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Application

This Regulation applies to professional development requirements of all Members.

Definitions

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 “Annual Declaration” means the declaration referenced in section 9;
   1.2 “current year” means the year that the annual compliance declaration is being made;
   1.3 “previous year” means the calendar year immediately preceding the year that the annual compliance declaration is being made;
   1.4 “Public Interest Entity” is one where there is a high degree of outside interest in the entity from large numbers and diverse classes of stakeholders and either:
      1.4.1 the entity has a social responsibility because of the nature of its operations; or
      1.4.2 the substantial majority of the entity’s stakeholders depend on financial reporting, as they have no other way of obtaining financial information about the entity;
   a Public Interest Entity includes, but is not limited, to:
   1.4.3 a deposit-taking institution; and
   1.4.4 a not-for-profit organization, charity, foundation, hospital, health authority, publicly funded educational institution, social service agency or co-operative business enterprise that has annual gross revenue greater than $100,000;
   1.5 “Recognized Professional Accounting Body” means a professional accounting body referenced in Regulation 7-1 or Regulation 9-1;
   1.6 “Reliance Services” means activity undertaken by a Member during the relevant reporting period where it is reasonable to believe that another party is relying on the Member’s skills as a chartered professional accountant and includes, but is not limited, to:
1.6.1 serving on the board or governing body of a reporting issuer as defined in the applicable Canadian provincial or territorial securities legislation;

1.6.2 serving on the board or governing body of a Public Interest Entity;

1.6.3 providing accounting services to the public or providing other professional service(s) the Member is remunerated for and the gross annual revenue from these service(s) exceeds $25,000;

1.7 “retired” means that the Member is at least 55 years of age as of December 31st in the year prior to the reporting year, and has ceased full-time practice, full-time employment or full-time business activity, does not hold a public accounting licence, and:

1.7.1 the sum of the Member’s age and the total number of years of aggregate membership in CPA Ontario, one or more Provincial Bodies, and a Recognized Professional Accounting Body equals or exceeds “70”;

1.7.2 before April 1, 2014, the Member was a retired member of CMA Ontario; or

1.7.3 before July 2, 2014, the Member was a retired member of CGA Ontario;

1.8 “triennial period” means the three calendar years directly preceding the making of the annual compliance declaration;

1.9 “Unverifiable continuing professional development” means independent and informal learning activities and may include:

1.9.1 on-the-job training for new software, systems, procedures or techniques for application in a professional role;

1.9.2 self-study that does not involve an examination or other objective certification of completion, such as conference reference material or self-study by electronic media or device; and

1.9.3 casual reading of professional journals or magazines that is not part of research for a specific application in a professional role; and

1.10 “Verifiable continuing professional development” means that the learning can be objectively verified by a competent source and may include:

1.10.1 participation in courses, conferences and seminars;

1.10.2 organized employer-based in-house training sessions;
1.10.3 research or study projects in areas that expand the professional knowledge of the Member and that result in presentations, reports or similar documents;

1.10.4 research, including reading professional literature or journals for specific application in a professional role;

1.10.5 participation and work on technical committees;

1.10.6 published professional writing or academic work;

1.10.7 writing technical articles, papers or books;

1.10.8 teaching a course or a continuing professional development session in an area that is relevant to a professional role;

1.10.9 participation as a speaker in conferences, briefing sessions or discussion groups;

1.10.10 formal study such as leading to a degree or diploma;

1.10.11 pre-professional re-examination or formal testing; and

1.10.12 self-study involving successful completion of an examination or leading to a designation.

Continuing Professional Development Requirements

Required hours

2. The minimum amount of continuing professional development that a Member must complete, unless otherwise provided in this Regulation, shall be:

2.1 20 hours annually; and

2.2 120 hours in each triennial period.

3. For the triennial period ending on December 31, 2021, and for each triennial period thereafter, the 120 hours referred to in section 2.2 shall include four Verifiable hours of professional ethics.

Verifiable and Unverifiable hours

4. At least 50 percent of both the annual and triennial period hours set out in section 2 shall consist of Verifiable continuing professional development. The remaining hours may consist of Unverifiable continuing professional development.
Content

5. A Member’s professional development shall be relevant to their responsibilities as a chartered professional accountant and shall:

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

5.2 be directly related to the competencies needed to carry on the Member’s employment or practice;

5.3 be relevant to the Member’s current professional needs and/or long-term career interests; and

5.4 contain significant intellectual or practical content.

Public Accounting Licensees

6. For Members applying for or renewing a Public Accounting Licence, the required hours must be in activities directly related to the competencies needed to engage in the Practice of Public Accounting.

7. Members applying for or renewing a Public Accounting Licence shall:

7.1 undertake continuing professional development that develops and maintains the professional competence required for that role;

7.2 achieve the learning outcomes for that professional competence as set out in Schedule A; and

7.3 include an attestation of compliance with this section in their Annual Declaration.

