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## **Official Report of Debates (Hansard)**

**Thursday 22 April 2010**

## **Journal des débats (Hansard)**

**Jeudi 22 avril 2010**

**Standing Committee on  
Justice Policy**

Accounting Professions  
Act, 2010

**Comité permanent  
de la justice**

Loi de 2010 sur les professions  
comptables

Chair: Lorenzo Berardinetti  
Clerk: Susan Sourial

Président : Lorenzo Berardinetti  
Greffière : Susan Sourial

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
JUSTICE POLICYCOMITÉ PERMANENT  
DE LA JUSTICE

Thursday 22 April 2010

Jeudi 22 avril 2010

*The committee met at 0903 in committee room 1.*

**The Chair (Mr. Lorenzo Berardinetti):** Good morning, everybody. I'd like to call this meeting to order. This is a meeting of the Standing Committee on Justice Policy on Thursday, April 22, 2010. This is to do with Bill 158, An Act to repeal and replace the statutes governing The Certified General Accountants Association of Ontario, the Certified Management Accountants of Ontario and The Institute of Chartered Accountants of Ontario.

## ELECTION OF VICE-CHAIR

**The Chair (Mr. Lorenzo Berardinetti):** The first item on the agenda is the election of a Vice-Chair. Do I have any nominations? Mr. Rinaldi.

**Mr. Lou Rinaldi:** Chair, I would like to nominate Ms. Pendergast as Vice-Chair.

**The Chair (Mr. Lorenzo Berardinetti):** So you've moved—

**Mr. Lou Rinaldi:** Well, she wasn't here when I did it, so I was hoping to catch her off guard.

**The Chair (Mr. Lorenzo Berardinetti):** This is her now, so you move Ms. Pendergast. Any other? Mr. Kormos.

**Mr. Peter Kormos:** This may have come as a surprise to Ms. Pendergast. Perhaps she needs some time to reflect on it. These elections, as you know, are spontaneous, nobody's whipping the vote, any number of people can be nominated, and the election's up to the majority. So, Ms. Pendergast, if you want five minutes, I'll be more than pleased to accommodate you.

**Ms. Leeanna Pendergast:** Actually, I appreciate that, really, a whole lot—my mom would love you for it, Mr. Kormos—but I've reflected and I'm pleased to accept the nomination.

**Mr. Peter Kormos:** Does this suggest, Chair, that there's no sense in nominating any other persons?

**The Chair (Mr. Lorenzo Berardinetti):** Well, the rules say that we can have nominations of any individual—

**Mr. Peter Kormos:** So if I were to nominate Mike Colle, for instance, and I do.

**The Chair (Mr. Lorenzo Berardinetti):** Yes, you can do that if you want.

**Mr. Peter Kormos:** I did.

**Mr. Mike Colle:** I refuse to accept.

**Mr. Peter Kormos:** Let's put this to a vote.

**The Chair (Mr. Lorenzo Berardinetti):** Okay. No more nominations? That leaves Ms. Pendergast acclaimed as the new Vice-Chair of the committee. Congratulations, Ms. Pendergast.

*Applause.*

**Ms. Leeanna Pendergast:** That's very exciting. Thank you. I saw you applaud a little bit there, Peter.

**Mr. Peter Kormos:** May you be so fortunate in 2011.

**Ms. Leeanna Pendergast:** Yes, thank you for that blessing.

## SUBCOMMITTEE REPORT

**The Chair (Mr. Lorenzo Berardinetti):** The next item on the agenda is the report of the subcommittee on committee business. I think Mr. Zimmer is prepared to read in the report.

**Mr. David Zimmer:** Having carefully studied the report of the subcommittee, I move the following:

Your subcommittee on committee business met on Thursday, April 1, 2010, to consider the method of proceeding on Bill 158, An Act to repeal and replace the statutes governing The Certified General Accountants Association of Ontario, the Certified Management Accountants of Ontario and The Institute of Chartered Accountants of Ontario, and recommends the following:

(1) That the committee hold one day of public hearings at Queen's Park on Thursday, April 22, 2010.

(2) That the committee clerk, with the authority of the Chair, post information regarding the committee's business for one day in the business sections of the following publications: the National Post, the Globe and Mail, the Toronto Star, the Toronto Sun, and L'Express.

(3) That the committee clerk post a notice regarding the committee's business on the Ontario parliamentary channel and the committee's website.

(4) That interested people who wish to be considered to make an oral presentation on Bill 158 should contact the committee clerk by 5 p.m., Thursday, April 15, 2010.

(5) That, on Thursday, April 15, 2010, the committee clerk provide the subcommittee members with an electronic list of all requests to appear.

(6) That groups/individuals be offered 15 minutes in which to make a presentation.

(7) That, if all groups/individuals can be scheduled, the committee clerk, in consultation with the Chair, be authorized to schedule all interested parties.

(8) That, if all groups/individuals cannot be scheduled, the committee clerk, in consultation with the Chair, reduce the presentation times to 10 minutes.

(9) That, if all groups/individuals cannot be scheduled with 10-minute presentations, each of the subcommittee members provide the committee clerk with a prioritized list of names of groups/individuals they would like to hear from, by 12 noon, Friday, April 16, 2010, and that these names must be selected from the original list distributed by the committee clerk to the subcommittee members.

(10) That the deadline for written submissions be 5 p.m., Monday, April 26, 2010.

(11) That the deadline (for administrative purposes) for filing amendments be 5 p.m., Tuesday, April 27, 2010.

(12) That the research officer provide the committee with a summary of witness testimony prior to clause-by-clause consideration of Bill 158.

(13) That the committee begin clause-by-clause consideration of Bill 158 on Thursday, April 29, 2010.

(14) That the committee clerk, in consultation with the Chair, be authorized, prior to the passage of the report of the subcommittee, to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you. Is there any discussion? None? So can we adopt the subcommittee report? Carried.

## ACCOUNTING PROFESSIONS ACT, 2010

### LOI DE 2010

### SUR LES PROFESSIONS COMPTABLES

Consideration of Bill 158, An Act to repeal and replace the statutes governing The Certified General Accountants Association of Ontario, the Certified Management Accountants of Ontario and The Institute of Chartered Accountants of Ontario / Projet de loi 158, Loi visant à abroger et à remplacer les lois régissant l'Association des comptables généraux accrédités de l'Ontario, les Comptables en management accrédités de l'Ontario et l'Institut des comptables agréés de l'Ontario.

**The Chair (Mr. Lorenzo Berardinetti):** We'll move on the next item, then. We're going to hear from deputations this morning. They're 15 minutes long.

## CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS

**The Chair (Mr. Lorenzo Berardinetti):** The first one this morning is the Chartered Institute of Management Accountants, CIMA, United Kingdom, or UK. It's Charles Tilley. I'll welcome you to committee while you take a seat. You can speak for up to 15 minutes. Any time that you don't use up will be divided between the three parties to ask you questions. Good morning.

### 0910

**Mr. Charles Tilley:** Good morning, and thank you for the opportunity to speak and, to the committee members, for being here and for listening to what I have to say. I'm the chief executive of the Chartered Institute of Management Accountants. We typically call the Chartered Institute CIMA. I'm here from the UK because this is something which is a very important issue to our members here in Canada. I hope my presence here indicates just that.

I'm appearing here because we at CIMA believe that we would like to ask for the bill to be amended in one of two ways. One would be to allow foreign-designated accountants to use their designation with the country of origin as a suffix in parentheses. The alternative would be to limit the scope of the restrictions to those accountants who provide accounting services to the public. Our ultimate preference would be, obviously, to strike the clause out altogether.

You have the details of our overall arguments being circulated to you, but just to focus on the main issues, CIMA is an international professional body. It's headquartered in the UK and was established way back in 1919. It has a royal charter and today has a membership of over 170,000 members and students in over 165 countries, with well over 1,000 of those here in Canada. Its primary focus is on financial management in business. Most of our members do not practise; they work in business, but their letters are obviously very important, i.e., we're not a body of auditors.

Of course, all our members are subject to a code of ethics. The royal charter insists that we work in the public interest and that we're very much about driving forward and promoting management accounting around the world. In fact, I've just been given a copy of the Canadian management accounting magazine and was delighted to see an advertisement there for some of our management accounting work on a jointly badged basis with the American certified public accountants, the Canadian management accountants and ourselves.

We obviously object to the sections on the bill, but the reason for that is because they're limiting our members from using their designatory letters, which they have achieved through successful completion of exams—uniform, those exams are—and a minimum of three years of practical experience. Very importantly, a CIMA member can go anywhere in the world to work using their designatory letters except, if this bill is passed, here in Ontario. The bill is quite rightly focused on the administration of Canadian accounting bodies; that's clearly appropriate. The bill is protecting against individuals holding out that they have qualifications that they don't have; that's obviously the right thing to do. But the clauses on designatory letters seem to us to be unfair and not in the best interests of Ontario. We do not believe there is any confusion in the marketplace. Instead, we would say that it's a block on immigration and actually, if anything, risks isolating Ontario.

Just to go into a bit more detail, we believe that Bill 158 is protectionist. We're working in a global world and

it seems to disadvantage one group of externally qualified persons against a favoured local body. We've certainly not come across similar legislation anywhere else in the world, and it seems to me to go against the grain of a global marketplace. A question that obviously has to be asked is: Will it drive retaliatory action elsewhere in the world?

It also appears in contravention of the spirit of the free trade and services as agreed on by CETA.

Now moving on to the protection of consumers, I'm not sure where Bill 158 does anything to further the public interest. The most important thing, surely, is making sure that those people who are unqualified and offering services are properly regulated, not to restrict those who have appropriate letters and qualifications from around the world. Surely the issue is the unqualified accountant.

Certainly, just to repeat: We've not seen any evidence that consumers are actually confused by the non-Ontario-based accountancy designations.

I suppose, really, in today's global world, another question is: Is it really right to suggest that only those qualified in Canada are to be trusted as professional persons? Our members are subject to rigid enforcement of our ethics code, and they have to keep up to date with their qualifications through a CPD program.

Moving on to the fairness issue: Many people—for example, those of our members who would be in Sri Lanka—qualify with CIMA because it gives them a portable qualification. It's one that enables them to use their skills elsewhere. It seems that Bill 158 is seeking to lock such people out of Canada. It's denying them the right to signify their professionalism and to use their designatory letters.

We understand that TRIEC has concluded that this is detrimental to the integration of immigrants into suitable employment, and I'm sure that's a very important issue, and also that the South Asian Legal Clinic of Ontario believes that the restrictions are inconsistent with the Immigration and Refugee Protection Act. It's interesting to note that in that act, CIMA is recognized as a professional designation for immigration into Canada. So we will have the situation that CIMA is accepted by immigration authorities to get into Canada, but if this bill goes through, it will then be illegal for them to use their designatory letters once they arrive in Ontario. Those are, I think, issues which really need to be thought long and hard about.

Ultimately, we believe that this is unfair to individuals immigrating to Canada. It's a block on immigration, in other words, putting international accountants at a disadvantage.

In the Ontario marketplace, we see no evidence of confusion. As I've already said, less than 5% of our members actually work in practice where there is a direct interface with the public.

Ultimately, we believe the proposed change will harm Ontario in its efforts to support global organizations—and I'm sure you'll be hearing from one of those later on today—and activity in the global marketplace.

The message that we see that this potential bill, if enacted, is putting forward is that we're only interested in Canadian-grown professionals. But what about Open Canada? As your Premier has said, Ontario actively seeks skilled immigrants. If Canada, and Ontario specifically, wants to grow on a global stage—and it seems in the present world and the troubles that every country faces, growth is critical for all developed countries, and in that respect, I think, Canada is no exception—there is a need to bring in expertise from overseas, qualified professional accountants. As I've said, we see no confusion in the marketplace anyway. Ultimately, the risk, it seems to me, is actually isolation.

So, concluding, we're aware that the Attorney General is proposing amendments to the bill, and the fact that it's being looked at is obviously positive. But our belief is that those amendments, so far, leave too much to interpretation.

In the current draft of the bill, we would request, as I started with, that the bill is either struck out or that there are two options. One is that foreign-designated accountants are able to use their designation, with the country of origin as a suffix in parentheses; alternatively, the scope of this bill is limited to restrictions to those accountants who provide accounting services to the public.

Thank you very much for listening to me. I'm happy to answer questions.

**0920**

**The Chair (Mr. Lorenzo Berardinetti):** Thank you. We have about five minutes left, so roughly just under two minutes per party. We'll start with the Conservative party and Ms. Elliott.

**Mrs. Christine Elliott:** Mr. Tilley, first of all, thank you very much for taking the time to join us today. We really appreciate your presentation and understand that it is a matter of significant concern, both locally and internationally.

I'm particularly interested in your comments about these moves really being detrimental to the whole Open Ontario policy that this government is presenting by really restricting the abilities of professionals trained in different jurisdictions to be able to practise here. I'd be interested in your comments on the response that you've received from the government with respect to that, as well as the issue that the government seems to have with consumer protection. If you could speak just a moment about what kinds of regulatory abilities your own body has with respect to your membership that may dissipate those concerns.

**Mr. Charles Tilley:** If I could deal with the second point first. Thank you for the question. As I said earlier, the number of our members who are actually working in practice at their level and have a direct interface with the general public is actually very low; it's under 5%. Most of our members are working in business, where being able to demonstrate their professionalism is absolutely critical to them. I think it's also critical to the companies concerned, in that they're all global. They want to move people around the world and so forth, and to be able to attract good people is very important in that respect.

In terms of how we discipline our people, first of all, CIMA, which is one of six UK accounting bodies, is overseen by the Financial Reporting Council, which is a part of the UK's government. So all of our regulatory processes and our disciplinary processes are overseen by the UK government.

Significant public interest cases are actually dealt with by the Financial Reporting Council themselves, called in from CIMA. As far as other cases are concerned, we have a process which is independent of CIMA. It goes through an investigation process, a full disciplinary process, and ultimately we can fine. We can name, shame, fine or ultimately throw our members out of the institute.

As far as Open Ontario is concerned, our discussions so far have been about trying to influence the wording in the bill. We have not had significant discussion on that, but it just seems to me that Canada is a member of the G20. It clearly wants to play on the global stage and has some wonderful global companies, and those organizations, whether they be the Bells of this world or the KPMGs and the big accounting firms or whatever, all want to be able to move their people around the world. Then, of course, there are the issues of just actually supporting local business in terms of their activities globally. It seems very obvious that there should be the ability to move people around.

**The Chair (Mr. Lorenzo Berardinetti):** Okay, I'm going to stick to the time. Thanks for that. Mr. Kormos for the NDP.

**Mr. Peter Kormos:** Thank you kindly, sir. This is a head-shaker. I, for the life of me, don't understand what was in the government's mind when they drafted this legislation. To assault foreign-trained professionals—I said "assault," not "insult;" assault them this way—just runs contrary to everything that people have been working so hard to achieve here, in this province at least, in terms of giving foreign-trained professionals recognition for their status. So thank you for your comments.

Your observation about lack of public protection: Heck, any Tom, Bernie or Conrad—I picked the names of Bernie Madoff and Conrad Black, of course—could set up shop in Ontario as an accountant and they'd be kosher. This bill does nothing to protect folks from the likes of a Bernie Madoff or—Conrad Black is British now, you understand; he's not a Canadian citizen anymore. And I suspect that because he's a felon, he can't get into the country, which is good by me.

I thank you for your submission. We'll keep dogging the government. Don't blame Mr. Zimmer. He does his best with these files, but he's obviously in a difficult struggle with the brain trust in the Premier's office on this one.

