of the licensee or firm and brief particulars of the professional misconduct shall:

(a) be given to the Council of CPA Ontario;

(b) be given to all members of CPA Ontario;

(c) be made available to the public including by publication on CPA Ontario's website;

(d) be published in a daily newspaper in the geographic area where the licensee practised or in which the firm is located, if:

(i) the licensee's membership in CPA Ontario is revoked;

(ii) the licence is suspended or revoked;

(iii) the certificate of authorization of the professional corporation is suspended or revoked;

(iv) a limitation is placed on the practice of the licensee or firm;

unless the adjudicative committee or the panel thereof that made the decision or order determines that disclosure of the name of the licensee or firm to or in any or all of the above is not required in the public interest and its disclosure would be unfair to the licensee or firm.

(7) CPA Ontario shall, upon notice of a decision and order of the adjudicative committee making a finding of professional misconduct, publish and maintain on its website in a manner that is accessible to the public the decision and order of the adjudicative committee together with the written reasons for the decision, and disclose the name of the licensee or firm with brief particulars of the finding of professional misconduct. However, if the adjudicative committee pursuant to Standard 13, Section (11) orders that the name of the licensee or firm not be disclosed, the publication on CPA Ontario's website shall not disclose the name of the licensee or firm.

14 Discipline procedure: appeal committee

(1) CPA Ontario shall establish an appeal committee, appointed by its Council that includes individual licensees, or persons who have been licensed in the three-year period prior to their appointment to the appeal committee provided such appointment is for no longer than a three year term, and public representatives to conduct hearings on appeals of decisions of the adjudicative committee or a panel of such committee in accordance with the *Statutory Powers Procedure Act*.

(2) CPA Ontario shall provide that a panel of not fewer than three drawn from the members of the appeal committee may hear any appeal wherein a licensee is a party provided that a minimum of one public representative and one individual licensee, or person who has been licensed in the three-year period prior to their appointment to the appeal committee provided such appointment is for no longer than a three year term, shall serve on every panel.

(3) CPA Ontario shall, in respect of all appeal hearings, prominently set out on its website the place, date and time of the appeal hearing, along with the licensee's or firm's name, unless otherwise ordered not to be disclosed, a description of the allegation(s) and of the appeal(s) and a notice that the hearing is open to the public, unless an exception to the presumption that the hearing proceed in public as provided in the *Statutory Powers Procedure Act* has been established or the parties have otherwise agreed to proceed in writing.

(4) CPA Ontario shall at its expense retain or employ a person who is licensed by the Law Society of Ontario to practise law or provide legal services in Ontario to advise the appeal committee.

(5) CPA Ontario shall ensure that members of the appeal committee have, and are provided with, ongoing appropriate training.

(6) CPA Ontario shall provide that the appeal committee and any panel of the appeal committee has:

(a) the power to correct clear errors of a factual nature or the misapprehension or misapplication of an appropriate principle of accounting or law or of an assurance standard; and

(b) the same power to sanction as the adjudicative committee; and that the same provisions with respect to notice of the decisions of the adjudicative committee also apply to decisions of the appeal committee.

(7) Where legislation permits, CPA Ontario may provide that the order of the adjudicative committee be stayed in the event of an appeal, except that if the adjudicative committee or the panel of the adjudicative committee which heard the case orders that the licence of an individual licensee be revoked, or the certificate of authorization of a professional corporation be revoked, the licence or the certificate of authorization shall be suspended, unless the adjudicative committee or the panel of the adjudicative committee which made

the order determines in the circumstances of the case that a suspension is not required for the protection of the public or in the public interest.

(8) CPA Ontario shall require, in respect of a notice of the final decision and order of the appeal committee wherein there has been a finding or affirmation of a finding of professional misconduct, that notice of the decision and order disclosing the name of the licensee or firm with brief particulars shall:

(a) be made to the Council of CPA Ontario;

(b) be made to all members of CPA Ontario;

(c) be made available to members of the public including by publication on CPA Ontario's website;

(d) be published in a daily newspaper in the geographic area where the individual licensee practised or in which the firm is located, if:

(i) the licensee's membership in CPA Ontario is revoked;

(ii) a licence is suspended or revoked;

(iii) the certificate of authorization of a professional corporation is suspended or revoked;

(iv) a limitation is placed on the practice of a licensee or firm;

unless the appeal committee hearing the matter determines that disclosure of the name of the licensee or firm to or in any or all of the above is not required in the public interest and its disclosure would be unfair to the licensee or firm.