8. A Member who has not completed the required hours, annually and for the triennial period, is not eligible to apply for a public accounting licence, or to renew a public accounting licence except at the discretion of the Public Accounting Licensing Board as provided in section 14 of Regulation 17-1.

Annual Declaration

9. On or before the date prescribed by the Registrar, every Member shall submit annually a completed compliance declaration in the form prescribed, attesting that the continuing professional development requirements either:

9.1 have been complied with, by:

9.1.1 having completed the required hours, annually and for the triennial period;
9.1.2 having been admitted as a Member during the triennial period after completing the requirements of Regulation 9-1 or Regulation 9-2;

9.1.3 having completed the continuing professional development requirements of, and reported completion to, another Provincial Body in which the Member holds prime membership;

9.1.4 being a non-resident of Canada or Bermuda and a member in good standing of a Recognized Professional Accounting Body that has substantially similar continuing professional development requirements to those of CPA Ontario, fulfilling the requirements of that body;

9.1.5 being retired and not providing any Reliance Services;

9.1.6 being retired but providing Reliance Services and having completed the required hours as set out in Schedule B;

9.1.7 meeting the requirements for an exemption under section 13; or

9.1.8 applying for an exemption under section 14;

or

9.2 have not been complied with.

**Plans of Action**

10. A Member who indicates in their annual compliance declaration that the continuing professional development requirements were not complied with shall file within 14 Days of the compliance declaration a plan of action in the prescribed form detailing how the Member intends to complete the required continuing professional development, and failure to do so will result in an immediate administrative suspension.

11. A Member shall complete the steps outlined in the plan of action filed and file with the Registrar the prescribed form attesting to that completion within 120 Days from the Day the plan was filed, and failure to do so will result in an immediate administrative suspension.

12. After receiving the attestation, the Registrar shall review it and the plan of action to determine whether the plan is sufficient to satisfy completion of a Member’s continuing professional development requirements, and to determine whether the plan has been completed. If the Registrar is satisfied that the plan is sufficient and has been completed, the Member shall be deemed to have complied with the continuing professional development requirements for the reporting period.
Exemptions

13. A Member who has not worked for a total of at least six months of the previous year as a result of:

13.1 maternity, parental, or family care leave; or

13.2 medical leave or unemployment, and has not been involved in any activity where it is reasonable to believe another party relied on the Member’s skills during that period of time;

shall be exempt from the continuing professional development requirements for the previous year.

14. A Member may request that the Registrar grant an exemption from the continuing professional development requirements on compassionate grounds, due to extraordinary circumstances of the Member during the previous year.

15. Upon receipt of the exemption request in section 14, the Registrar shall:

15.1 exempt the Member from all or a portion of the continuing professional development requirements;

15.2 require the Member to provide additional information or documents in order to consider the request; or

15.3 require that the Member file and complete a plan of action.

16. A decision of the Registrar under section 15 is final.

Discretion

17. The Registrar shall not exercise the discretion granted in section 15 of this Regulation to exempt a Member from any or all of the requirements of sections 2 to 5, unless the Member’s ability to practise or earn a livelihood has been significantly interrupted or impaired.

18. In determining whether circumstances exist of a nature to justify the exercise of the discretion granted by this Regulation, the Registrar shall consider the relevant circumstances of the Member, that may include, but are not limited to:

18.1 the nature of the circumstances;

18.2 the likely duration of the circumstances;

18.3 the continuing professional development history of the Member, including any previous requests for the exercise of discretion;

18.4 the nature of the practice, employment or business of the Member, and the Member’s current professional competence; and
18.5 the impact of any exercise of discretion on the Member’s competence to act as a chartered professional accountant.

Documents

Retention

19. Every Member shall retain documents, records and other evidence satisfactory to CPA Ontario of the professional development activities undertaken or to the Member’s compliance with the requirements of this Regulation for the previous five years.

Production

20. A Member shall, upon request, produce any document, record, declaration, evidence or other item relating to professional development activities undertaken or to the Member’s compliance with the requirements of this Regulation.

Compliance Audit

21. The Registrar shall select Members to be audited for compliance with this Regulation.

22. The Registrar shall advise Members selected for audit of the information required from the Member and the format in which the information is to be provided.

23. A Member shall comply with the notice under section 22 within 30 Days of the date of that notice, by providing all information as required by the notice.

24. The Registrar shall review the information provided under section 23, and may:

24.1 require the Member to provide further information, including documents, explanations, and declarations, relating to or in support of the information provided under that section;

24.2 require the Member to file and complete a plan of action;

24.3 take no further action; or

24.4 suspend the Member.