**Mr. Charles Tilley:** Thank you for your support on this.

**Mr. Peter Kormos:** No problem. And "brain trust," of course, is an oxymoron.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you. We'll move on to the Liberal Party. Mr. Zimmer.

**Mr. David Zimmer:** Mr. Colle.

**The Chair (Mr. Lorenzo Berardinetti):** Oh, Mr. Colle.

**Mr. Mike Colle:** I'm not here to talk about Conrad Black's designation to the House of Lords. I'm here to talk about—

**Mr. Peter Kormos:** Don't be socking it to him now.

**Mr. Mike Colle:** Yes—wherever he's designated.

Again, I want to thank you for coming all this way. It's really important for us to have you here. We do appreciate you taking the effort to do it.

One of the questions that has come up in my mind is: What happens if a CGA, a CMA or a CA from Canada goes to the UK and tries to get his designation recognized or work in that environment in the UK? Are there any restrictions, or are they able to practise their professional trade there without restriction?

**Mr. Charles Tilley:** In terms of using their designatory letters, which is what we're talking about here, there is absolutely no restriction whatsoever. You can say, "I'm a CGA; I'm a Canadian Chartered Accountant; I'm a Canadian Management Accountant." You're free to do that, and our experience is, in fact, that you can do that anywhere in the world. This is the first time we've come across the suggestion that the actual use of the designatory letters should be restricted—or banned, in fact.

**Mr. Mike Colle:** Okay. Thank you very much, sir.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you. That completes the time allotted. Mr. Tilley, thank you for your presentation this morning.

**Mr. Charles Tilley:** Thank you. It was a pleasure.

#### KPMG

**The Chair (Mr. Lorenzo Berardinetti):** We'll move on to our next presentation from KPMG. We have Michael Bach, the national director of diversity. Good morning, and welcome.

**Mr. Michael Bach:** Good morning, Mr. Chairman and committee members. I want to thank you for allowing me the opportunity to speak to you regarding Bill 158. It's an honour and privilege to have the opportunity to address you today.

As you already know, my name is Michael Bach, and I'm the national director of diversity, equity and inclusion for the accounting firm KPMG. My participation in these proceedings involves somewhat of a balancing act, and may be a surprise to some. On one hand, as one of Canada's largest public accounting firms, KPMG enjoys a close relationship, particularly with the Institute of Chartered Accountants of Ontario, but certainly also with the certified general accountants and the Society of Management Accountants of Ontario. Clearly, my organization is highly affected by this act.

Conversely, as a prominent employer in Ontario and one that has been publicly acknowledged for our work in recruiting and retaining internationally trained accountants, we felt it was critical that we show our support for this province's skilled immigrant population. As such, I

appear before you today speaking on behalf of KPMG to express our views on this important legislation.

As the committee is well aware, the previous Chartered Accountants Act was introduced in 1956 and, I think we can all agree, was in need of changes to better reflect the realities of our profession today. This new act will clearly provide better protection to consumers by enhancing the authority of our regulatory bodies in a number of areas.

KPMG strongly supports this new act, at least in principle, as it will provide a great deal more rigour to the accounting profession in the province of Ontario and will provide increased protection for our consumers. There is no question that this new act will provide much-needed clarity.

That said, we feel that some of the language used in this new legislation may be cause for concern. As it stands, and even with the proposed amendments, the language may inadvertently risk creating barriers for individuals who have received an accounting designation outside of Canada, at a time when governments and organizations are working hard to remove potential barriers. Having recently been named one of Canada's best employers for new Canadians for the third year in a row, we feel we have an obligation to draw attention to this potential risk in the act.

KPMG has made a clear commitment to diversity and inclusion, not because it's the right thing to do or because we are acting as good corporate citizens, but rather because it's the right thing to do for our bottom line. Many studies have shown that diverse teams produce better and more creative results because they have a diversity of thought and experience. We've particularly applied special focus to the attraction and retention of internationally educated accountants because they are key to our long-term success as a business.

#### 0930

We recognize and believe the validity of reports from Statistics Canada and the Conference Board of Canada that clearly show that at some point in the next 20 years, we as a nation will be completely dependent on immigration for any net growth. We also recognize that our firm and our profession will not be immune to that reality. Reports such as these are not harbingers that we should fear, but draw attention to the need for a more inclusive province and country, particularly as it relates to the integration of skilled immigrants. Even in a sluggish economy, we continue to face talent shortages that affect our ability to maintain our top line, let alone grow. As of today, there are 126 open positions in our firm across the country, the majority of which are here in Ontario: 74 of those are client-facing roles, most of which require a professional accounting designation.

We are not alone. Many employers—some of them are competitors; some of them are clients—find themselves in similar positions, all seeking qualified, highly skilled individuals to fill accounting roles. Yet the pool of talent is not growing at a sufficient rate to support our demand. The greatest opportunity for success lies with skilled immigrants.

The key concern about which I wish to speak to you relates to the use of foreign designations in key documents, such as resumé and proposals, particularly those that have similar designatory letters to the chartered accountant designation, or CA, which is used by a number of governing bodies globally. Australia, New Zealand, South Africa, India and Pakistan are but a few that use the same designation as we do here in Canada.

We believe the issue at hand is mostly due to an ambiguity of language. On one side is the ICAO, the CGA and the CMA wishing to have stronger regulations and more authority to protect consumers, something KPMG fully supports. On the other side are advocates of the newcomer population, who are fighting for an exceptionally worthwhile cause: removing barriers for skilled immigrants to find work in their chosen profession and quickly become contributing members of Ontario society, a cause we equally support.

The language of the act presents a number of unanswered questions. As an example, it draws into question whether or not existing KPMG people will be permitted to use their foreign designations. To illustrate, let's consider a person with a CPA—a certified public accountant—from the US. I've been told by legal counsel that this most definitely would not affect a person with a CPA. I have been told by different legal counsel that, in fact, it might affect a CPA. It's open to interpretation.

Schedule C, subsection 27(1), clearly states:

“No individual, other than a member of the institute, shall, through an entity or otherwise,

“(a) take or use the designation ‘chartered accountant’ or the initials ‘C.A.’, ‘CA’, ‘A.C.A.’, ‘ACA’, ‘F.C.A.’ or ‘FCA’, alone or in combination with other words or abbreviations....”

Some might interpret that the use of “CPA” would therefore contravene the act.

At last count, there were nearly 300 people at KPMG offices in Ontario alone with certifications from other accounting bodies that may or may not be affected by that statement. Admittedly, the majority, if not all, have their CA as well, something we encourage and support for all of our internationally trained staff. However, the potential for issue is clear.

This ambiguity becomes even more salient with the globalization of our clients and our business. I'm sure most here today are aware that book retailer Amazon has recently been approved by the federal government to establish operations in Canada. I'm certain they'll be looking for accounting professionals who have an understanding of the tax law in the various jurisdictions where they operate. Individuals with CPAs and US tax experience will be critical to winning that work. However, if they choose Ontario for their main base of operations, will our people be able to have their CPA designation on that proposal? What if that client were Vodafone, with operations in 20 countries? As one of KPMG's largest global clients, securing that work was not only enhanced by a variety of accounting designations, but in fact we won the work because of those designations.

We understand that a key issue is whether a person attempts to purport themselves as a chartered accountant who is not a member of the institute, someone who attempts to hang a shingle, as it were, and confuses consumers by advertising themselves as a CA when they may in fact be a member of another institute that uses the post-nominal "CA." I recognize that the government's proposed amendments are an attempt to clarify this point, but there still exists the potential to interpret that an individual applying for a job with a foreign accountant designation, listing it on a resumé, could be considered to be selling themselves by using said designation and therefore subject to substantial fines.

Lastly, as Canada moves towards the adoption of the international financial reporting standards, or IFRS, KPMG is actively looking to hire individuals from countries that have successfully adopted IFRS already to assist our clients with the somewhat complicated process. Their experience in this area will be invaluable; however, if they won't be able to promote their foreign accounting designation, that value may be severely diminished.

We believe that each party is working independently towards the same goal: increasing regulatory protections and reducing barriers for skilled immigrants. We don't believe for a moment that the interest of the ICAO is to create barriers. We believe that they are acting in the best interests of the profession and their members. We believe they share the goal of removing barriers for skilled immigrant accountants to work in Ontario.

We further don't believe that the Toronto Region Immigrant Employment Council and other newcomer advocates are looking to lessen protections or the authority of the governing bodies. Far from it: They are performing the sometimes thankless task of helping to make Ontario a more inclusive place to live and work.

In trying to cover off potential risks, and I am certain having the best of intentions, the authors of the act have seemingly painted themselves into a proverbial corner. We are absolutely certain that this government was in no way attempting to create barriers for skilled immigrants. Yet here we sit.

Clearly, I'm not a legislator or a lawyer. My specialty lies in removing barriers and creating inclusive workplaces. But if my layman's interpretation of the act can cause confusion for me, imagine what it will do for an internationally trained accountant, many of whom have English as a second, third or fourth language. It's our understanding that the Toronto Region Immigrant Employment Council as well as other bodies have proposed a solution that language be added to the legislation that clearly indicates that an internationally qualified accountant with a recognized designation may use that designation, provided they clearly state the issuing jurisdiction in parentheses immediately after. KPMG supports this suggestion, again, in principle, or a variation on this suggestion that will not inadvertently create barriers for foreign-trained accountants and at the same time will maintain or increase protections for Ontario consumers.

We are here today calling on the Ontario government to work with stakeholder groups from both sides to

attempt to find a solution that will reach our common goal.

I'll conclude by telling you a brief story. I am a Canadian, born and raised in this fine province, in this extraordinary city. I'm an eighth-generation Canadian. At my core, I'm an immigrant. My lineage is a combination of English, Welsh, Scottish and Irish. What does it mean to be Canadian?

KPMG fully supports the ICAO, the CGA, the CMA, and the adoption of Bill 158 to create a safer environment for consumers as it relates to the accounting profession. However, we would also encourage the government to ensure that the language used is clear, concise, and does not inadvertently create barriers for the people we are actively trying to bring to our province.

Ontario's Fairness Commissioner, the Honourable Jean Augustine, once said, "We all came here on ships and now we're all in the same boat. To succeed, we must all row together."

Thank you for your time.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you, Mr. Bach. We have about one minute per party, for a total of three minutes. This time, the rotation starts with the NDP. Mr. Kormos.

**Mr. Peter Kormos:** Thank you, sir, for a rather eloquent presentation.

**Mr. Michael Bach:** Thank you.

**Mr. Peter Kormos:** Sometimes it's useful to put yourself in the shoes of the other party, to try to see what they see and try to figure out why they might have done something that they've done. I suspect you've done this. What in the name of God could have persuaded the Premier's office to endorse legislation like this that excludes a huge community of highly trained professionals—obviously, by virtue of the regulatory body, almost inevitably foreign-trained professionals? What could have been the rationale?

**Mr. Michael Bach:** Well, certainly I can't speak for the Premier's office—

**Mr. Peter Kormos:** Of course not, but let's try to look at this from their perspective. I'm trying to figure out what happened here.

0940

**Mr. Michael Bach:** I don't believe, as I said, that the intention of this government was to create barriers. I think it inadvertently—

**Mr. Peter Kormos:** You think this was an accident?

**Mr. Michael Bach:** I believe that, yes.

**Mr. Peter Kormos:** Wow. We've got a lottery draw tonight. It's the PayDay lottery. I'll buy you a ticket.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you. We'll move on to the Liberal Party. Mr. Zimmer.

**Mr. David Zimmer:** The government intends, at the proper time, to introduce a motion amending the bill to do the following, and I just want to get your reaction to it: People not residing in Ontario can use foreign designations. There will be some exceptions for residents and non-residents where foreign designations will be available in certain circumstances, such as presenting at a con-

ference or applying for a job. Are some of your concerns alleviated by those amendments?

**Mr. Michael Bach:** I certainly think the language is in the right direction. I think that it should be more explicit, certainly in a way that will ensure that there can't be interpretation that will exclude—again, the examples of the CPA or the Indian CA. In no way do we want to confuse consumers, and I think the Institute of Chartered Accountants of Ontario and the government have an opportunity to further educate those consumers to make sure they do understand the difference.

At the same time, we don't want to find ourselves in a situation where a foreign-trained accountant is limited in their ability to apply for a job because they aren't able to include that designation. We would encourage the government to include explicit language, similar to what has been suggested.

**The Chair (Mr. Lorenzo Berardinetti):** Okay. We're going to have to move on. Thank you. Anyone from the Conservative—Mr. Clark.

**Mr. Steve Clark:** Just a quick comment: First of all, thank you for your presentation and congratulations on your award as one of the best employers for new Canadians.

**Mr. Michael Bach:** Thank you.

**Mr. Steve Clark:** It's been interesting. We've had two speakers talk about this issue of parentheses and removing barriers, and we've already got a bit of a bomb thrown up for you to consider. I'd like you to just make a quick comment about the issue of barriers, because I know that in your company, obviously, you want to try to have people come in to take those 126 open positions. Please give me another comment about that.

**Mr. Michael Bach:** I think it's very important that we as Ontarians and as Canadians do everything we can to create inclusive work environments, particularly for skilled immigrants who have the opportunity to fill professions that are in need. I think of doctors as another example. Obviously, we need to have regulatory standards to ensure the protection of Ontarians. I would never suggest for a second that we should simply open the doors. That said, I believe we need to do a better job of removing those barriers and ensuring that we're not inadvertently adding language that would create one.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you.

**Mr. Peter Kormos:** On a point of order—Chair?

**The Chair (Mr. Lorenzo Berardinetti):** First of all, I just wanted to thank Mr. Bach for being here.

**Mr. Peter Kormos:** I thank you too, sir.

**The Chair (Mr. Lorenzo Berardinetti):** Okay. Go ahead.

**Mr. Peter Kormos:** The parliamentary assistant, here on behalf of the minister, made very specific reference to an amendment that he suggests will be tabled at the appropriate time. That amendment is a document. As I say, the parliamentary assistant was very specific in his reference to it, so there's no confusion as to what document he's referring to. It's my submission that when a government refers to a document in the course of dis-

course, the Chair should call upon it, upon request, to table that document; the government must table that document. I suggest to you that Mr. Zimmer, by making that very specific reference to it, has put himself in a position where he has no choice but to table it now, rather than waiting until a time that he deems fit.

**The Chair (Mr. Lorenzo Berardinetti):** With the understanding that—I think he said that it's proposed. It's not—

**Mr. Peter Kormos:** Well, it's still a document, and he referred to it with some specificity. There can't be any doubt about which document it is, can there?

**The Chair (Mr. Lorenzo Berardinetti):** No, he read something out. Okay, Mr. Zimmer, did you—

**Mr. David Zimmer:** Well, I specifically used the language "The government intends" to bring a motion to amend the bill to deal with those points. That has not been reduced to print yet or hard copy, but I'm sure, in due course, when a copy becomes available that you can put your fingers on, something in print, we'll get you up to steam.

**Mr. Peter Kormos:** Chair, I'm not talking about tabling the amendment; I'm talking about the document. Mr. Zimmer is an experienced, very competent member of this chamber. He's a very long-time parliamentary assistant to the Attorney General, one of the senior ministries. He would not freelance or wing it when describing this proposed amendment. I'm talking about the document that describes the proposed amendment. I'm not talking about the amendment. There's a document. People don't do these things over the phone without making notes. There is, make no mistake about it, a document that he made reference to, and that is the proposed amendment. It's not in amendment format. I'm not asking for the amendment; I'm asking for that document. You have to rule.

**The Chair (Mr. Lorenzo Berardinetti):** Any more discussion? Mrs. Elliott.

**Mrs. Christine Elliott:** I would agree with Mr. Kormos. Surely, if there is a document there, it is particularly relevant while we are hearing from presenters to be able to consider it. If the government is already contemplating changes, then I would submit that we should all know about them now.

