REQUIREMENTS FOR RENEWAL OF A PUBLIC ACCOUNTING LICENCE

In order to be eligible to renew your public accounting licence as of November 1, a Member must meet the requirements set out in regulation 9-1 s. 3 and s. 4.

ELIGIBILITY TO RENEW A PUBLIC ACCOUNTING LICENCE

A Member who holds a public accounting licence is eligible to renew that licence, upon:

- completing the renewal application for licence Form 9-1B and paying the renewal fee of $214.70 (includes HST of $24.70)
- completing the Intended Connection Requirement;
- completing the Continuing Professional Development Requirement;
- completing the Practice Inspection Requirement; and
- completing the Professional Experience Requirement or, if the licence was issued pursuant to Regulation 9-1, subsection 2.8 other than by reason of membership in an authorized designated body, completing the Professional Experience Requirement by the fifth anniversary of the date of original issuance of that licence.

A Member who holds a public accounting licence shall not be eligible to renew a licence if:

- the Member fails to apply to renew the licence and to provide all information, documents and material required to prove compliance with section 3 by no later than 30 days prior to the date of the expiry of the licence to be renewed;
- the rights and privileges of the Member are suspended;
- the public accounting licence is suspended or has been revoked; or
- the Member held a licence issued by another authorized designated body under the Public Accounting Act, 2004, and such licence was suspended or revoked and has not been reinstated by the other authorized designated body.

As part of the submitted application declarations, members are reminded of the following:

- Please note pursuant to Regulation 9-1, section 4A, you are required to track on an annual basis and keep a detailed record of eligible hours which contribute to the Professional Experience Requirement as the Registrar can request such documentation at any time.
- Any declaration completed on behalf of a member wherein the member is required to state that information contained therein is true and accurate, is inherently false and misleading if it has been completed by another individual such as administrative staff pursuant to Regulation 9-1, section 18.

Intended Connection Requirement

Members who hold a public accounting licence and intend to practice public accounting must have an intended connection to public accounting. An intended connection to public accounting may be demonstrated by a Member having registered a firm(s) and/or professional corporation with CPA Ontario or by being employed on the roster of a firm registered with CPA Ontario and providing public accounting services as a member of the engagement team or as the member of the firm who is responsible for the engagements.
Continuing Professional Development Requirement

The continuing professional development requirement means that the Member fulfilled a minimum of 20 hours annually, and 120 hours in the last three year period, of mandatory continuing professional development in activities directly related to the competencies needed to provide public accounting services. Fifty percent of the annual and triennial hours must be verifiable.

Practice Inspection Requirement

The practice inspection requirement is fulfilled if the Member, within the immediate past five years:

- participated in a recognized capacity in public accounting services in a practising office that has been the subject of a practice inspection resulting in a determination that the practice’s quality control system, current engagement files, and related financial statements adhere to professional standards contained within the *CPA Canada Handbook* and other professional standards established by CPA Ontario;
- participated in a recognized capacity in public accounting services in a practising office located outside of Canada that has been the subject of a practice inspection satisfactory to the Institute by the applicable regulatory authority resulting in a determination that the practice’s quality control system, current engagement files, and related financial statements adhere to internationally recognized standards which the Institute recognizes as substantially equivalent to the professional standards contained in the *CPA Canada Handbook* and other standards established by CPA Ontario;
- is an employee, partner or sole proprietor of a newly established or soon-to-be established practising office or of an established practising office that has not been the subject of a practice inspection; in which case the Member shall be eligible to be granted a licence if he or she has satisfied the Public Accounting Licensing Board that he or she has successfully completed all of the other requirements and shall hold such licence, if granted, on the condition that the firm or practising office is the subject of a practice inspection not later than 12 months following the date of issuance of the licence and the inspection results in a determination that the practice’s quality control system, current engagement files, and related financial statements adhere to professional standards contained within the *CPA Canada Handbook* and other professional standards established by CPA Ontario; or
- is a practice inspector appointed by CPA Ontario or by CPAB to conduct practice inspections of licensees, firms and practising offices.