(9) The decision of the appeal committee, including the reasons for the decision, shall be provided in writing to each party.

(10) CPA Ontario shall, upon notice of a decision and order of the appeal committee making a finding or affirming a finding of professional misconduct, publish and maintain on its website in a manner that is accessible to the public the decisions and orders of the adjudicative committee and the appeal committee together with the written reasons for decisions that disclose the name of the licensee or firm and brief particulars of the matter. However, if the appeal committee pursuant to Standard 14, Section (8) orders that the name of the licensee or firm not be disclosed, the publication on CPA Ontario's website shall not disclose the name of the licensee or firm.

15 Rules governing issuing a new licence to a former licensee or to a member under Standard 7A, Section (2)(b)

(1) CPA Ontario shall require any member of CPA Ontario to whom the provisions of Standard 8, Section (1) or (2) are applicable and may require any member to whom the

provisions of Standard 7A, Section (2)(b) are applicable to demonstrate current competence by successfully completing, as a condition to be met prior to being eligible for the issuance of a new licence:

(a) a period of at least 12 months of public accounting services, within a maximum of 36 months, under the supervision of a licensee or, subject to CPA Ontario satisfying itself as to the qualifications of such a person, a member of an affiliated provincial accounting body who is authorized to practise public accounting or, in a jurisdiction in which only the firm or practising office is registered or authorized to practise public accounting, under the supervision of a member of the firm or practising office who has signing authority for public accounting engagements who shall, upon the member's completion of the period of public accounting experience, provide CPA Ontario with a certificate of such completion;

(b) any course or courses prescribed by CPA Ontario and an updating examination(s) or evaluation(s) on:

(i) the accounting and assurance standards set out in the CPA Canada Handbook – Accounting and CPA Canada Handbook – Assurance;

(ii) the current rules of professional conduct of CPA Ontario; and

(iii) any other prescribed subject area.

(2) CPA Ontario shall require that, in the event the licence of a member of CPA Ontario has been revoked by an adjudicative or appeal committee of CPA Ontario, the member shall, as a condition to be met in order to have a new licence issued, satisfy the adjudicative committee that:

(a) the member is of good character;

(b) the member is competent to practise public accounting; and

(c) there would not be a risk to the public posed should a licence be issued to the member.

16 Mandatory professional liability insurance

(1) CPA Ontario shall require all licensees to maintain, and provide satisfactory proof of maintaining, professional liability insurance coverage.

(2) CPA Ontario's requirements for insurance shall include:

(a) minimum coverage limits per claim and, in aggregate per policy period;

(b) maximum allowable deductibles; and

(c) the minimum period for which insurance is to be maintained after a licensee retires or leaves practice, as required.

(3) In setting requirements for insurance, CPA Ontario must consider and address, to the extent possible:

(a) different levels of risk based on practice size, number of principals, or other similar factors;

(b) the magnitude of claims reasonably anticipated to arise; and

(c) the coverage reasonably available in the marketplace.

(4) CPA Ontario may, as an exception, permit self-insurance in cases where sufficient professional liability coverage is not reasonably available in the marketplace due to the size of the firm or practice and its risk exposure. Such an exception may be permitted only on the condition that the firm or practice set aside assets at least equal in value to the self-insured amount.

(5) CPA Ontario shall specify in its by-laws, regulations or policies the adverse consequences arising for a licensee or firm who fails to comply with the mandatory professional liability insurance requirement or to report such compliance to CPA Ontario, which consequences shall include the suspension or revocation of a licence or certificate of authorization, as applicable.