**Mr. David Zimmer:** I specifically said, and I quote: "The government intends to bring a motion amending the bill to indicate that" such and such. Obviously, discussions had been under way. When it reaches the point where there is a document with language, then we'll get everybody up to steam on it.

**Mr. Peter Kormos:** Chair, he just did it again. He said, "And I quote." Why can't they table what he's quoting from? That's a document.

**The Chair (Mr. Lorenzo Berardinetti):** All right. The committee is governed by the standing orders that are created or passed by the Legislative Assembly. I don't know of any section in the standing orders that refers to having to table a document. I mean, he could refer to a National Geographic article; does he have to

then table it? Or if you refer to “Life in the UK in the 21st Century,” do you have to table it?

**Mr. Peter Kormos:** Chair, he did it. He referred to an internal government document—

**Mr. David Zimmer:** No. On a point of privilege, Chair: That’s not what I said. I’ve got my notes here. I said, “The government intends to bring a motion amending the bill to indicate.” There’s no mention that there’s a document in there. There’s an expression of an intention on the part of the government to do thus-and-thus in terms of an amendment. When those discussions mature to the point where there is a formal document that reflects those proposed amendments, then of course, stakeholders and interested parties will be formally and technically informed.

**Mr. Peter Kormos:** I’m not going to belabour this. There’s the standing orders, and then there’s Marleau and Montpetit, there’s Bosc, there’s Beauchesne, there’s Bourinot, and there’s Erskine May, for starters—Griffith and Ryle; I’ll throw that in, too—all of which indicate that the precedent is clearly established. I’m submitting that he’s referring to a document. The Chair declines to order production of it—

**Mr. David Zimmer:** Well, maybe you should go and round up those four or five volumes and table the volumes.

**Mr. Peter Kormos:** You don’t have copies of them? They’re in the library.

If the Chair declines to order the tabling of it, that’s fine, too.

**The Chair (Mr. Lorenzo Berardinetti):** There’s no real prepared document. I don’t know how long it takes for them to produce their Hansard, but probably in a couple of days’ time, it will be in printed form, whatever he read. We do create a Hansard for the committee.

**Mr. Peter Kormos:** It’s okay, Chair. It’s okay. We can move on.

**Mr. David Zimmer:** Mr. Kormos is just being mischievous.

**The Chair (Mr. Lorenzo Berardinetti):** No, no, let’s stop it there, because we want to get the appointments done.

Thank you for the point of order. Thank you for the discussion.

#### MR. COLIN SHAW

**The Chair (Mr. Lorenzo Berardinetti):** We’ll move on to the next presenter, Colin Shaw.

**Mr. Colin Shaw:** Good morning, Mr. Chair, and good morning, honourable committee members. Thank you for allowing me to speak this morning. I feel fortunate that I am following two such eloquent presentations, but I’m also cognizant of the fact that I may well be repeating many of the points that have already been tabled.

My name is Colin Shaw. I fall in the 95% camp of not offering services directly to the public. I am a fellow of the Chartered Institute of Management Accountants of the UK, a certified fraud examiner, a certified manage-

ment accountant and a former employee of the Society of Management Accountants of Ontario. Despite the accent, I have not travelled the great distance that Mr. Tilley has travelled today. I am a permanent resident of Ontario. I am a proud new Canadian and father of two children here in Ontario currently seeking citizenship. I currently hold classified government clearance through my role in internal audit. I’ve also had the privilege of refereeing international rugby across the world for Canada. I’m appearing today in a personal capacity, not as a representative of CIMA UK or CIMA Canada.

#### 0950

However, consistent with the presentation of Mr. Tilley, I am seeking proposed amendments to the bill as tabled, either a limitation in scope which limits it to accountants offering services directly to the public or the use of “UK” in parentheses after the designating initials of the CIMA organization, ACMA or FCMA. I believe this is consistent with the practice currently—I think “condoned” would be a hard word, but currently permitted by the CICA and the Institute of Chartered Accountants of Ontario as it relates to the CPA designation, where individuals with that designation are allowed to use that on their resumé and business cards as long as the parentheses include the state in which that designation was obtained. It also includes an important point for me: Whatever amendment is proposed is to be all-inclusive in scope. By “inclusive,” I mean resumé, emails, business cards and also conference speaking notes.

As a fraud examiner and investigator with PricewaterhouseCoopers, I am very familiar with the rules and regulations governing the profession of public accounting. For this reason, I was hired by the Society of Management Accountants of Ontario to work on their public accounting initiative, which I fully support. There, I’ve become equally familiar with the Public Accountants Council of Ontario and the governance that they intend to provide over the profession of public accounting in Ontario in order to protect the public.

I simply provide this as background because the profession of public accounting and the profession of management accounting are very, very different, yet arguments are being made that the two are one. Practically, however, I am not certain how Bill 158, as tabled, will further the cause of consumer protection against the likes of Conrad Black and Nick Leeson and the events that we saw in Nortel.

The problem: With the exception of schedule B, clause 26(1)(a), as I have indicated in correspondence with the Attorney General’s office and his staff, I wholeheartedly support Bill 158. I’ve spent over half of my professional career investigating fraud or advising on how to prevent and detect fraud, and I remain committed to protecting corporate stakeholders and the public interest. After all, Bill 158 is a housekeeping bill that consolidates the legislation governing the three regulated accounting bodies in Ontario in anticipation that they will all be able to license public accountants at some point in

the future and that this will no longer be limited to the Institute of Chartered Accountants of Ontario.

However, schedule B, clause 26(1)(a), appears to be protectionist in nature and nothing short of legislated round protection for CMA Ontario by restricting the use of the letters CMA. I have written to the honourable committee members but wanted to summarize the key points of my letter and my cover email here today.

Firstly, I reiterate again that the profession of public accounting and the profession of management accounting are very different, not one and the same. When all three regulated accounting bodies in Ontario are able to license public accountants, I understand from the CEO of the Public Accountants Council that the intent remains to have a net new designation, that of licensed public accountant, or LPA, so no confusion there.

Again, as a certified fraud examiner, I am all about the evidence. To the best of my knowledge, no independent and empirical evidence has been put forward to support any assertions that there is confusion in the market about accounting designations in Ontario. In contrast, as Mr. Tilley pointed out, there are several accounting designations in the UK, and there appears to be no confusion. There certainly is no legislation similar to Bill 158.

Thirdly, CIMA UK did not enter into a mutual recognition agreement with CIMA Canada expecting to lose right to title. I certainly didn't undertake my CMA designation here in Ontario on the expectation that I would have to give up the right to use my English designated letters. Quite conversely, CIMA, as Mr. Tilley also pointed out, does have a rigorous disciplinary process, as do CMA Canada and CMA Ontario, and this is reflected in the mutual recognition agreement, a somewhat circular argument.

Fourthly, Ontario's CMAs, as Mr. Tilley pointed out, are not precluded from using their designation in the UK or any other of the 164 countries in which CIMA governs its members. Conversely, this specific element, schedule B, section 26, clause 1(a), does appear contrary to the Premier's commitment to immigration, and also, I think, to the federal commitment to interprovincial labour mobility.

Possible solutions: I understand that CIMA will be tabling a number of amendments to ensure that the bill will not negatively impact the Ontario government's stated policy. Personally, however, I feel that this clause appears without merit and I would like to see it dropped.

If this is not viable, my recommendations would be to limit the scope to those people offering services directly to the public, or to use the parentheses. Again, should confusion in fact be shown to exist, I fail to understand why the "UK" in parenthesis would not be self-explanatory. In addition, at the very least, this should prompt a question from the consumer of the accounting services as to what that means, the legal principle of caveat emptor.

Finally, to reiterate, I feel that the scope should be extended to include resumés, business cards, emails and conference speeches. There should not be one rule for one and another rule for the other. There should be consistency.

To recap: It's my personal belief that schedule B, section 26, clause 1(a), appears to be protectionist in nature. It appears to be contrary to the Premier's commitment to immigration.

I urge you, as the committee members and also the policy-makers, to fully understand the difference between public accounting and management accounting, and to truly understand what additional public protection, if any, is required for the practice of management accounting.

As I urged in my cover email to the honourable members of the committee: If you've not already done so, I do urge you to speak to Sandra Papatello, MPP, regarding her recent trade mission to the UK, where she faced opposition to Bill 158 from our extended member network, the mayor of London and the Foreign Office at many of the events she attended.

I'd also like to re-emphasize the fact that the presence of Mr. Charles Tilley here today, the CEO of CIMA, illustrates our concern with this small but nevertheless important aspect of Bill 158.

In closing, I would like you to consider the CIMA motto: "Probitas, accuratio, justitia"—honesty, accuracy and justice.

In closing, through your deliberations, I wish the honourable committee members and the policy-makers success in concluding on these matters in the aspects of Bill 158, specifically schedule B, section 26, clause 1(a).

**The Chair (Mr. Lorenzo Berardinetti):** Thank you, Mr. Shaw. We have about six minutes. That's two per party. This time in the rotation, we'll start with the Liberal Party. Mr. Zimmer.

**Mr. David Zimmer:** If there were to be an amendment that covered the following points: people not residing in Ontario can use foreign designations, and there are exceptions for both residents and non-residents where foreign designations would be available in certain circumstances, such as presenting at a conference and on a resumé for job interview purposes. What's your reaction to that?

**Mr. Colin Shaw:** Again, as a fraud examiner, I would like to see that actually before me as a presentation, consistent with, I believe, the argument made here by Mr. Kormos. I would believe that would be more appropriate to go through my governing body, which would be CIMA.

For me, as long as it is consistent across all those avenues where an individual has the ability to express their professional accounting designation—and not limited to resumés, not limited to conference speaking, but also on business cards and email signatures—I think that would be a move in the right direction. But again, I would certainly reserve any final answer in terms of actually seeing a proposed amendment.

**Mr. David Zimmer:** Thank you, Chair.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you. The Conservative party: Ms. Elliott.

**1000**

**Mrs. Christine Elliott:** Thank you very much, Mr. Shaw, for a very cogent presentation. Like you, I'm all about the evidence too.

For the life of me, I can't understand why we have this clause in this piece of legislation, because you've very clearly demonstrated that there really is no issue here in terms of public protection. So I would certainly urge the government members of this committee to speak to Ms. Papatello about her recent experience and to remove this barrier, which is causing unnecessary international concern. I think we should be able to deal with this fairly quickly and easily.

**Mr. Colin Shaw:** Thank you very much.

**The Chair (Mr. Lorenzo Berardinetti):** On to Mr. Kormos.

**Mr. Peter Kormos:** Thank you, sir. This wasn't a contentious bill. This bill was almost going to pass on a nod, probably second and third reading in one day. Thank goodness that people in the profession brought to our attention the fact that the government had launched this assault on foreign-trained professionals. For the life of me—Ms. Elliott, help me, and correct me if I'm wrong. How does it help to say that if you aren't resident in Ontario—maybe I misheard Mr. Zimmer—you can use this post-nominal?

The advocacy here is on behalf of people who live in Ontario, who chose to live here; who are foreign-trained, who have a credible, legitimate, bona fide designation—so far, we've been talking about via CIMA. So how does telling people who aren't resident in Ontario—what, tourists? People who attend an annual conference in Toronto or Windsor? That's—I was going to say “stupid.” It's not stupid; it's dumb. How does that help? How does that proposed amendment help the people who live in Ontario? If it does, tell me, and I'll be more than prepared to change my mind, because I'm flexible in that regard.

**Mr. Colin Shaw:** No comment.

**Mr. Peter Kormos:** I can be persuaded, Mr. Zimmer, but I haven't heard anything yet that comes close to persuading me.

Thank you kindly, sir.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you, Mr. Shaw, for your presentation.

**Mr. Colin Shaw:** Thank you, Mr. Chair. Thank you, honourable members.

#### MS. REMEDIOS FRANCISCO

**The Chair (Mr. Lorenzo Berardinetti):** We'll move on to our next presentation, Remedios Francisco—I hope I pronounced that properly. Good morning, and welcome.

**Ms. Remedios Francisco:** Good morning. Members of the committee, members of the House, ladies and gentlemen, my name is Remedios Francisco. I'm a member of the Philippine Institute of Certified Public Accountants in good standing and hold a certified public accountant, or CPA, designation. I'm also a proud member of the Society of Professional Accountants of Ontario and hold a registered professional accountant, or RPA, designation. I am speaking here today in opposition to Bill 158, otherwise known as the revised Institute of Chartered Accountants of Ontario act.

When I applied for immigration to this country 25 years ago, the biggest factor I considered in choosing Canada as my new home was the fact that this country is renowned worldwide as a stellar country in which to reside, one that supports equality, administers justice equitably and with due process, and also upholds human rights vigorously. I was told that this is a land of opportunity. What I was unaware of is that I would lose my career as a certified public accountant once I set foot in this country. I came to that harsh realization when I arrived here in Ontario on September 25, 1987. I then discovered, to my sorrow and chagrin, that not only was my accounting designation underrated—or, worse still, not even recognized—but so was my university degree as a university graduate with a bachelor of science in business administration and a major in accounting. I fought hard to earn my CPA designation. It saddens me to admit that I had to sacrifice my family in exchange for my career.

The Philippine CPA licensure board examination is not an easy exam to pass, and I know that there are individuals in this room who can fully attest to that. I endured blood, sweat and tears. I know that this sounds like a whining Pollyanna, but that really is the plain and simple truth. We were tested, filtered, retested and filtered yet again, and went through needle holes to obtain our professional accounting designation. I believe that the same holds true for all the other foreign-designated, underrated professional accountants.

The compliance requirements, competency tests and the code of professional ethics we had to adhere to in order to maintain good standing with our licensing bodies were in no small measure beneath those which the ICAO imposed on its members. Why not conduct the due diligence on these for yourself? I am fully confident that you will be truly impressed with the calibre and credentials of the foreign-designated, underrated professional accountants that have migrated to this country.

Two weeks after I arrived with my family in Toronto, an employer informed me that they were unable to consider my application for employment because they were looking for somebody with so-called “Canadian experience.” What a silly employer. I had been a state auditor for more than seven years at the Philippine Commission on Audit when I left the country.

In Toronto, I was relegated to a lowly accounts-payable clerk at one of the fine hotels on Front Street when I arrived here because this government would not assign due recognition to my foreign professional accounting qualifications. At that time, I had no option because I needed a job to support my three young children I brought here with my husband. From the moment we arrived, we have been productive members of this society.

Incumbents of this government have come and gone with an ongoing promise that a unified accounting act recognizing foreign accounting designations is in the works and that, in the foreseeable future, our foreign, underrated accounting designations will eventually be fully recognized.

For the past 23 years, nothing has happened, and now this: Bill 158. This bill not only further discriminates and alienates qualified foreign professionals like myself from fair competition; it also prevents us from earning a decent living and deprives us of our sense of self-esteem and dignity.

I tried to obtain a CA designation in the past, but ICAO registration rules and regulations precluded me from attaining this most coveted professional accounting designation. The institute at that time refused to accept me as a student because I had to be an employee of one of the prescribed ICAO firms. I sent hundreds of job applications to many different CA firms across the province but none were willing to hire me because, as they put it, "They were only hiring currently registered CA students." This was a Catch-22. How could I proceed to obtain a public accounting licence when neither the CA firms nor the ICAO were willing to afford me the opportunity?

I did everything humanly possible by returning to the university level and registering for Canadian business law and Canadian income tax courses, both individual and corporate, to equip myself with the knowledge and competence to serve the public well in a capacity here as a professional accountant. I should not have been put through this painstaking process because I already was a licensed, foreign-designated professional accountant when I arrived here and should have been granted full accreditation without the necessity of undertaking another series of back-breaking and mind-blowing examinations.