Professional Experience Requirement

Professional experience requirement means that a Member participated in a recognized capacity in public accounting services and, within the immediate past five years, obtained a minimum of 2,500 hours consisting of:

- a minimum of 1,250 eligible hours in public accounting services, excluding any hours for which a public accounting licence was required but not held; and
- up to 1,250 eligible hours in designated services.

Eligible hours are chargeable hours and, for the purposes of section 3 only (renewal only), documented hours, acquired as a result of participating in a recognized capacity in providing public accounting services; and other hours acquired in designated services.
Chargeable hours are 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.

Designated services are services that require competencies that are complementary to those required to provide public accounting services, namely:

- taxation services related to assessing the appropriateness of taxation provisions and related financial reporting;
- performance measurement relating to the evaluation, development and interpretation of an entity’s financial and nonfinancial information that measures and enhances an entity’s organizational performance;
- forensic accounting;
- research on the interpretation or application of the accounting and assurance standards set out in the CPA Canada Handbook – Accounting and CPA Canada Handbook – Assurance or on professional standards;
- financial reporting involving the review of accounting principles and financial statement disclosure and the appropriateness of internal controls for the purpose of presenting fairly the financial statements of an entity;
- corporate finance services related to assisting a client in obtaining financing by explaining the financial statements to a financial institution, and assisting a client in analyzing the accounting effects of certain transactions;
- research conducted for, or advice given to, assurance clients on matters related to assurance engagements; and
- training of other accountants or staff of the practice or firm in respect of the performance of assurance services where such training is an ongoing responsibility of the Member.

Documented hours are hours acquired in a public accounting practice through the provision of public accounting services described in clauses 1.10.1, 1.10.2 or 1.10.4 which have not been charged to clients.

The practice of public accounting means providing, on a basis that is independent of the person for whom the services are being provided, either of the following services:

- Assurance engagements, including an audit or a review engagement, conducted with respect to the correctness, fairness, completeness or reasonableness of a financial statement or any part of a financial statement or any statement attached to a financial statement, if it can reasonably be expected that the services will be relied upon or used by a third party.
- Compilation services, if it can reasonably be expected that all or any portion of the compilations or associated materials prepared by the person providing the services will be relied upon or used by a third party. If the compilations or associated materials prepared by the person in providing compilation services contain a notice in the prescribed form that provides that any assurance given by the person is limited to the accuracy of the computations required in order to complete the compilation, the provision of the compilation services does not constitute public accounting.

Practice inspection assesses, on behalf of the Public Accounting Licensing Board, Members' compliance with the minimum requirements for maintaining a public accounting licence. As part of that assessment, each licensee will be required to complete the Practice Inspection Review – Public Accounting (PA) Experience form.
Discretion of the Public Accounting Licensing Board

In exceptional circumstances, the Public Accounting Licensing Board may renew a public accounting licence of a Member who:

- has met all of the relevant requirements set out in Regulation 9-1 with the exception of the Professional Experience Requirement; and
- has demonstrated the required capabilities, competence and current skills to provide public accounting services; and
- has either:
  a) satisfied the Board that the exceptional circumstances of the Member will not continue beyond a period of two years from the date of the renewal; or
  b) has a practice comprised substantially of one or more of the following:
     ▪ responsibility for the entire public accounting engagement of a firm or practising office;
     ▪ completion of second partner reviews; and
     ▪ responsibility for the direct supervision, management or oversight of the leadership of the engagement team(s) that are significantly more than strictly administrative in nature and include such functions as reviewing assurance files of major clients or high-risk clients, interpretation or application of either or both of Generally Accepted Accounting Principles and Generally Accepted Assurance Standards or on professional standards, or advice given to assurance clients on matters related to assurance engagements.

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