17 Principles of governance relating to the licensing and governing the activities of members of CPA Ontario as public accountants and the provision of certificates of authorization to professional corporations to enable them to practice as public accounts

(1) CPA Ontario shall establish a public accounting licensing board, committee or panel (the "public accounting licensing board") to act on its behalf in respect of all matters relating to the issuance of licences to its members and certificates of authorization to professional corporations to permit them to practise as public accountants in Ontario. Such matters shall include at least the following:

(a) decisions respecting applications from members for public accounting licences;

(b) decisions respecting applications from professional corporations for certificates of authorization;

(c) decisions respecting applications for the renewal of public accounting licences and certificates of authorization;

(d) receipt for the record of notices of revocation of public accounting licences and certificates of authorization;

(e) decisions respecting applications for the issuance of public accounting licences to members whose previous public accounting licences expired, unless such application is referred to an applications committee or other designated committee for a hearing and decision relating to a determination of good character or whether the qualifications for licensing have been met;

(f) decisions respecting the application of the enumerated exceptions under section 3(2) of the Act.

(2) CPA Ontario shall also establish an applications committee, or shall delegate to a committee such as the public accounting licensing board provided that the quorum requirements of Standard 17, Section (3)(b) are satisfied, to consider in respect of public accounting licensing matters:

(a) any application for a licence from a member where the good character of the member must be determined by means of a hearing;

(b) any application for a licence from a member in respect of whom the public accounting licensing board has directed that a hearing be held to determine whether the member has fulfilled the qualifications to be licensed as set out in the Act, the regulations made under the Act, these Standards or in the by-laws, regulations or instruments of CPA Ontario;

(c) any application for a public accounting licence from a member who is licensed to practise public accounting outside of Ontario; and

(d) any other matter related to public accounting licensing that is referred to it by the Council of CPA Ontario or by the public accounting licensing board, as applicable.

(3) CPA Ontario shall ensure that:

(a) there are public representatives on each of its committees that deal with public accounting applications and licensing matters including the committees described in Standard 17, Sections (1) and (2) as well as any appeal committee or discipline committee to which a matter relating to a public accounting licensing or application matter is referred;

(b) if its committee that deals with public accounting applications and licensing matters described in Standard 17, Section (1) is the Council of CPA Ontario, such committee shall consist of a panel of not fewer than three drawn from the members of the applicable committee, provided that a minimum of one public representative shall serve on every panel;

(c) its committee that deals with public accounting applications and licensing matters described in Standard 17, Sections (1) and (2) shall consist of a panel of not fewer than three drawn from the members of the applicable committee, provided that a minimum of one public representative and one individual licensee, or person who has been licensed in the three-year period prior to their appointment to the

committee provided such appointment is for no longer than a three year term, shall serve on every panel;

(d) any appeal committee or discipline committee to which a matter relating to a public accounting licensing or application matter is referred shall consist of a panel of not fewer than three drawn from the members of the applicable committee, provided that a minimum of one public representative and one individual licensee, or person who has been licensed in the three-year period prior to their appointment to the appeal committee or discipline committee provided such appointment is for no longer than a three year term, shall serve on every panel;

(e) there is broad representation on its committee that deals with public accounting licensing applications as described in Standard 17, Section (2) which includes individual licensees, or persons who have been licensed in the three-year period prior to their appointment to the committee provided such appointment is for no longer than a three year term, and which reflects CPA Ontario's membership by occupation (i.e. members from national accounting firms or professional corporations, regional or local accounting firms or professional corporations, and members from industry or the public sector) and by geographic location.

(4) CPA Ontario shall ensure that:

(a) it follows due process in the administration of its licensing process;

(b) its processes and decisions on entry to licensure are free from all forms of discrimination, whether personal or systemic;

(c) applicants for public accounting licences or certificates of authorization, as applicable, have access to an independent internal review or appeal process for licensure decisions by another designated committee and the persons who decide the review or appeal are not the same persons who made the original decision;

(d) information on requirements and processes for licensure is readily available;

(e) fees are commensurate with the services provided and are based on effective and efficient processes;

(f) assessment and licensure decisions are communicated to applicants for licences and certificates of authorization in a timely manner with clear and sufficient reasons;

(g) individual licensees use after the name or initials of the accounting designation granted to him/her the term "Licensed Public Accountant" or the initials "LPA";

(h) information on the status of licensees, including licence or certificate of authorization suspension or revocation, is readily and freely available to the public, and is published in a timely manner on its website;

(i) its actions in regulating public accounting licensure matters reflect the public interest by ensuring a high standard of professional practice and by recognizing that the purpose of a licence or certificate of authorization is to protect the user, and not the provider, of public accounting services; and

(j) it complies with the standards, principles and regulations established by and under the Act.