I thank God that there are associations like the Society of Professional Accountants of Ontario which provided myself and many other members of the society with an opportunity to obtain a prestigious, professional Canadian accounting designation. We are subjected to the same rigorous compliance requirements, competence levels, code of professional ethics, professional development, peer review and mandatory insurance requirements as are the members of the oligopolists.

Bill 158 is a slap in our face. It tells me, and everyone else who possesses a foreign accounting designation, that we are inferior, which is absolutely unfair, unfounded and completely discriminatory.

Why is my foreign professional accounting designation not recognized here? I thought that this country is adopting and adhering to international policies and standards. Whatever happened to the incessant rhetoric about multiculturalism and diversification? Why are our rights to practise our profession being violated in a country where there were supposed to be the highest standards of human equality?

**1010**

I take extreme pride in being a practising accountant for the past 22 years, providing accounting and income tax services for individuals, small and medium-sized businesses, not-for-profit and charitable organizations that cannot afford to and refuse to pay the excessive and unreasonable fees being charged by members of the big

three oligopolists. My retention rate is high because I have several clients that have been with me for the past 20 years. They have referred me to their relatives, friends and acquaintances, who have in turn referred me to others. I believe the reason for this is that they are satisfied with the service I provide and they saw and appreciated my competence and experience in the disciplines of accounting and income tax. They are what you may refer to as the happy and satisfied customer.

Bill 158 spells an even more powerful oligopoly in the accounting practice sector, which, in my opinion, is exactly what the citizens of this country wish to avoid. We have won the oligopoly against telecommunication services and those in other industry sectors, and now I strongly believe that we should do our best to terminate yet another increasingly more powerful oligopoly in the works by modifying Bill 158 to include and provide an equal recognition for foreign accounting designations obtained by immigrants before they arrive in this country. Then, and only then, can we call ourselves proud to be Canadians.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you for your presentation, Ms. Francisco. We have just under five minutes, so we'll start with the Progressive Conservative Party and then roughly try to use the five minutes, split it up two minutes each or one or two minutes per party.

**Mrs. Christine Elliott:** Thank you very much, Ms. Francisco, for your presentation. It's not really a question but just a comment that your presentation really highlighted in a very personal, individual way some of the barriers that people coming to Canada from different jurisdictions as professionals face. I think that you're right: We talk a lot about wanting to make those changes and now we have an opportunity to really do something significant to remove that barrier in the accounting profession. So I truly hope the government members have taken note of your comments and will do whatever they can to seek out that opportunity and make the changes that we need to make.

**Ms. Remedios Francisco:** Thank you very much.

**The Chair (Mr. Lorenzo Berardinetti):** To the NDP. Mr. Kormos.

**Mr. Peter Kormos:** Ms. Francisco, yours was a particularly powerful presentation, and let me tell you why. There are the KPMGs of the world and along that continuum. Those are the big, international firms that occupy whole towers, never mind one or two floors of a tower. Then there are the single practitioners from any number of parts of Ontario who do as you do: work for non-profits and charitable organizations. I suspect that your fees with those clients reflect the fact that they're non-profit and charitable. You probably do a lot of pro bono work, I'm guessing. So thank you. It's important that individuals take the time like you did to come here and share your views about this particular bill or any others. It helps me overcome some of my occasional cynicism. I appreciate that very much.

**Ms. Remedios Francisco:** Thank you so much for your time.

**The Chair (Mr. Lorenzo Berardinetti):** We'll just go over to the Liberal Party. Any questions? Mr. Moridi.

**Mr. Reza Moridi:** Thank you, Ms. Francisco, for your deputation and also for your presentation, sharing with us your own personal experience. As an immigrant to Canada myself and having foreign designation, I can see what you've been going through. I have a foreign designation from the UK in the engineering profession, so I went through a similar experience.

My comment is that being a professional accountant certified in another country coming to Canada, of course the accounting laws, the tax law and related laws in every country—in every province, even, in our wonderful country, Canada—are different, one from the other. You may know that for the profession, and of course you do. But when it comes to application of the profession in related to rules, regulations and the laws related to your particular profession, particularly in accounting, which is a very sensitive and important profession, how would you see this process in terms of following the rules, regulations and laws in that particular province for a person who knows the profession but the laws of other jurisdictions when that person comes to Ontario?

**Ms. Remedios Francisco:** My suggestion would be: Have us be supervised by, say, a CA. Have us be supervised by somebody who has the designation here to make sure that we are doing the right things, that we are interpreting the law and whatever it is that is in this land that we have to adhere to.

Give us supervision, something that would tell us what it is that we need to do and what it is that we need to learn here, not going through a series—those exams are very difficult. I gave up my kids—I don't want to cry here—just so I could get my designation. I had to put them aside, send them to my in-laws, because I had to study and pass my exams.

For me, my suggestion here is: guidance, supervision, somebody who possesses the designation here to supervise us, those who are coming here, just so we know and just so we are aware. Accounting across the world, across the universe, is the same. It's just that the policies, the regulations and the rules are different, but accounting principles and procedures are basically the same everywhere.

**The Chair (Mr. Lorenzo Berardinetti):** Okay, that pretty well concludes the time. Thank you for your presentation.

**Ms. Remedios Francisco:** Thank you for your time.

**The Chair (Mr. Lorenzo Berardinetti):** Thank you, Ms. Francisco.

This committee has finished hearing its morning deputations, and we stand recessed until 2 p.m. this afternoon.

*The committee recessed from 1016 to 1404.*

BRITISH CONSULATE GENERAL,  
TORONTO

**The Vice-Chair (Ms. Leeanna Pendergast):** Now that we're all here, we'll call the meeting to order, please. Welcome to the Standing Committee on Justice Policy.

We have our first presenter, the British Consul General, Jonathan Dart. If you could come forward, please.

We welcome you. You have up to 15 minutes for your presentation. The remainder of the time will be shared equally among all three parties. We would ask that you state your name and organization for Hansard, please.

**Mr. Jonathan Dart:** Jonathan Dart, British Consul General in Toronto and director of UK Trade and Investment for Canada.

First of all, I'd just like to thank the chairman and the committee for inviting me here today. I think it's an indication of a strong democracy when you can listen to the representations of a representative of a foreign government in determining your important piece of legislation. I have to offer the committee an apology: I need to dash to the airport immediately following my presentation. The Foreign Secretary has asked heads of missions across the world to be at airports where there are stranded British nationals to help out, and I would be making a big mistake if I was to go against that.

First of all I will, as recommended by David when I met him before, read my proposed amendment into the record. My proposal is that we replace the draft text for section 26—that's in schedules A and B—and section 27 in schedule C with the following text: "No individual or corporation shall hold themselves out as an accountant"—chartered accountant, CGA or whatever—"if unqualified to do so, regardless of whether they provide services as an accountant to any individual or entity."

In explaining the background to this, I'll just set out why the British government is interested in this issue at all. Obviously, we have in mind the interests of the two major international accountancy bodies, the ACCA and CIMA, both headquartered in London. The UK is effectively their host government, so we have their interests at heart. But also, I would say that we have the interests of the Canadian economy at heart. You might ask, "Well, is he being sincere there? Surely he's interested in the UK economy above all." Well, the UK has \$54 billion of investment tied up in Canada, most of that in Ontario. We have a particular interest in seeing the Ontario economy and that of Toronto thrive, and I'll explain briefly why I think the formulation of the existing section 26 is a move in the wrong direction on that point.

I think for a modern knowledge economy to thrive, it has to be open. I was impressed to read of Dalton McGuinty's commitment to Open Ontario in the recent throne speech. He said, under investing in financial services, that the "government ... understands that the bedrock of our province's economy includes one of the strongest financial services industries in the world.

"Canada's banks—based here in Ontario—are widely recognized as the soundest in the world.

"Toronto is ... North America's third largest financial centre...." Your government is working with the Financial Services Leadership Council to support the industry and create a strategy to make Toronto one of the world's elite financial centres.

We, the British government, very strongly support that. I think it's essential to the future of the Ontario economy that it is open and that it acts as a beacon for world financial services. We don't see it as making competition to London, which is already a huge centre for global financial services; we see it as complementary.

I've spoken to a number of people who are involved in that effort to globalize the Ontario and Toronto economy: Lou Milrad of the Greater Toronto Marketing Alliance, Renato Discenza of Invest Toronto, and in particular, Janet Ecker of the Toronto Financial Services Alliance, who will be playing a major role on the Financial Services Leadership Council to which the Premier referred. All of those people believe that Ontario should be open to foreign professionals in the knowledge economy. They all believe that restrictions on the operation of foreign professionals are not necessary—in fact, that they are detrimental not only to the health of businesses in Toronto but to the accountancy business in general.

**1410**

In looking at the way we do things in London, how have we managed to make London such a successful centre for business services? Well, we have no restrictions at all. We do not prevent people from sourcing any services they like in the UK.

If I take an example of a Canadian company, Research In Motion, who make the BlackBerry, they have set up in the UK and have grown to getting on for 1,000 employees. I'm sure the Vice-Chair is very familiar with that company in her riding. One of the reasons that they employ so many people in the UK is because they run their Europe, Middle East and Africa operations from the UK. The reason they run them there is, if they need a Turkish chartered accountant in the UK, they can find a dozen just like that.

The reason is that there, they can advertise. They can provide services to global companies. Of course, it's not just Turkish; that's an example. Chinese, Korean, Singaporean: They're all there. They're allowed to operate freely and market their services. Global companies want that sort of service; that's what they want.

I'm afraid that the thinking behind this piece of legislation seems to be, "Well, if we can protect a little piece of Ontario for the professional organizations here, then that's a good thing because if we get too many others coming in, it's going to confuse the world and possibly act as a threat to the business here." I really do not believe that's the case. I really believe that if Toronto is open and thrives and welcomes in global businesses offering a range of global services, that will benefit all accountants in Ontario, including the ICAO, the CGAs and CMAs. I genuinely believe that they would benefit from a liberalization of this particular sector.

I'm a great believer in simplicity. That's why the amendment which I read out is that long, and the piece that it replaces is this long. Basically, what I'm saying in this amendment is, let's not get wrapped up in all the detail of the CAs and what you can and can't say when

and where. Let's just concentrate on the issue, which is protecting the consumer from deception.

I don't believe, frankly, that consumers out there are confused. We don't find that in the UK, despite the fact that we have a huge multiplicity of designations. Consumers of chartered accountancy services in particular are a pretty astute bunch. They do their research. They're spending a lot of money on these services, and they make sure that they check out the qualifications of the people they're using. But you have to protect against deception, and that's why I'm arguing: Focus on people who hold themselves out to be qualified in Ontario, and make sure that the law focuses on them. You cannot pretend that you are qualified in Ontario if you are not qualified in Ontario. Let's leave aside the complicated details of who does what where.

You might think, "Well, we still need to protect the consumer"; you don't accept what I'm saying about the lack of confusion. I think you have to then balance the risks. There are risks in tying up or limiting the market, not only in terms of the development of Ontario but also in terms of trading relationships with other countries. We are engaged, as the UK, in the very exciting comprehensive economic and trade agreement negotiations between the EU and Canada. There is a big chunk of those negotiations which concerns mutual recognition of qualifications. We're hopeful that we'll make a lot of progress on that. I think if the bill were to be passed in the form it is at present, you would find yourselves back here in a year's or maybe two years' time having to unpick it, because the federal government would be pressuring you as part of the liberalization of the mutual recognition of qualifications chapter of the CETA.

As I said, you may reject what I say. You may say that, despite everything that I've said to you today, you need to protect consumers from confusion and that you're prepared to take the risk. I would say that you'll hear from others today a number of very reasonable compromise options. I don't think they're necessary, nor do they, but we're reasonable people and would present reasonable options. If, then, you were to stick to the existing formulation, it would be very difficult to reconcile that with protestations that you are an open economy and—please don't take this as a threat or anything—I think that would be noticed in Europe. I genuinely think that that could have consequences for the tone of the mutual-recognition-of-qualifications negotiations that will be taking place in due course.

I'll wrap up there. I think this will go on. Certainly, my government is very focused on this issue. We think it's a bellwether, really, for Ontario's reputation for being an open—is it really "Open Ontario" or is it "Open Ontario But"? I think that's a crucial question which you have to resolve today. It might seem a very minor point, but I think it's an indication of the direction of travel of Ontario. Is it towards more openness, or is it protecting what you've got and not taking the opportunities of globalization?

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much, Mr. Dart, for your presentation. We have

about four minutes for questions. If we want to rotate, it's about a minute and a half each. We left off with the third party, but I'm getting the fingers that we're going to go to questioning with Her Majesty's loyal opposition.

**Mrs. Christine Elliott:** Thank you very much, Consul General, for being here with us today. We appreciate the international perspective that you're bringing to the table. I think it gives us all some excellent food for thought as we reflect on the amendments that we will be bringing forward. So thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you. Mr. Kormos.

**Mr. Peter Kormos:** A very persuasive message that you've delivered, and we should be cognizant of our history as a former colony of Britain.

**Mr. Mike Colle:** We will never forget that.

**Mr. Peter Kormos:** I've not forgotten it. But she still is our Queen.

Thank you, sir.

**The Vice-Chair (Ms. Leeanna Pendergast):** Comments from the government?

**Mr. David Zimmer:** Thank you very much for taking the time to present and walk us through your point of view on this. Good luck at the airport.

**Mr. Jonathan Dart:** Thank you. I'll need it.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much.

#### SOCIETY OF PROFESSIONAL ACCOUNTANTS OF ONTARIO

**The Vice-Chair (Ms. Leeanna Pendergast):** Next we have the Society of Professional Accountants of Ontario. Christopher Matthews and William Nichols, please come forward. Welcome, gentlemen. Thank you for being here with us today. You have up to 15 minutes for your presentation. If you could please state your name and your organization for Hansard before you begin.

**Mr. Chris Matthews:** Thank you, Madam Chair. I am Chris Matthews, with the firm Fraser Milner Casgrain. I'm here to assist as counsel to the Society of Professional Accountants of Ontario. Mr. William Nichols, who is next to me, is the president of the society.

I have handed to the clerk this light-green-covered copy, which is the outline of the submission today and also will serve as the written submissions to be filed by the society.

Thank you for the opportunity today to speak to you.

The society has two primary objections or comments to Bill 158. The first—and this is an ongoing discussion that the society has with the government—is that this is yet another step in the institutionalization of the three, and only three, accepted and recognized accounting bodies in the province. The society will ask this committee not to wholesale-change the law to add another act to recognize the society but to make a recommendation that the government forthwith take initiative to prescribe by regulation other designated bodies in order to open the profession to other organizations.

Secondly, the objection to the bill, which I understand a number of people before you will be commenting on, is that it prevents qualified, competent accountants from using legitimate designations obtained in other jurisdictions in Ontario, even if those designations are used in tandem with an Ontario designation.

#### 1420

First, let me say something about the society. It is a long-established accounting body. It has high educational and professional standards. It is a continuation of the Institute of Accredited Public Accountants of Ontario, which was incorporated in 1947. It has approximately 400 members in Ontario and is affiliated with approximately 400 more in Alberta and the Atlantic provinces. It does award a designation, the RPA, which stands for registered professional accountant. That is a registered certification mark under the Trade-marks Act.

As I mentioned at the outset, for many years, the society has been asking the government of Ontario to provide it with equal treatment under the law, and that means equal treatment in recognition that the government has given the three other accounting bodies: the CAs, the CGAs and the CMAs. This bill and the regime that is going forward is an example of the marginalization of the society and other accounting bodies. It is an institutionalized oligopoly that the three designated bodies, under the Public Accounting Act, 2004, have and continue to have.

