

**CHARTERED PROFESSIONAL  
ACCOUNTANTS OF ONTARIO**

**REGULATION 4-6  
PRACTICE STRUCTURE**

**Adopted by the Council pursuant to the *Chartered Accountants Act, 2010*, and the  
Bylaws on June 16, 2011, as amended to June 18, 2014.**

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**REGULATION 4-6  
PRACTICE STRUCTURE**

**Adopted by the Council pursuant to the *Chartered Accountants Act, 2010*, and the Bylaws on June 16, 2011, as amended to June 18, 2014.**

**Definitions**

1. In this regulation, words have the same meaning as they do in the Act and bylaws and:
  - 1.1 “cross-referenced” means, in relation to a practice of public accounting or a practice providing accounting services to the public and one or more other businesses or practices,
    - 1.1.1 reference in the advertising, promotional or other material of any of them to any of the others, or
    - 1.1.2 use by any of them of any name, word, design or other feature or characteristic of presentation or communication,  
  
which, in the view of the reasonable observer, would imply that the practice of public accounting or practice providing accounting services to the public, or any of its proprietors,
    - 1.1.3 has proprietary interest or management influence in any of the other businesses or practices, or
    - 1.1.4 has any other ongoing economic association or relationship with any of the other businesses or practices.
  - 1.2 “firm” includes a sole proprietorship;
  - 1.3 “regulatory organization” includes any organization with the authority to regulate any person, service, goods, or market; and
  - 1.4 “related business or practice” means a business or practice which is related to a practice of public accounting or a practice providing accounting services to the public by reason of being cross-referenced,
    - 1.4.1 with a practice of public accounting or a practice providing accounting services to the public, or

- 1.4.2 with any other business or practice which is cross-referenced with a practice of public accounting or a practice providing accounting services to the public.

**Forms of Practice**

2. A Member offering services to the public may adopt any practice structure permitted by the Act and Bylaws, including a sole proprietorship, partnership, limited liability partnership, and professional corporation.
3. No Member shall engage in the practice of public accounting or provide accounting services to the public without the practice being registered with CPA Ontario as a firm.

**Practice Name**

4. A firm shall register with CPA Ontario the name under which the firm engages in the practice of public accounting, provides accounting services to the public, or carries on a related business or practice.
5. The Registrar shall not register a firm whose name does not comply with the Rules of Professional Conduct, the bylaws, the *Business Names Act* and, if applicable, *Ontario Business Corporations Act* and the regulations adopted pursuant to that Act.

*Amended October 19, 2012*

6. The Registrar shall not continue the registration of a firm whose name does not comply, or no longer complies, with the Rules of Professional Conduct and legislation.
7. Notwithstanding section 6, a registered firm may apply to the Registrar to continue to use a non-compliant name, and the Registrar may grant such permission for a single period not exceeding six (6) months.
8. No firm, and no Member of any firm, shall engage in public accounting or provide accounting services to the public in any name other than the registered name or names.

**Firm Registration**

9. No firm or any office or location of that firm shall engage in the practice of public accounting, provide accounting services to the public or carry on a related business or practice without being currently registered in good standing with CPA Ontario.

*Amended February 24, 2012*

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- 9A. Notwithstanding sections 3 and 9 of this regulation, a Member or firm, other than a Member or firm engaged in the practice of public accounting, that is registered with, and maintains that registration with CGA Ontario or CMA Ontario, is, until January 1, 2015, exempt from the requirement to register with CPA Ontario.

*New – June 18, 2014*

10. The Registrar shall register, and renew the registration of, any firm that:
- 10.1 makes an application in the appropriate form and pays the prescribed fee;
  - 10.2 has paid all dues and other amounts levied by CPA Ontario;
  - 10.3 has provided all information and produced all documents and other materials as requested by the Registrar; and
  - 10.4 meets all the requirements of the Act, Bylaws and this regulation.
11. Any firm applying for registration or renewal of registration shall disclose whether it or 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 organization, whether or not it is a member of that organization; and shall provide a consent permitting the Registrar to access information regarding such investigation or disciplinary proceedings from that organization.
12. Notwithstanding section 10, the Registrar may defer consideration of an application for registration or renewal until such time as any investigation or discipline proceeding disclosed pursuant to section 11 has been concluded.
13. Upon registration with CPA Ontario, a firm shall designate with CPA Ontario a Member to be the designated representative of the firm.
14. Every firm shall, upon registration, provide the Registrar:
- 14.1 the name, business address, telephone number, facsimile number and email address of each office or location to which section 9 pertains and the name, title and business address of the Member having personal charge and management of that office or location;
  - 14.2 the name, title and business address of each Member who is:
    - 14.2.1 the senior officer(s) of the firm in Canada;
    - 14.2.2 the senior officer(s) having responsibility for the Ontario operations of the firm;

14.2.3 the officer(s) having responsibility for the operations of the firm in any region or geographic territory in Ontario that involves more than one office; and

14.2.4 licensed to practise public accounting in Ontario.

*Amended February 24, 2012*

15. A firm shall notify the Registrar forthwith upon any changes to the information set out in section 14.

**Professional Corporations**

16. No professional corporation composed of Members shall carry on any business or practice in Ontario without holding a valid registration certificate.

17. No professional corporation shall engage in the practice of public accounting without holding a valid certificate of authorization.

18. The Registrar shall issue a registration certificate to, and renew the certificate of, any professional corporation that:

18.1 makes an application in the appropriate form and pays the prescribed fee;

18.2 has paid all dues and other amounts levied by CPA Ontario;

18.3 has provided all information and produced all documents, including articles of incorporation, and other materials as requested by the Registrar; and

18.4 meets all the requirements of the *Act*, the *Ontario Business Corporations Act*, the Bylaws and this regulation.