25. A Member shall comply with the requirements of the Registrar within the time period provided by the Registrar, that shall not be less than 10 Days from the date of the notice of the requirement.
# SCHEDULE A

## LEARNING OUTCOMES FOR THE PROFESSIONAL COMPETENCE OF MEMBERS APPLYING FOR OR RENEWING A PUBLIC ACCOUNTING LICENCE

<table>
<thead>
<tr>
<th>Competence Area</th>
<th>Learning Outcomes</th>
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<tbody>
<tr>
<td><strong>Technical Competence</strong></td>
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</table>
| (a) Audit                | (i) Lead the identification and assessment of the risks of material misstatement as part of an overall audit strategy.  
                             (ii) Evaluate responses to the risks of material misstatement.  
                             (iii) Evaluate whether the audit was performed and documented in accordance with applicable auditing standards (e.g., ISAs) and relevant laws and regulations.  
                             (iv) Develop an appropriate audit opinion and related audit report, including a description of key audit matters as applicable.  |
| (b) Financial accounting and reporting | (i) Evaluate whether an entity has prepared, in all material respects, financial statements in accordance with the applicable financial reporting framework and regulatory requirements.  
                             (ii) Evaluate the recognition, measurement, presentation, and disclosure of transactions and events within the financial statements in accordance with the applicable financial reporting framework and regulatory requirements.  
                             (iii) Evaluate accounting judgments and estimates, including fair value estimates, made by management.  
                             (iv) Evaluate the fair presentation of financial statements relative to the nature of the business, the operating environment, and the entity's ability to continue as a going concern.  |
| (c) Government and risk management | (i) Evaluate corporate governance structures and risk assessment processes affecting the financial statements of an entity as part of the overall audit strategy.  |
| (d) Business environment  | (i) Analyze relevant industry, regulatory, and other external factors that are used to inform audit risk assessments including, but not limited to, market competition, product technology and environmental requirements.  |
| (e) Taxation              | (i) Evaluate procedures performed to address the risks of material misstatement in the financial statements in respect of taxation, and the effect of the results of these procedures on the overall audit strategy.  |
| (f) Information technology| (i) Evaluate the information technology (IT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.  |
### REGULATIONS

<table>
<thead>
<tr>
<th>(g) Business laws and regulations</th>
<th>(i) Evaluate identified or suspected non-compliance with laws and regulations to determine the effect on the overall audit strategy and audit opinion.</th>
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</table>
| (h) Finance and financial management | (i) Evaluate the various sources of financing available to, and financial instruments used by, an entity to determine the impact on the overall audit strategy.  
(ii) Evaluate an entity’s cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy. |
| **Professional Skills** | |
| (i) Intellectual | (i) Resolve audit issues using inquiry, abstract and logical thought, and critical analysis to consider alternatives and analyze outcomes. |
| (j) Interpersonal and communication | (i) Communicate effectively and appropriately with the engagement team, management, and those charged with governance of the entity.  
(ii) Resolve audit issues through effective consultation when necessary |
| (k) Personal | (i) Promote and undertake lifelong learning.  
(ii) Act as a role model to the engagement team.  
(iii) Act in a mentoring or coaching capacity to the engagement team. |
| (l) Organizational | (i) Evaluate whether the engagement team, including auditor’s experts, collectively has the appropriate objectivity and competence to perform the audit.  
(ii) Manage audit engagements by providing leadership and project management of engagement teams. |
| **Professional Values, Ethics and Attitudes** | |
| (m) Commitment to the public interest | (i) Promote audit quality in all activities with a focus on protecting the public interest. |
| (n) Professional skepticism and professional judgment | (i) Apply a skeptical mindset and professional judgment in planning and performing an audit and reaching conclusions to base an audit opinion on. |
| (o) Ethical principles | (i) Apply the ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in the context of an audit and determine an appropriate resolution to ethical dilemmas.  
(ii) Evaluate and respond to threats to objectivity and independence that can occur during an audit.  
(iii) Protect the confidential information of the entity in accordance with ethical responsibilities and relevant legal requirements. |
### SCHEDULE B

**CPD REQUIREMENTS FOR RETIRED MEMBERS**

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<th>Activity by Retired Member during the relevant reporting period</th>
<th>Minimum Continuing Professional Development Requirement</th>
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<td>▪ Serving on the board or governing body of a reporting issuer as defined in the applicable Canadian provincial or territorial securities legislation; or</td>
<td>▪ Retired Member must meet the full continuing professional development requirements set out in sections 2 to 5 of this Regulation 7-2.</td>
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<td>▪ Providing accounting services to the public or other professional services and the aggregate gross annual revenue from these services exceeds $75,000.</td>
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<td>▪ Serving on the board or governing body of a Public Interest Entity; or</td>
<td>▪ Retired Member must meet the following reduced continuing professional development requirements:</td>
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<tr>
<td>▪ Providing accounting services to the public or other professional services and the aggregate gross annual revenue from these services is between $25,000 and $75,000.</td>
<td>▪ 10 hours annually; and</td>
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<td>▪ 60 hours in each triennial period.</td>
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<td>▪ For the triennial period ending on December 31, 2021, and for each triennial period thereafter, the 60 hours referred to above shall include four Verifiable hours of professional ethics.</td>
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<td>▪ In addition, at least 50 percent of both the annual and triennial hours shall consist of Verifiable continuing professional development. The remaining hours may consist of Unverifiable professional development.</td>
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