I have attached in the green binder two letters from 2005 in which the society has asked—and these are examples of the society's efforts—to be considered as a designated body. Since 1995, the society participated in the government task forces and investigations concerning the reform of public accountancy. But despite indications from the Daniels commission that there would be other designated bodies in the future and despite indications from David Zimmer, parliamentary assistant to the Attorney General, as he was in 2005 and still is, that has not occurred. In the letter that I have attached at tab 1, there is great detail of the educational standards and examinations that the society requires of its members, standards that meet those of the other designated bodies. In fact, a comparison of the courses that the CMAs, CGAs and RPAs have is given in annex A.

At tab 2 is Mr. Zimmer's response of May 13, 2005. In that letter, Mr. Zimmer states that the government at that point had not yet turned its attention to the criteria for designating anyone else as a designated body under the Public Accounting Act, that it was focused on "getting the new system up and running," and that there was "little chance of any policy about new designated bodies in the next year or so." A year or so from May 2005 would have put us into May 2006, and we're almost four years now after that. Yet there has still been no move towards naming new designated bodies. Section 42 of the act specifically contemplates that the government may prescribe other designated bodies.

I ask this committee to ask the government: Does it intend to open up the profession to other bodies or does it

intend to limit it to these three only? What we have with Bill 158 is not a more open profession, but a restriction and a closing of the profession. The three designated bodies are given additional rights, additional recognition, fresh statutory powers and a monopoly on their professional designations.

It's interesting to note that in the same letter of May 13, 2005, Mr. Zimmer says at the bottom of the first page, "Giving a monopoly to a professional title, enforceable by prosecution, is a dramatic use of public resources (the criminal courts) in a private interest. Private disputes are generally left to the civil courts, where property rights in titles, such as your certification mark under the Trademarks Act (Canada), can be enforced."

It appears, from the provisions in section 26 of each of the appendices, that the government has changed its mind on this point or it simply desires to allow this dramatic use of public resources to be in the hands of the three designated bodies only. If the latter, the result will be that these three designated bodies will be in an excellent position to eliminate or at least restrict any competition.

I'm not going to suggest that the Society of Professional Accountants of Ontario has the volume of members that any of the three designated bodies do, but it is a bit of a Catch-22 to deny the recognition of being a designated body to the smaller organizations because, of course, it is difficult for them to grow and attract members without the recognition, without the ability to say to potential members, "Yes, we are recognized by the government of Ontario as a designated body and a regulated body under the laws of Ontario."

The society is an organization that educates and qualifies accountants who are new to the profession. It also welcomes new Canadians who bring with them accounting expertise from other jurisdictions. It examines their qualifications and experience and requires that they write qualifying exams.

It also recognizes, however, that along with the RPA designation, a member may wish to continue to use the designation he or she earned in another jurisdiction, particularly when marketing themselves to Canadians who come from that same community or jurisdiction and would recognize the jurisdiction.

For instance, one sees in the letterheads and business cards of people in the medical profession many of the designations and fellowships that they have obtained from other jurisdictions, and this is not confusing. In fact, it's very helpful for anyone who is considering going to that person to know what their background is in a snapshot such as the designations after their name.

It's the government's duty, I submit, and in the public interest, to protect the smaller players in the market and to increase competition, and it's the government's duty to allow the public to have as much choice as possible when deciding who to retain as an accountant. It is also in the public interest to allow accountants themselves as much choice as possible when deciding to join a professional body.

I understand that earlier today you heard from Remedios Francisco on the difficulties she experienced

coming from the Philippines with a certified public accountant designation and the barriers she faced in obtaining a Canadian designation. She is a member of the society and received an RPA. Nonetheless, she is handicapped by the fact that she is part of an organization that the public does not see as a recognized and regulated body.

In my submission, Bill 158 is contrary to the spirit of the Fair Access to Regulated Professions Act, which government passed in 2006. That act, at least in part, was designed to assist someone like Ms. Francisco or other new Canadians in obtaining an Ontario accounting designation, but when the CAs, CGAs and CMAs are the only organizations to which that act applies, it has the result of channelling people to only those three organizations.

#### 1430

In the United Kingdom, there are approximately 13 accounting bodies. Six have the status there as recognized qualifying bodies, which is similar to being the licensed bodies that only the CAs are here. Nine others, or nine including those, are recognized as reporting accountants, which, in my submission, are closer to being considered as designated bodies.

The SPAO takes the stance that immigrants to Canada who are members of one of the recognized qualifying bodies or reporting accountants are not required by the society to take the prerequisite courses that they would require a new person studying accounting to take; they must just take the mandatory accreditation examinations, which, as would be expected, concentrate on what a qualified accountant needs to know to practise in Ontario.

But Bill 158 grants a monopoly on the designations and is contrary to what was said in the throne speech of this government very recently. In fact, in the second reading debate, Mr. Zimmer referred to the Open Ontario policy, but Bill 158, in my submission, is contrary to that policy. It doesn't open up the profession; it just opens up to prosecution those accountants who may wish to use designations obtained elsewhere.

Merely proposing amendments as those that were suggested by the Attorney General's office on April 7, and those amendments that would allow very limited purposes for the use of other designations, such as when a foreign resident attends a conference or is responding to a RFP, in my submission, is meaningless. That does not address the situation of those who are working and living in Ontario and marketing their services.

It was said in the second reading debate that recognizing the CGAs and CMAs in the way that Bill 158 does would open those organizations up to public scrutiny. That's a good thing. The society agrees with that and would welcome public scrutiny. But it and the other organizations, whether they're homegrown like the society or affiliates of international organizations, should be entitled to the same rights and obligations and the same scrutiny as are the CAs, CGAs and CMAs. This is particularly the case for a profession in which members of the public are looking for assurance that the professionals they hire to examine their financial affairs are both regulated and accountable.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much, sir. You've used up the 15 minutes, so there will be no time for questioning, but we want to thank Mr. Matthews and Mr. Nichols for their presentation.

**Mr. Chris Matthews:** Thank you.

**Mr. Peter Kormos:** Chair, if I may? Perhaps legislative research could put together a short briefing note on the SPAO and its history—1947, I think, is indicated as the date of its origin—who its constituency is and where it fits into the matrix of accounting bodies.

**Mr. Chris Matthews:** We'd certainly be pleased to provide information that would help in that exercise.

**Mr. Peter Kormos:** Thank you kindly.

**The Vice-Chair (Ms. Leeanna Pendergast):** Absolutely; your request is noted, Mr. Kormos.

Thank you very much, gentlemen.

#### CERTIFIED GENERAL ACCOUNTANTS OF ONTARIO

**The Vice-Chair (Ms. Leeanna Pendergast):** The next presentation: We have the Certified General Accountants of Ontario and Mr. Doug Brooks. Please come forward.

Good afternoon, gentlemen. You have up to 15 minutes for your presentation. We would ask that you identify yourselves and state your names for Hansard, please.

**Mr. Doug Brooks:** Thank you, Madam Chair. I'm Doug Brooks. I'm the chief executive officer of the Certified General Accountants Association of Ontario. With me on my right is Bernie Keim, who is our vice-president of member services, and on my left is Ted Wigdor, who's vice-president of government and corporate affairs. I would like to thank the members of the Standing Committee on Justice Policy for granting the Certified General Accountants of Ontario the opportunity to speak today.

If you will indulge me, I would like to tell you a little bit about us and about our members and students. I represent the largest affiliate organization of CGAs in the world, comprising 20,000 CGAs and 8,000 aspiring professional accountants currently enrolled in the CGA program of professional studies. We are truly an international body: CGA Canada represents over 73,000 members and students in Canada as well as Bermuda, the nations of the Caribbean, the People's Republic of China and Hong Kong. CGAs can be found in over 70 countries around the world. We are active members of the International Federation of Accountants and many other international accounting organizations.

Ontario's CGAs work in all sectors of the economy, from the CEOs of internationally recognized corporations such as Fiat, Pitney Bowes and ClubLink Enterprises, to the practitioners who provide financial and accounting advice to individuals and businesses in small towns across Ontario.

We have mutual recognition agreements—what we call MRAs—with international accounting bodies such as the Association of Chartered Certified Accountants, the ACCA; CPA Australia; and CPA Ireland. MRAs are agreements that establish a clear framework to allow each body's members to obtain designations in other countries. The process typically includes the completion of certain courses to gain local knowledge, such as tax and law. This allows those with international designations to become a member of an accounting body that has market awareness, relevance and, most importantly, accountability to the public in that jurisdiction.

CGA Ontario is a leader in supporting internationally educated immigrants and their transition to a meaningful professional accounting career in Ontario. We partner with and support organizations that have similar objectives in Ontario, such as the Chinese Professionals Association of Canada; TRIEC, who are also appearing here today; MicroSkills; Skills for Change; plus many others.

Some statistics for you: 40% of our students entering the program come to us from other countries, so that's talking about access. Typically, over 60% of our new members—those who are just becoming CGAs—speak at least one other language, and of those new members who speak another language, over 40 languages are represented. So as you can see, the numbers reflect our commitment to welcoming and enabling immigrants who wish to pursue an accounting career in our province. Our membership base is truly representative of the ethnic diversity of Ontario.

CGAs have been a critical part of the Ontario economy for more than 90 years. As an organization, we were incorporated as CGA Ontario by provincial charter in 1957 and have operated since 1983 under the CGA Ontario act, a private act enacted by the Legislative Assembly of the province of Ontario.

As a self-regulating body, we take our responsibility to protect the public very seriously. You should know that we already have a transparent discipline process to address professional misconduct and competence issues, and have had this process in place for over 40 years. CGAs are governed by a code of ethical principles and rules of conduct, a code designed to ensure the protection of the public. The code states that CGAs have a fundamental responsibility to safeguard and advance the interests of society. This means that a CGA must act with integrity, objectivity, trustworthiness, and shall be prepared to sacrifice their self-interests for the good of society. To further protect the public, the association has a rigorous complaint process that is described and available on our website or by contacting the association. All hearings are open to the public and disciplinary findings are published.

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If passed, this bill will result in the province's three professional accounting bodies operating under public bills with similar governance frameworks and measures, ultimately to enhance the protection of the public. Bill

158 clarifies the authority and increases the accountability to the public of Ontario's three professional accounting bodies. It will provide the bodies with more effective enforcement, inspection and disciplinary measures. It further protects the public by providing penalties for the improper use of the three accounting designations.

I'd like to address the concern that has been expressed about section 26 of this bill. It has been suggested that the intent of this section is to restrict the use of foreign designations. It is intended to restrict the use of any designation, not just foreign designations, that could confuse the public about the regulatory oversight of that individual. I'd like to walk you through an example to demonstrate this.

Let's assume that we have an individual, resident in Toronto, who decides to call himself a Canadian general accountant and offers his services to the public. That person is not part of any regulating body. That person may or may not have any formal accounting training or education. We don't believe that the public should be expected to know the difference between one of our members, a certified general accountant, and this so-called Canadian general accountant. There is clearly a world of difference when it comes to the protection of the public. This may sound hypothetical, but each year we receive calls from an Ontarian who has engaged the services of an accountant that he or she assumed was a professional, regulated by an accounting body in Ontario. Unfortunately, there is nothing that we can do to help. Clearly, it's not in the public interest to allow this confusion to continue.

Madam Chair and members of the standing committee, CGA Ontario operates under a private bill that is more than 25 years old. It's time for us to enhance the protection of the public by passing Bill 158.

On behalf of the Certified General Accountants of Ontario, we urge you to support Bill 158. Thank you for your time.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Brooks, for your presentation. We have about six minutes left, which leaves us two minutes for each party in the rotation. We'll begin with the third party and Mr. Kormos.

**Mr. Peter Kormos:** Very briefly, I'm pleased that CGAs are now part of the accounting mainstream in Ontario. I remember the day in the Legislature very well when Howard Hampton tricked the Conservative government, Chris Stockwell, into calling the legislation, which was never going to be called for third reading. That government's members were going to milk both the CAs and CGAs for campaign donations one more time before letting that legislation pass, maybe get two kicks at the can.

What I find truly remarkable was, I remember how sympathetic we were to your plight here at Queen's Park. You weren't being treated fairly, and it took a long time but we remedied that. We've got some other people appearing in front of us now who say that they're not being treated fairly by this legislation. You know who

they are. We had people from the Chartered Institute of Management Accountants, CIMA; they say they're not being treated fairly. We just heard from the Society of Professional Accountants of Ontario; they said they're not being treated fairly. That triggers the same sympathy that I had when you said you weren't being treated fairly. Why shouldn't I be as sympathetic to them as I was to you, as CGAs, when you were fighting to get into the mainstream of the accounting profession? Why not?

**Mr. Doug Brooks:** I think the original reference that you have to our fight for our rights was about public accounting.

**Mr. Peter Kormos:** Yeah.

**Mr. Doug Brooks:** I think if we look at Bill 158 compared to where we are today, there are no limitations on employment opportunities for those carrying those designations. In fact, going back again to my point on section 26, the issue is about the use of designations. I don't see anything in this bill that restricts that person coming in and working and gaining employment. In fact, I think our numbers certainly indicate our support of that and their ability to have that employment and gain that employment here.

**Mr. Peter Kormos:** And that means using the designation ACMA or FCMA, right? That would only be fair.

**Mr. Doug Brooks:** Sorry; I didn't understand your question.

**Mr. Peter Kormos:** That means using the designation ACMA or FCMA after their name. That would be fair, wouldn't it, if they're CIMA?

**Mr. Doug Brooks:** What has been provided for—if the reference is around gaining employment or the use of the designation, not in the engagement of the public or public services—again, to avoid the confusion that I described.

I think we should be clear, especially from our perspective. This isn't about international or foreign credentials. Using the example that I did around somebody calling themselves—there's nothing stopping them from calling themselves a Canadian general accountant and holding themselves out that way. That, I think, is a big issue for the public. It's confusion.

**The Vice-Chair (Ms. Leeanna Pendergast):** There are two minutes for the government questioning.

**Mr. David Zimmer:** Thank you very much for taking the time today to present.

What one thing do you think the committee should keep in its mind when it's considering this legislation?

**Mr. Doug Brooks:** I think the utmost is around protecting the public, and I think this bill enhances the protection of the public as it relates to our profession.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you. There are two minutes for the official opposition. Ms. Elliott.

**Mrs. Christine Elliott:** I'd also like to thank you very much for joining us today.

With respect to the issue of the protection of the public, you may have been here for some earlier presentations that indicated that particularly in Britain, people

are able to openly use their designations. They all practise collaboratively, and there doesn't seem to be any public confusion or detriment to the public interest. I'm just wondering why Ontario would be any different than the situation in Britain.

**Mr. Doug Brooks:** I can't speak to Britain. I don't pretend to know what the public situation there is or the structure of the accounting environment, just like ours is wrapped around the Public Accounting Act as well, so I think it really depends on the nature of the services being offered and who they're being offered to.

But I come back, again, to the confusion—and we experience this, as I mentioned, often with consumers who do not understand. I don't think they're well served when there's confusion around accounting designations.

I would suggest, in Ontario, and as evidenced by the number of people pursuing our designation, that we are open for business in this province to internationally educated or internationally trained professionals. There is a clear path.

Again, I credit the parties—ACCA and CPA Australia—that work with bodies like ours to create mutual recognition agreements to facilitate the transition to other countries, and we benefit the same for our members going to another jurisdiction and being able to have a very clear path to gain local credentials through their existing membership. I think that mix already exists within our community, in our profession.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, gentlemen, for your presentation.