19. The Registrar shall issue a certificate of authorization to, and renew the certificate of, any professional corporation that meets the requirements of section 18 of this regulation, provided that at least one shareholder of the professional corporation holds a valid public accounting licence.

20. The Registrar shall record in CPA Ontario's records:

20.1 the name and business address of the professional corporation;

20.2 the name(s) of the shareholder(s) who legally and beneficially own(s), directly or indirectly, the shares of the professional corporation;

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- 20.3 the name(s) of the officer(s) and director(s) of the professional corporation;
  - 20.4 any term, condition, limitation or restriction imposed on the professional corporation;
  - 20.5 any suspension or revocation of any certificate of authorization; and
  - 20.6 whether the professional corporation holds a certificate of authorization.
21. Any professional corporation applying for issuance or renewal of a registration certificate or certificate of authorization shall disclose whether it or any of its shareholders is the subject of an investigation or is or has been the subject of disciplinary proceedings by CPA Ontario or any other regulatory organization, whether or not it is a member of that organization; and shall provide a consent permitting the Registrar to access information regarding such investigation or disciplinary proceedings from that organization.
22. Notwithstanding sections 18 and 19, the Registrar may defer consideration of an application for issuance or renewal until such time as any investigation or discipline proceeding disclosed pursuant to section 21 has been concluded.
23. Upon registration with CPA Ontario, a professional corporation shall:
- 23.1 designate with CPA Ontario a shareholder to be the representative of the professional corporation; and
  - 23.2 provide the Registrar the name, business address, telephone number, facsimile number and email address of each office or location of the professional corporation and the name, title and business address of the Member having personal charge and management of that office or location.
- Amended February 24, 2012*
24. A professional corporation shall notify the Registrar forthwith of any changes to the information set out in section 20.

### **Bankruptcy**

25. A firm shall disclose to the Registrar forthwith upon:
- 25.1 becoming a bankrupt;
  - 25.2 making a proposal to creditors;
  - 25.3 becoming the subject of a formal proceeding as an insolvent debtor;

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- 25.4 being placed under a receiving order; or
- 25.5 having a business of which the firm or any partner or shareholder of the firm is an owner placed under a receiving order,
- as defined in the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act*.
26. The disclosure referenced in section 25 shall be in writing, and shall include:
- 26.1 all documentation pertaining to the subject of the disclosure or, if all documentation is not yet available, an undertaking to provide the documentation as soon as it becomes available;
- 26.2 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;
- 26.3 all documentation pertaining to the financial circumstances of the firm making the disclosure, including, but not limited to, income tax returns, financial statements and financial records; and
- 26.4 a consent permitting CPA Ontario to directly access information and documents related to the subject of the disclosure from the trustee in bankruptcy, the superintendent in bankruptcy, or the official receiver, as the case may be.
27. The individual making the disclosure shall also provide forthwith any other information or documents requested by or on behalf of the Registrar, unless the individual is asserting in good faith and on reasonable grounds the specific document requested is subject to legal privilege and that privilege is not waived.
28. The Registrar shall consider the disclosure and the information and documentation provided pursuant to sections 26 and 27, and shall:
- 28.1 suspend the registration and any certificates held by the firm;
- 28.2 require the firm to practice subject to one or more of the following terms and conditions:
- 28.2.1 engaging, for a time specified, an advisor or supervisor;
- 28.2.2 restricting the practice in a specified manner for a specified period of time;

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- 28.2.3 reporting as specified to the Registrar on the progress of the subject of the disclosure; or
  - 28.2.4 any other terms and conditions the Registrar deems appropriate; or
  - 28.3 take no further action.
29. The Registrar, in making a decision provided for in section 28, shall consider appropriate factors, which may include, but are not limited to:
- 29.1 the circumstances pertaining to the event requiring disclosure and to the conduct of the subject of the disclosure;
  - 29.2 the extent to which the event requiring disclosure may put at risk the interests of:
    - 29.2.1 any client or employer associated with the subject of the disclosure; or
    - 29.2.2 any other party impacted or affected by the event;
  - 29.3 the number and nature of creditors affected;
  - 29.4 whether any potential civil or criminal liability has arisen as a result of the event requiring disclosure;
  - 29.5 the current financial circumstances of the subject of the disclosure;
  - 29.6 the anticipated date of release from insolvency; and
  - 29.7 whether the firm is competent and capable of performing without impairment the essential duties of any current or anticipated business or practice.

### **Other Obligations**

- 30. A firm shall ensure that the Registrar is notified in writing of any significant change in practice, composition or structure, as set out in the Bylaws.
- 31. No firm shall discontinue or surrender its registration or certificate(s) while the subject of a complaint or disciplinary proceeding or order, and, should its registration or certificate(s) expire during that time, the firm shall remain subject to the authority and jurisdiction of CPA Ontario as though it had not.



**Registrar**

32. The Registrar shall not register or issue any certificate or renew any certificate or registration pursuant to this regulation to a firm or professional corporation that:
- 32.1 fails to make any disclosure or provide any information or document required by this regulation; or
  - 32.2 provides information or a document that is false or misleading, unless the Registrar is satisfied that the falsehood or misleading is not material and that it was made inadvertently.
33. A decision of the Registrar made pursuant to this regulation is final.

**Failure to Comply**

34. A failure to comply with any section of this regulation is a breach of member obligations as defined in Regulation 4-3.