(5) CPA Ontario shall prescribe the form and content of its application for a public accounting licence. The content of such application shall include all matters necessary to determine whether the applicant meets the requirements of the Act and of these Standards for licensure including, without limitation, the requirements of Standards 2 to 6 or 7A or 7B, as applicable.

Such application shall contain or be accompanied by:

(a) the names of persons to whom reference may be made as to the applicant's character and suitability for licensure; and

(b) a declaration signed by the applicant that the contents of the application are true and correct.

(6) If CPA Ontario suspends or revokes the membership or registration rights and privileges of a licensee, it must also suspend or revoke such licensee's public accounting licence or certificate of authorization, as applicable.

(7) If a licensee ceases to be a member of or registered with CPA Ontario, the licensee's public accounting licence or certificate of authorization, as applicable, shall terminate on the date that such licensee ceases to be a member of or registered with CPA Ontario.

(8) Notwithstanding the provisions of Standard 17, Sections (6) and (7), CPA Ontario shall require that the licensee whose licence or certificate of authorization was suspended, revoked or terminated continues to be subject to the disciplinary powers of CPA Ontario, as fully and to the same extent as if such rights and privileges and licence or registration had not been suspended, revoked or terminated, for any act, omission, matter or thing which may constitute or involve a violation of the by-laws, regulations, policies or the rules of professional conduct of CPA Ontario to the extent permitted by law.

(9) CPA Ontario shall, except where CPA Ontario is of the opinion that there are legitimate concerns surrounding a licensee's personal security, publish a roll of licensed public accountants and professional corporations holding certificates of authorization, including those that are subject to licence or certificate of authorization suspensions or revocations, on its website in a publicly accessible and freely available manner that is open for public inspection. For the five-year period following the revocation or surrender of a licence or certificate of authorization, shall publish the last known address from which the former licensee practised on the roll. CPA Ontario may remove the names of persons that previously held a licence or certificate of authorization from the roll five years after the date of revocation or surrender of a licence or certificate of authorization.

(10) CPA Ontario shall publish an annual report on its licensure activities on its website in a publicly accessible and freely available manner and make such report available to the public upon request.

18 Disclosure and related matters

(1) CPA Ontario shall maintain sufficient appropriate documentation to support its ongoing compliance with these Standards and shall maintain a records retention policy that reflects this requirement.

(2) CPA Ontario shall require its licensees or firms to consent and to be deemed for all purposes to consent to the release of any and all information and documentation by a licensee or firm to CPA Ontario for the purposes of enabling CPA Ontario to carry out its responsibilities and functions pursuant to the Act and these Standards.

(3) CPA Ontario shall require an individual licensee, when providing any accounting services in respect of a financial statement, or of any part of a financial statement or any statement attached to a financial statement, to disclose in any written statement, opinion or report, the fact that the person is licensed as a public accountant by use of the term "Licensed Public Accountant" or the initials "LPA" following the name or initials of the accounting designation granted by CPA Ontario.

(4) CPA Ontario shall require a professional corporation that holds a certificate of authorization, when providing any accounting services in respect of a financial statement, or of any part of a financial statement or any statement attached to a financial statement defined in the Act, to disclose in any written statement, opinion or report, the fact that the professional corporation holds a certificate of authorization by use of the words "Authorized to practise public accounting by the Chartered Professional Accountants of Ontario".

(5) Within 120 days after the end of its financial year, CPA Ontario shall forward a copy of its annual report for that year to the Minister responsible for the administration of the Act. It shall also post the annual report on a publicly accessible and freely available website.