#### MR. HIMANSHU SHAH

**The Vice-Chair (Ms. Leeanna Pendergast):** At this point, could Mr. Shah please come forward? Mr. Shah, if you're present, could you please come forward?

Thank you, sir, for being here with us today. You have up to 15 minutes for your presentation, and if you could, at the beginning, please state your name for Hansard.

**Mr. Himanshu Shah:** Himanshu Shah.

Good afternoon, honourable members of the committee. Thank you for providing me the opportunity to present my personal point of view on Bill 158, the Accounting Professions Act, 2010.

As a qualified chartered accountant from India and the entire fraternity of Indian qualified chartered accountants currently residing in Ontario, I am extremely concerned about the far-reaching implications of some aspects of this bill, and I deem it my bounden duty, as the founder chairman of the Toronto chapter of the Institute of Chartered Accountants of India, to convey our grave concerns to this honourable committee. The views expressed today are mine and mine alone.

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In particular, my presentation and objection are focused on schedule C, the Chartered Accountants Act, 2009, sections 27, 28 and 29. More specifically, I will focus my concerns with clause 27(1)(a), which reads as follows:

“27(1) No individual, other than a member of the institute, shall, through an entity or otherwise,

“(a) take or use the designation ‘chartered accountant’ or the initials ‘C.A.’, ‘CA’, ‘A.C.A.’, ‘ACA’, ‘F.C.A.’ or ‘FCA’, alone or in combination with other words or abbreviations.”

Now, I understand that some amendments were proposed last night, which were passed on to me this afternoon. I have not yet had a chance to review them, but at a first glance, I thought they didn't really go as far, so my concerns still stand.

Let me—

**Mr. Peter Kormos:** So the amendments were passed on to you?

**Mr. Himanshu Shah:** Yeah, some amendments were passed on to me this afternoon that were—

**Mr. Peter Kormos:** By whom?

**Mr. Himanshu Shah:** Through—those amendments.

**Mr. Peter Kormos:** Sorry to interrupt. There were some concerns we had this morning. I don't know. This flows from some of the concerns we had this morning. I don't know if Mr. Zimmer recognizes that or not.

**The Vice-Chair (Ms. Leeanna Pendergast):** Mr. Shah, why don't you continue your presentation until we work that through?

**Mr. Himanshu Shah:** Sure. Thank you.

Let me first introduce myself. As I said, my name is Himanshu Shah, and besides my other qualifications, which include a law degree, I'm a fellow member of the Institute of Chartered Accountants of India, which permits me to use the initials “FCA” after my name.

I immigrated to Canada in 1989 and have made Toronto my home for the past 21 years. During this period, from 1990-96, I worked at CIBC in various capacities, starting as an audit manager in the bank's internal audit department; and for 11 years, from 1996-2007, at Deloitte and Touche in their enterprise risk and consulting lines of business.

I was a senior manager at Deloitte. While at the firm, I was introduced to the firm's clients as a CA and used the initials “ACA” on my Deloitte business cards. In 2007, I founded my own advisory business and have been practising as a business adviser and management consultant in the areas of finance, governance and technology, providing services to Canadian financial institutions, telecommunications companies and public utilities.

Let me also give you a background on my professional institute, the Institute of Chartered Accountants of India. The accounting profession in India has been in existence since time immemorial. However, the ICAI as a statutory body was incorporated in 1949 under the act of Parliament, after we achieved independence from Great Britain in 1947. Today, ICAI is the second-largest accounting body in the world. In just over 60 years of our existence, we have over 150,000 members and over half a million students pursuing the CA program in India. With less than 5% of the students passing the examination every year, we have one of the most stringent examination processes known. We have close to anywhere between

700 to 1,000 Indian CAs in Canada, the majority of them in the Ontario GTA. From the debate's proceedings, I understand that the Institute of Chartered Accountants of Ontario, ICAO, which has been in existence for over 100 years, has about 30,000 CAs and about 5,000 students.

Members of ICAI undergo a rigorous three-and-a-half-year practical training and examination program, and after completion of this program, members are admitted as an associate and can use the initials "ACA" after their name. After five years as an associate member in good standing, one can apply to be admitted as a fellow member and use the initials "FCA" after one's name.

Let me assure this committee that in India, we have an accounting profession that is nationally regulated that takes a backseat to nobody. It is as good as any in the world, if not better. I passed my CA in 1984 and was admitted as an associate the same year and a fellow in 1989.

You will all agree that it is a proud achievement to be awarded this three-letter designation of ACA after more than three years of hard work. However, when I immigrated to Canada in 1989, the year I was admitted as a fellow, to my dismay, the first thing I learned upon landing was that my hard-earned designation was not only not recognized, but also that I had to pursue the program all over again and that I could not even use the initials "FCA" after my name. It was a big disappointment.

That was in 1989. We are now in 2010, where the world has become flat, is hot and is crowded, to borrow from the author Thomas Friedman. The economy today is a global economy. We are living in a global village. In the accounting profession, the adoption of international financial reporting standards, IFRS, is the single most significant development towards globalization and convergence of the accounting profession. Both Canada and India are moving to IFRS-based financial reporting in 2011.

In this context, I find the provisions of clause 27(1)(a) very restrictive. If the objective of the act is to modernize the legislation, then one has to recognize the international mobility of labour and transferability of skills. Rather than putting restrictions on the use of the designation, individuals must be asked to disclose the jurisdiction in which they achieved their designation. Even though I am a resident of Ontario, I continue to be a proud member of ICAI and am governed by the professional code of conduct rules of the institute, which are as strict as those in any developed country.

I have no issues that in order to practise as a CA in Ontario, one would need to be a member of ICAO. However, to restrict a qualified member of an international professional body to display their designation against their name in business cards or even in resumé is utterly unfair and discriminatory.

The initials "ACA" and "FCA" are used by a number of accounting bodies across the world. This includes the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Ireland and the Institute of Chartered Accountants of Sri Lanka.

In Canada, the usual initials used by a CA after their name are either just plain "CA" or "FCA." In my over 20 years in Canada, I have yet to come across any Canadian CA who uses the initials "ACA" after their name. So where is the confusion?

The Honourable Christopher Bentley, while introducing the bill in the legislature, said, "I am pleased to introduce legislation that would, if passed, help ensure greater public transparency for the accounting profession while providing their governing bodies with new powers to protect consumers."

I have read the honourable minister's—and his parliamentary assistant, Mr. Zimmer's—discussion in the House, as published on the Ontario Legislature's website, and nowhere are the risks to the consumer identified and how this bill helps in consumer protection, especially by my using the initials "ACA" or "FCA" after my name. Has the government, or the ICAO, for that matter, conducted any survey or have any statistics on the risks and how the consumer has been affected?

There is also some mention in the debate proceedings about "confusion" in the mind of consumers when internationally trained accountants used their designation in Ontario. Again, there is no explanation on what this so-called confusion is all about. Given that there are three accounting designations in Ontario—CGA, CMA and CA—there is already enough confusion, and an average person on the street may not know the difference among these three designations. However, I'm not here to talk about the confusion between the CGAs, the CMAs and the CAs.

My question is: By restricting the use of the initials "ACA" or "FCA" after my name if I'm not a qualified accountant from Ontario, how are we protecting the consumer?

Let me ask you a question: How many average Ontarians use the services of a CA on a day-to-day basis? To get their tax returns completed, Ontarians go to tax preparers like H&R Block or other such other companies or individuals, who are not regulated at all. There are others who provide their services as "accountants," and again, they are neither regulated nor restricted from using the term "accountant." So why is this restriction in clause 27(1)(a) of the bill? This is not about consumer protection, but protecting Ontario CAs by the ICAO.

You would agree with me that generally when one uses services of a CA, they are sophisticated users of the service and would know what they are getting into.

In my opinion, if this bill were to go through in its current form, the internationally trained accountants, such as myself and members of ICAI in Ontario, would be put to a severe disadvantage. They will not be able to indicate either on their business cards or their resumé their hard-earned designation.

You have my business card in front of you, which says, among other things, "ACA" against my name. Now, I should have said "ACA (India)"; however, given that it is not a practice in Canada to use ACA, I simply put ACA without the country. If this bill were to pass, I

would be liable to a fine of up to \$10,000 and other consequences as laid out in schedule C, sections 28 and 29.

However, nowhere on my business card do I hold out as a chartered accountant or as providing CA services. My clients, who are all large Canadian corporations, know exactly what they are getting from me and they are more than happy with that. So where is the risk and confusion?

The online directory Wikipedia defines a business card as, "Business cards are cards bearing business information about a company or individual. They are shared during formal introductions as a convenience and a memory aid." By handing out my business card with my qualifications and designations, my clients and prospective clients know that they are dealing with an educated and learned professional. When I give them my proposal is when they find out more about my experience and qualifications, but the business card is my first point of introduction. To prohibit or restrict me from indicating my qualifications and designations on my business cards, resumés or in any other form would not allow me to truly and fairly represent myself.

As a result, I would like to once again emphasize that the provisions in the section are restrictive, unfair and discriminatory. The issue on hand is that if this bill goes through in its current form, then those internationally trained accountants like myself, who are fully qualified chartered accountants and members of their professional body, would be prohibited from disclosing their qualifications or designations in any form, either on their business cards, resumés or presentation materials, and restricted from applying for jobs as professional accountants, pushing them to look for jobs outside their field. Professional firms may not be able to attract and retain foreign-trained accountants and may not be able to present their staff appropriately to their clients and potential clients.

The consequences, besides the \$10,000 fine, are discrimination based on qualification, as employers may not be inclined to hire foreign-trained accountants or, in the case of existing members, they may not be considered for promotion. Many Canadian public accounting firms hire CAs from their offices in India during the busy season, and this will restrict those opportunities. A pool of talent may not be recognized or available in the marketplace, and other professions may be inclined to follow this path, thus putting additional restrictions on new immigrants to settle in their chosen profession. Tomorrow, the legal profession, for example, may say that I cannot indicate the initials LL.B. on my business cards.

With this background in mind, I strongly urge this committee to recommend that internationally trained accountants be allowed to display their designation, either ACA or FCA, in any form as long as they identify their country of jurisdiction.

In closing, the world today is a much smaller place. Let's not put artificial barriers to free trade and labour mobility. Let's be all professionals and recognize our

professional brethren from different parts of the world. Let the internationally trained accountants be allowed to display their qualifications with a disclosure of the country they come from, for example, "ACA (India)." I would go a step further and say that the professional accounting bodies in Ontario, especially the ICAO, should be directed to simplify the entrance criteria for internationally trained accountants rather than pushing such artificial barriers.

I am certain that the learned and wise members of this honourable committee will take cognizance of the unfairness of the proposed provision and have it suitably amended or removed from the bill. Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Shah, for your presentation. You have used up the 15 minutes for the presentation, so we thank you for that and thank you for maintaining your pace; you got through it all and we appreciate it. Thank you for your time.

*Interjection.*

**Mr. David Zimmer:** Madam Vice-Chair, I'd like a five-minute recess.

**The Vice-Chair (Ms. Leeanna Pendergast):** Is that agreed upon?

There will be a five-minute recess. Thank you.

*The committee recessed from 1504 to 1511.*

#### THE TORONTO REGION IMMIGRANT EMPLOYMENT COUNCIL

**The Vice-Chair (Ms. Leeanna Pendergast):** The committee will come to order, please.

The Toronto Region Immigrant Employment Council, if you could please come forward.

**Mr. David Zimmer:** Chair?

**The Vice-Chair (Ms. Leeanna Pendergast):** Yes, Mr. Zimmer.

**Mr. David Zimmer:** I suppose it's something akin to a point of order. The last deputant, Mr. Shah, in effect introduced a document which he described as the government's proposed amendment in this matter. Opposition members quite properly raised an eyebrow about that. I've looked into that, and what Mr. Shah had was—I'll read this.

Sometime yesterday, I understand, from the staff at the Attorney General's office, there was a memo sent out to all of the various stakeholders in the accounting profession here. It advised that attached was the most recent of a contemplated amendment to Bill 158 regarding foreign designations: "Note that our legislative drafter may need to fine-tune some of the language, but we wanted to get you these proposed changes right away. Thank you." And then it sets out a section.

What that document was that Mr. Shah had—as I said, it was circulated to all stakeholders by the Attorney General's office as part of the ongoing consultation process on this file. It's not the finalized amendment, hence it's not tabled before this committee, nor was it in a formal way shared with the opposition members.

Since it has effectively, through Mr. Shah, become a part of this record, we are going to share that with the opposition. I've given both opposition members copies of that. But the clear understanding is that it's a background document which is part of an ongoing process to deal with this issue. It is not an amendment as such.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Zimmer. At this point, we would ask—

**Mr. Peter Kormos:** Please, Chair? Thank you, Mr. Zimmer, for taking that position. I suggest that the Chair would direct that a copy of that document be in fact tabled with the committee so that there's public access to it.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Kormos. I was just going to say that we would ask that a copy of that document be given to the clerk to be tabled, as it's now a public document. Thank you for the clarification, Mr. Zimmer.

Thank you for your patience as we work through our housekeeping details.

**Mr. Peter Kormos:** That was one of the most exciting things to happen all day.

*Interjections.*

**The Vice-Chair (Ms. Leeanna Pendergast):** The Toronto Region Immigrant Employment Council: Thank you for being here. You have up to 15 minutes for your presentation. If there is time remaining, it will be shared evenly among all three parties. We would ask that you state your name and your organization for the Hansard before you begin, please.

**Ms. Joan Atlin:** My name is Joan Atlin, and I'm with the Toronto Region Immigrant Employment Council. I'm the director of programs with TRIEC. With me today are Racquel Sevilla, who's the manager of corporate and stakeholder relations at TRIEC, and Michael Schafner, a partner at the law firm Fraser Milner Casgrain and a TRIEC council member.

Briefly, by way of introduction, the Toronto Region Immigrant Employment Council is a multi-stakeholder council whose members include employers, community organizations providing employment services to newcomers, some regulatory bodies, post-secondary institutions, assessment service providers, labour and partners from all three levels of government. The council is chaired by Gord Nixon, the president and CEO of RBC Canada.

TRIEC's primary mission is to create and champion solutions to better integrate skilled immigrants in the greater Toronto region labour market. To achieve this, we focus on three objectives: To convene and collaborate with partners, creating opportunities for skilled immigrants to connect to the local labour market; to work with key stakeholders, particularly employers, building their awareness and capacity to better integrate skilled immigrants into the workforce; and to work with all levels of government, enhancing coordination and effecting more responsive policy and programs for skilled immigrant employment.

Skilled immigrants, both as labour market participants and as consumers, are key to the economic prosperity of Toronto and Ontario. If they are unable to realize their full potential through meaningful employment, the city and the province suffer.

The proposed legislation represents an important opportunity to support the government of Ontario's efforts and investments to enable the effective integration of skilled immigrants into the Ontario labour market. TRIEC commends the government's efforts in moving the accounting professions towards greater transparency and enhanced consumer protection through Bill 158. However, we are concerned that the prohibitions and penalties in the bill on the use of accounting designations obtained outside Ontario are likely to have a negative impact on the effective labour market inclusion of internationally trained accountants and Ontario's labour market attractiveness.

Bill 158, as originally drafted, restricted the use of foreign designations and did not allow for exceptions. The proposed amendment provided by the Attorney General's office to concerned stakeholders on February 9 proposed several exceptions to this complete prohibition. Those exceptions referred, in particular, to allowing for the use of those designations in a speech or presentation given at a professional or academic conference or similar forum, an application for employment or other private communications related to employment where it was in reference specifically to indicating that their individual background related to the employment sought and for use in a proposal submitted in response to RFPs—so very specific exceptions to that.

We feel that the restrictions create an extremely limited scope within which an internationally trained accountant can use their designations. For instance, it appears to prohibit the use of an internationally obtained designation on a business card or a website, as others have cited. It also appears to prohibit an employer from listing an employee's international designations on any public materials.

Section 2 of Bill 158 states that "this act does not affect or interfere with the right of any person who is not a member of the" three designated bodies "to practise as an accountant." Our concern is that while these restrictions do not directly interfere with the right to practise as an accountant, they do interfere with the right to use accounting designations from outside Ontario or from outside those three bodies to advertise the accounting services which they are, in fact, legally permitted to provide to the public.

The legal restrictions on those accounting services, as we understand them, relate only to public accounting functions. Otherwise, internationally trained or other accountants are entitled to perform accounting services and should be permitted to advertise those.

The proposed restrictions, however, are much more intrusive. If there is a restriction, we submit that the restriction should be limited to the advertising of public accounting services by those not licensed to practise

public accounting in Ontario and should be addressed in the appropriate sections of the act dealing with public accounting.

TRIEC, therefore, respectfully submits that the current bill, which provides a comprehensive prohibition on the use of accounting designations beyond the three named with only several strictly defined exceptions, will be, on the one hand, extremely difficult to enforce and, more importantly, will likely impact negatively on the employment prospects of those with accounting designations from other jurisdictions, without further enhancing the consumer protection objectives of the bill. We suggest that a more effective solution would be to allow the use of internationally trained accounting designations in any circumstance, provided that the issuing jurisdiction is clearly indicated in brackets following the designation, as was suggested by previous speakers. We have provided proposed wording to that effect in our written submission.

#### 1520

While Bill 158, as I said, does not bar the lawful provision of accounting services, it does perpetuate unnecessary barriers to skilled immigrant integration into the labour market. For internationally trained accountants and particularly for more recent immigrants with little or no Canadian experience, being able to display their designations, along with previous work experience and education, is essential in marketing themselves to potential employers and consumers.

Today's labour market has changed. An effective job search does not only mean submitting resumé and proposals, but networking broadly, both in person and online, including distributing business cards and maintaining an online profile through websites: LinkedIn etc. For a self-employed accountant, this also means displaying designations on business cards, letterhead, marketing collateral etc. Under the proposed amendments, both job seekers and self-employed immigrant accountants would have significant challenges marketing their accounting services to clients, services which they are legally permitted to provide.

For employers today too, marketing requires effective online marketing, often including posting employee designations and credentials on corporate websites and other materials. As you heard earlier today, with increasing globalization and the movement of accounting worldwide towards harmonization of standards, employers are looking for international experience. The demand for accountants with expertise, for instance, in IFRS, international financial reporting standards, is only increasing as the 2011 conversion deadline fast approaches for publicly traded companies to be using these standards. When marketing their services to clients in Canada or abroad, firms need to be able to clearly indicate the designations of their employees, whether Canadian or internationally trained.

As members of the committee are well aware, immigration is expected to account for 100% of labour market growth in Canada by next year. Ontario is already experiencing skilled labour shortages in certain key

areas—for instance, the qualified talent that is necessary to strengthen Toronto's position as a global financial centre. A 2009 RBC study calculated that if skilled immigrants were fully able to utilize their skills, personal income in Canada would increase by up to \$13 billion a year.

The government of Ontario has made significant strides in addressing barriers and promoting effective immigrant integration into the labour market through the establishment of the Fairness Commissioner's office and through significant investments in the development and ongoing support of bridge programs and other initiatives for internationally trained professionals. Ontario's accounting regulatory bodies have also made strides in establishing mutual recognition agreements, as we heard earlier, and ensuring that the regulatory process is fair, transparent and accessible to internationally trained accountings.

Bill 158 represents an important opportunity to continue to modernize our approach to reflect current demographics and current labour market realities. TRIEC therefore recommends, rather than trying to identify all the specific circumstance in which international designations may be used—an approach which seems fraught with difficulty—that the bill be amended to allow internationally trained accountants to use, in any circumstances, their foreign designations, with the issuing jurisdiction clearly indicated in brackets. We feel this would in fact enhance consumer protection and transparency, as potential employers and consumers would be clearly informed that the accounting designation cited was not issued by an Ontario accounting body.

At the same time, skilled immigrants and those who employ them would have the tools to effectively promote their skills and training in the local and international market. We believe that this solution meets the government's dual objectives of ensuring consumer protection and enabling the local economy to benefit from immigrant experience and skills.

**The Vice-Chair (Ms. Leeanna Pendergast):** Great. Thank you for your presentation. We have just under two minutes for each party for questioning. We'll begin in this rotation with the government. Mr. Zimmer.

**Mr. David Zimmer:** Thank you very much for your thorough presentation and the materials. We'll go over them carefully.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you. Ms. Elliott.

**Mrs. Christine Elliott:** Thank you very much for your presentation and for the materials that you've provided us with.

It appears that you have been discussing the proposed amendments with the Attorney General's office for some months now and it appears that, while you're moving in the right direction, you're still not there yet. I guess that's fair to say from the comments that you've been making. You really need to see an unencumbered use of the professional designation with the country of origin, and really, nothing else short of that is going to make a difference. Is that correct to say?

**Ms. Joan Atlin:** That's our concern.

**Mrs. Christine Elliott:** Okay.

**Ms. Joan Atlin:** There needs to be a solution that allows people to use their designations, and if including the issuing or conferring jurisdiction would resolve that issue, then that seems the appropriate solution to us.

**Mrs. Christine Elliott:** That seems very sensible to me too. Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Kormos?

**Mr. Peter Kormos:** This is becoming a very bizarre case of alphabet envy—well, it is, and quite frankly, it's starting to strike me as getting silly because, at the end of the day, if an employer is hiring somebody, that CV or resumé is going to have the person's educational background and affiliation with any number of bodies throughout the world if, indeed, they're worldly. Again, we're sloppy in this province about identifying who's an accountant, because even Conrad Black, as we noted earlier today, or Bernie Madoff could put up a shingle saying "Accountant"—except Conrad Black can't get back into Canada, because he's not a citizen and he's a felon.

So Mr. Zimmer, this is getting silly. When I look at the succession, the progression of the amendments that are being proposed by the government, the government seems to be caught in a trap and has dug its heels in instead of sitting down and talking, quite frankly, maturely about this with the respective parties. Considering how rational a proposition—because ACA (India) means a whole lot to consumers of Indian background about a person's services, right? It may not mean anything to anybody else, but so what?

So these are valuable things. Heck, you've got real estate brokers and insurance brokers who've got alphabet soup after their names. Nobody knows what the hell those mean, except the assumption is that the longer the list is, the more qualified you are. So for the life of me, I don't even—this committee is starting to get tedious. Because we've had people come forward with reasonable solutions, rational ones—good God. Rational solutions for a government? And the government seems rather more interested in playing this silly bugger game of digging its heels in and moving incrementally with its succession of amendments. If I'm unfair in putting that to you, just say so and I'll hear you, but Lord love a duck, Chair, this is—good God. It's frustrating. You understand my frustration, don't you?

**The Vice-Chair (Ms. Leeanna Pendergast):** I hear your frustration, Mr. Kormos, and unfortunately we're out of time, so we can't hear any more at this point.

But we do thank you for your presentation. Thank you very much.

#### MR. MARCUS ABERNETHIE

**The Vice-Chair (Ms. Leeanna Pendergast):** If Marcus Abernethie is here, can Marcus come forward, please?

Thank you both for being here. You have up to 15 minutes for your presentation. The remainder of the time will be shared equally among all three parties. We would ask that you state your names and any affiliation to an organization for the Hansard, please.

**Mr. Marcus Abernethie:** Thank you very much. I've got no affiliations. My name is Marcus Abernethie, and I'm speaking on behalf of several students whom I've assisted with accountancy studies, one of whom is Marty Smith here, to my right. Another is my daughter, who is sitting at the back. They are studying accountancy through the CIMA course.

I'm not here to beat the CIMA drum for them, nor am I here to address the other accountancy bodies or associations who have an interest in Bill 158. Instead, I'm very thankful for the opportunity and privilege to appeal to the government itself, through this committee, because as a Christian I acknowledge government as having authority from God and as a believer in the Lord Jesus, I'm enjoined to be subject to the powers which are above me—and that includes the legislative body which this committee is part of. But this Accounting Professions Act displays what can happen when the government delegates its control to non-government bodies such as associations. That is, when a body comes between me and the government and that body develops a self-serving interest, I and other members of the public suffer. That, I submit, is the result of this bill.

Of course, I'm talking about schedule B, clause 26, which outlaws the display of accounting designations which are not those of the associations who influence this bill. The act, as it reads, effectively sidelines other accountancy bodies and, consequentially, sidelines those people who have already chosen or would prefer to choose a course such as CIMA provides. The choice is reduced as the result of this clause.

#### 1530

CIMA provides opportunities which other accounting groups do not provide. What I mean by that is that this province has a reputation for welcoming minorities and immigrants. It advertises internationally as being an innovative, accommodating place to move to, advertises in *The Economist*, which is the sort of thing read by accountancy types. I'm an immigrant myself. At the moment, people can bring the CIMA qualification with them from the country they left or continue here the studies that they started elsewhere. This bill intends to stop that. CIMA is an international qualification currently recognized in Canada and Ontario. Exams are held here. My daughter has passed two of the five exams, opening qualifications, since she moved here.

Other people moving here—another point—they may have the ability for accountancy but not possess a degree, which is a requirement to enter upon a CMA course, for example. Immigrants are sometimes people whose studies or careers have been interrupted through their change of country. CIMA allows them to begin without a degree but to reach the same qualification through study and hard work. It can be a self-study course, which is possible to complete while holding a regular job.

I'm coming now to my main point, and that is that these bodies which are mentioned in the bill will not let you begin study without first becoming a member of their association. That's in conflict with my conscience. I have fellowship, communion at the Lord's Supper, and as a believer, I'm a member of Christ's body, the church. Therefore, I could not join myself as a member to another body such as an association consisting of some unbelievers. It would be a compromise of my prior commitment to Christ.

If it were just the government who administered the qualifications, it would be simple. My approach would be direct with the government, and I would be asking for a conscience clause. But because associations are involved, I face restrictions due to my conscience. Now, it's not entirely closed off to me. There are young people in Ontario who want to take up accountancy but do not want to become a member of an association. That's why I'm asking this committee to keep the way open for alternative accounting bodies to be recognized in Ontario, because they currently provide opportunities that the others don't.

If the issue is confusion in the market between different designations of accountants, then make the designations clearer. You can do that without being protectionist and without eliminating the accounting body and those who use it. This province needs an increase in young people who are competent in accountancy, not a reduction of them. I'm asking this government to maintain and encourage the choice of accounting qualifications so that we make accounting training more accessible for our youth.

Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Abernethie, for your presentation. Our questioning will begin with the official opposition. Ms. Elliott.

**Mrs. Christine Elliott:** I don't have any questions, but I would like to thank you very much for taking the time to come here and present the perspective on behalf of students. Thank you, sir.

**The Vice-Chair (Ms. Leeanna Pendergast):** Mr. Kormos.

**Mr. Peter Kormos:** Thank you to all of you, Mr. Abernethie, Mr. Smith and Ms.—?

**Mr. Marcus Abernethie:** Abernethie.

**Mr. Peter Kormos:** Abernethie. Is there anything you wanted to add to what he had to say?

**Mr. Marty Smith:** He's got it all said.

**Mr. Peter Kormos:** But at least we've got a Hansard for you.

Look, a unique perspective; I didn't anticipate this one. But so be it; yet another perspective, and one that should be persuasive. I'm glad you came.

**The Vice-Chair (Ms. Leeanna Pendergast):** Mr. Zimmer?

**Mr. David Zimmer:** Thank you very much. Like Mr. Kormos and Ms. Elliott, that's a perspective that just had not occurred to me, and I expect it's the same for my col-

leagues. Thank you very much for that additional viewpoint.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much for your presentation.

#### CERTIFIED MANAGEMENT ACCOUNTANTS OF ONTARIO

**The Vice-Chair (Ms. Leeanna Pendergast):** The Certified Management Accountants of Ontario: if you could please come forward. Welcome, and thank you for being here today. You have up to 15 minutes for your presentation. Any remaining time will be shared evenly among all three parties. We would ask before you begin that you state your names for Hansard.

**Mr. Merv Hillier:** Thank you, Madam Chair. Good afternoon. My name is Merv Hillier. I'm the president and CEO of the Certified Management Accountants of Ontario. We have 25,000 members in Ontario and 50,000 members across Canada and globally. To my left is Katharine Harvey, who is our vice-president of regulatory affairs and registrar; and on my right is Angie Brennan, our director of public affairs and communications for the society.

Let me say thank you for the opportunity to speak on Bill 158, the Accounting Professions Act. First, I will begin by thanking the government for bringing this legislation forward. We commend the government on its efforts, commitment and professionalism in managing the changes required for Bill 158 to be successful, and that would be to protect the public interest.

There are three key messages today for you to recognize and consider from the Certified Management Accountants of Ontario: We require this legislation to allow us to operate in a way that reflects the realities of our profession in the 21st century; we need the act passed expediently, as it contains some important updates to our governance provisions; and CMA Ontario is committed to upholding the public trust in the accounting profession and to the principle that internationally trained professionals must be treated fairly and be supported in our marketplace.

Why do we need this legislation? The previous Society of Management Accountants of Ontario Act was enacted in 1941 and is in need of significant changes to better reflect the operating realities of our profession and the CMA Ontario in the 21st century. Piecemeal amendments to our original act would not adequately address this task, thus we require new legislation.

Bill 158 provides not only CMA Ontario but all of Ontario's regulated accounting bodies with enhanced regulatory powers to uphold the public trust. Bill 158 will enhance our authority regarding settlement agreements in disciplinary cases, providing for sanctions without an admission of guilt or a finding of professional misconduct. Bill 158 will strengthen the ability of our discipline and appeal committees to award costs, including investigations, prosecutions and appeals costs. Bill 158 will provide CMA Ontario with the authority to obtain

court orders for custody of the records in possession or control of members who have died or disappeared, or who have neglected or abandoned their practices without making provisions for the protection of client interests. Bill 158 also removes inconsistencies between provisions of the current act and the Statutory Powers Procedure Act regarding hearings before tribunals. These new provisions are intended to keep Ontarians safer, to guard their assets and to protect our businesses from fraud.

While the legislation covers all three of Ontario's regulated accounting bodies, there are aspects of the new act that are unique to CMA Ontario and are critical for our operations. Specifically, Bill 158 contains new provisions that will allow us to better manage our governance process and structure. I'll give you just a very simple example.

We are currently electing our governors—our board of directors, in effect—on an annual basis because of our old act. Bill 158 will provide for three-year terms, which, as you can just imagine, is highly preferable from an effective governance perspective. It's as simple as that.

It has taken one whole year to get to the second reading following Bill 158's introduction. I want to address the issue of why it took one year to get there.

As you know, some of your constituents believe that the legislation unjustly penalizes them for having an international accounting accreditation. But you must understand CMA Ontario's perspective on the balance between our legislated right to title, our need to protect the interests of consumers, and CMA Ontario's firm commitment to the internationally trained.

#### 1540

Let's talk briefly about CMA Ontario's work with the internationally trained community. Our membership is extremely diverse; one in five of our graduates is currently an internationally trained professional, and that number continues to grow.

I travelled earlier this year to India, one of many trips that we have made as a result of the Premier's trade mission to India a number of years ago, where we are working with top business schools there, like the IIMA, to provide their students with access to the CMA program.

Our national body, CMA Canada, proactively negotiates mutual recognition agreements, as you have heard also from the CGAs, with international accounting bodies. Our agreement with CIMA, for example, allows their members who are in good standing to become members of CMA Ontario in a seamless manner. They only need to have the requisite education and professional experience to join us as members.

Becoming members of CMA Ontario allows these international professionals to become part of our Ontario community, provides access to our member services and career support and, importantly, assures Ontarians that they are governed by our code of conduct and disciplinary practices.

We take our obligations to the internationally trained very seriously, though our work with Ontario's Fairness

Commissioner, through negotiation of new mutual recognition agreements and a number of other initiatives such as ESL—English-as-a-second-language—training provided by CMA Ontario.

We also take our obligations to Ontario citizens and businesses very seriously. It is for this reason we believe that people who use or employ the services of an accountant in Ontario should know that they have the ability to take recourse should any issues arise in their transactions with their accountant.

We do not believe that this is an either/or situation; that is, either you accept international credentials or you are only concerned with public protection. It is our responsibility, as a regulated body, together with our regulator, the province of Ontario, to balance both.

It is important to keep in mind that the CMAs, CAs and CGAs are the established regulated accounting bodies in Ontario. To help the public identify regulated professional accountants in Ontario, each of the regulated accounting bodies has been granted right to title. Therefore, by law, only those accountants who have met the accreditation standards of the Certified Management Accountants of Ontario and are members of CMA Ontario may use the CMA designation in Ontario.

The right to title is technically strengthened in the new act but is definitely not new. It already exists within the regulated accounting profession in Ontario. The right to title ensures confidence that individuals appearing to hold the CMA designation really do. Designations appearing to be a CMA are not equal among the international bodies. Others may not meet the rigorous standards to become an Ontario CMA, the strict code of professional conduct that CMA Ontario members are held to, and the fact that our members are subject to discipline, including expulsion, for failure to adhere to the rules and regulations imposed by CMA Ontario on its members.

Bill 158 strengthens the ability of the three regulated bodies to protect Ontario's consumers from confusion. If members of non-regulated accounting bodies advertise as CMAs, the public may assume they are regulated by CMA Ontario when they are not.

We understand that the government is bringing forward amendments to the legislation that will strike a new balance for internationally accredited accountants while providing public protection. We have provided some input into the amendments that are being discussed.

At the end of the day, with the proposed amendment, accountants from non-Ontario jurisdictions can apply for work, respond to an RFP or just simply speak at a conference. In our view, this allows new Ontarians and accountants from non-Ontario jurisdictions to obtain employment in Ontario and contribute to the economy. The amendment would also ensure the level of disclosure required to protect the public interest.

While the international aspect of Bill 158 has been the focus, the primary intent of the bill is to allow us to implement significant changes to better reflect the operating realities of our profession and CMA Ontario in the 21st century.

The legislation will also allow us to move into the future to public accounting. We are well along the process of qualifying as an authorized designated body for granting public accounting licences, and this legislation ensures that when we are ready, we will be able to proceed.

We have invested millions of dollars and thousands of hours of volunteers' time to become accredited as a public accounting body since the right was granted several years ago. Bill 158 is the final piece required to allow us to achieve public accounting rights.

In conclusion, let me reiterate my three key messages: We require this legislation to reflect operating realities in our profession and practise public accounting; we need to see it passed expediently to update our governing structure; and we believe, with the amendments, that it strikes a reasonable balance between protecting consumers and supporting internationally trained accountants.

I thank you for the opportunity to speak to this important piece of legislation, and I would encourage all parties to support Bill 158 when it's brought forward in the Legislature.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much for your presentation. We have about three and a half minutes for a rotation with questions. We'll begin with the third party. Mr. Kormos.

**Mr. Peter Kormos:** You understand that everybody voted for this on second reading. You know that, don't you?

**Mr. Merv Hillier:** Mm-hmm.

**Mr. Peter Kormos:** You understand that during the second reading debate, everybody conceded that the bill was probably going to pass. You knew that. You read the discussion. The elephant in the room is our friend who acquired an ACA in India and people from all over the world who come from jurisdictions where CIMA appears to be the dominant community of accountants.

If I've acquired a CIMA accreditation—that's not the wrong word in Singapore—why shouldn't I let my customers know that in Canada? Similarly with an ACA, especially if I've put "ACA (India)," making it clear that it's an Indian ACA? If that were to happen, which part of the skies would fall and which downtown accounting firms would lead more banks and more companies like Nortel into mayhem and disaster?

**Mr. Merv Hillier:** As I said in the presentation, the standards of accounting bodies are not equal internationally or globally.

My career spans 33 years—three years with the society and 30 years in business. When I look at this from a business perspective and I'm hiring, the cost of hiring is expensive. The cost of training is expensive. When I hire and I look at the credentials of an individual, if someone comes to me and says, "I'm a CMA," I would expect that that CMA person, an individual, is a member of CMA Ontario, has gone through the rigorous program of CMA Ontario and is governed by the code of conduct of CMA Ontario. We want to make that hiring decision

easier so that there isn't confusion, so that the business community understands what they're getting.

**Mr. Peter Kormos:** The HR people I know are far smarter than that. No HR person I know has had that problem, but you're telling me there are less-smart ones out there. I take you at your word.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Kormos.

Any further questions from the government?

**Mr. David Zimmer:** Thank you very much for your presentation and for the work over the years on this file.

You've covered a lot of points in your submission, but if you wanted to leave one thought with this committee about what you think is the most significant, innovative feature of Bill 158, what would that be?

**Mr. Merv Hillier:** To avoid confusion and protect the public interest as a result of that.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Ms. Elliott?

**Mrs. Christine Elliott:** Yes, I have a question on just a slightly different topic you mentioned on page 3 of your presentation—that CIMA members can become members of CMA Ontario in a seamless manner. I'm just wondering if you could comment on what the process is. Do they just sign up, and can they automatically become members? What process do they have to go through?

**Mr. Merv Hillier:** We have a mutual recognition agreement with CIMA out of the UK, so a member of CIMA who has gone through that program can apply to CMA Ontario. If they meet the education requirements, having a university degree—some are accepted as mature or adult students or are members—and they have their experience requirements that demonstrate the competency that we require, then it's as simple as saying, "Put the paperwork through."

**Mrs. Christine Elliott:** What would you look at, though, in terms of the experience requirements? Is it a form they fill out? Is it an exam that you would expect them to write? How would you be able to assess that?

1550

**Mr. Merv Hillier:** Our first assessment would be to outline the experience that they've gained from employment through positions that have been held, to ensure that that experience meets the competencies that we are looking for.

**Mrs. Christine Elliott:** Just in terms of percentage breakdown, how many people would be able to automatically be accepted, and how many people would have to take some different educational courses or maybe not be accepted on terms of experience?

**Mr. Merv Hillier:** It would vary by individual. They would submit their transcripts that show the university they are from, and they would submit their resumé or the biography with regard to the employment experience required. We'd match that up to our competencies that we require and then we would process the paperwork.

**Mrs. Christine Elliott:** Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much, Mr. Hillier, Ms. Harvey, and Ms. Brennand.

The Institute of Management Accountants, if you could please come forward. Is there anyone here from the Institute of Management Accountants? If not, we'll move on.

Okay, we can come back if they arrive at a later time.

ASSOCIATION OF CHARTERED  
CERTIFIED ACCOUNTANTS CANADA

**The Vice-Chair (Ms. Leeanna Pendergast):** Do we have the Association of Chartered Certified Accountants (ACCA) Canada?

As we are collecting and arriving, I'd just like to let everyone know that there is a possible vote in the House at 4 o'clock, at which time we will need to call a recess briefly to allow the members to go to the House to vote and then resume. So if it is called, you'll hear the bells and I'll have to interrupt. I apologize in advance for the interruption. It could happen at 4; it could happen later.

Thank you very much for being here. I'm sorry we jumped ahead and we're starting early, but we appreciate your being here and being so prepared. You have up to 15 minutes for your presentation. As you know, the remainder of the time, if there is any, will be shared equally among all three parties. We would ask that you identify yourselves and state your names for the Hansard before you begin.

**Mr. Paul Costello:** Thank you, Madam Chair. My name is Paul Costello. I'm the head of ACCA in Canada and I work here in Toronto.

I'm joined today by three of our ACCA members, each with a different background. They are here in order to perhaps provide additional information, more practical information, for any questions you may have.

I'll start with Hin Leong, who is on my immediate left. Hin is the head of internal audit at Canadian Natural Resources.

On my left is Raphael Joseph, who is a sole practitioner in Markham,

On my far right is Dale Wright, who is the manager of regulatory and reporting at Hydro One Networks.

I should warn you in advance that a lot of my presentation may sound like "ditto"; we will be saying things that you've heard before. But I beg your continued interest so that you can understand how ACCA might be in a slightly different position than some of the other organizations that have been before you today.

We are here today on behalf of almost 2,000 professional accountants and students in Ontario who are members of the Association of Chartered Certified Accountants in Canada.

ACCA is an international accountancy body with over 140,000 members and 400,000 students in 170 countries. ACCA is an internationally recognized and highly regarded accounting credential. Almost all of our members in Canada work in accounting positions in business, industry and government.

Since Bill 158 was introduced, ACCA Canada has been very concerned about the direction in which the bill

was proceeding, because it prohibits the use of the letters CA, alone or in combination with other abbreviations. We have worked diligently with the government over the last year to inform them how this prohibition in the bill disadvantages our members by preventing them from referring to their ACCA designations.

ACCA wholeheartedly supports the principle that the public interest must be paramount when setting regulations and standards for the accounting profession. We don't object to the desire of other bodies to protect their designations, either from misuse or from misrepresentation. But the current bill makes a simple use of certain words or letters illegal, even when properly qualified. There doesn't have to be any intention to mislead or any evidence that someone has actually been misled or confused. We believe that a blanket prohibition of the use of certain words and initials is unnecessary to protect the public. The bill already contains several restrictions on such things as holding yourself out to be a chartered accountant, offering chartered accountant services, being a member of the institute. This language is sufficient to protect the public from individuals who do not have the credentials they claim.

In an effort to address this problem, we have made several suggestions to the government. One of these is to add the country of origin in parentheses after the designation. So in our case, it would be ACCA (UK) or FCCA (UK). If this solution is adopted, in our view, this would remove any possible confusion in the minds of employers or prospective clients.

As currently written, section 27 of the Chartered Accountants Act is a solution in search of a problem. This wording is almost a century old and, in all this time, there has never been a complaint brought against any ACCA member for confusing or misleading the public. In all this time, there has never been a prosecution brought under this section of the act—that is, if you don't count the one unsuccessful prosecution by ICAO of our past chair for having the temerity to use his designation in an invitation to our graduation ceremony.

Prospective clients and employers of professional accountants are not unsophisticated, and they're not uninformed. They have had no difficulty, apparently, in distinguishing between CA, CGA and CMA. Why is there a blind spot between that situation and ACCA and CA or ACCA and CMA? Furthermore, this prohibition is inconsistent with other sections of the bill. It has already been pointed out to you today that section 2 of the act says, "This act does not affect or interfere with the right of any person who is not a member of the institute to practise as an accountant."

Not to be able to use one's designation in normal business situations seems to me to be an obvious form of interference. If left unchanged, these restrictions are also at odds with the government's Open Ontario thrust and its desire to make Toronto a model financial centre. This cannot be achieved by restricting competition and reducing consumer choice. This is the only place where our members are forbidden to use their professional

designations in all of the 170 countries in which our members reside and work.

ACCA believes strongly that section 27 should be revisited by this committee with the goal of striking an appropriate balance of interests. In our recent discussions with the government, we have been informed that they will be proposing certain amendments regarding section 27; these have been referred to earlier. As we understand it, these amendments will permit our members to use their designations in selected, private communications, along, perhaps, with the addition of a stipulation that states that the individual is not a member of the institute.

As we have heard from Mr. Zimmer, this draft is far from finalized, but we are hopeful that ultimately the amendment will address some of our concerns. But even with these amendments, the legislation still contains unnecessary restrictions on the ability of our members to communicate with the public about their credentials. We believe that parentheses are a better solution than any disclaimer. It makes more sense to say what you are than what you are not. It better serves the public interest to provide more information rather than to restrict what the public can hear.

ACCA is not asking for standards to be lowered. We are not asking for any special status. We are not asking for the lessening of public protections. We are asking for the act to eliminate the unnecessary restrictions on our members' use of their designations. We believe that if this is done, Ontario will be able to show its population that it has acted on its stated principle of welcoming foreign professionals, of aligning its financial regulations with the rest of the world, and to be truly Open Ontario.

Thank you very much for your interest. We will be providing a written submission in due course. We look forward to your questions.

1600

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much, Mr. Costello. We have a round of questioning, and we will begin with the government.

**Mr. David Zimmer:** How much time is left?

**The Vice-Chair (Ms. Leeanna Pendergast):** Nine minutes, so about three minutes each.

**Mr. David Zimmer:** I understand that ACCA has a mutual recognition agreement with CGA.

**Mr. Paul Costello:** That's correct.

**Mr. David Zimmer:** It might be of interest to members of the committee how that works.

**Mr. Mike Colle:** I can't hear.

**Mr. David Zimmer:** I understand that ACCA has a mutual recognition agreement with CGA, and that's in place now.

**Mr. Paul Costello:** That's correct.

**Mr. David Zimmer:** Members of the committee might be interested in how that works.

**Mr. Paul Costello:** It's a very simple agreement. First of all, it's a global agreement; it doesn't just apply here in Ontario. So CGAs anywhere in the world can opt to become an ACCA and vice versa. The principle is very simple: We have assessed each other's credentials and

found them to be substantially equivalent, and therefore there is no educational barrier for a member of one designation to become a member of another. We do require, depending on the circumstances, the member to pass a tax and law course in the jurisdiction in which they practise. There is also a stipulation on education which provides that if the member applying joined that organization after 1997, they must have a university degree.

**Mr. David Zimmer:** So just following up on that, is it not a moot point, then, that an ACCA member can, by effecting this recognition agreement, in effect, hold themselves out as a CGA?

**Mr. Paul Costello:** Well, the truth is that if you apply to the other body, you will be dual-designated, which is a very common practice in many countries of the world. A Canadian member wanting to become a member of the CGA may do it for two reasons: One is to gain access to a public accounting career, which they would do then through CGA, because CGA is licensed to practise public accounting in other provinces; or they want to belong to a designation that has wider recognition in some parts of the country than does ACCA.

The truth is that no one wants to give up their designation. The designation is a marker for your professional achievement and your professional status.

Now, two of our members are also CGAs. I don't believe they became CGAs through the mutual recognition agreement. Dale, maybe you could say something about this.

**Mr. Dale Wright:** Yes. Dale Wright is my name. I did become a CGA about three years ago under the MRA with ACCA and CGA Canada. But that didn't mean I wanted to give up my ACCA; that was like my pride and joy. That was my initial professional qualification wish. It's both personal and professional where I'm concerned.

**Mr. David Zimmer:** Thank you, Chair.

**The Vice-Chair (Ms. Leeanna Pendergast):** Ms. Jones.

**Ms. Sylvia Jones:** Just to make sure I heard you correctly, of the 170 countries where ACCA members practise, with these proposed changes, this would be the only one where you would not be able to use your current designation?

**Mr. Paul Costello:** That's right.

**Ms. Sylvia Jones:** Okay. Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Mr. Kormos.

**Mr. Paul Costello:** I just—sorry. All of these members have worked internationally. Obviously, all of our members are immigrants to Canada, because we don't recruit students here. Do any of you have anything that you want to say in addition to that?

**Mr. Hin Leong:** Yeah, I have something to say here. As a past president of ACCA Canada, I have actually actively encouraged the immigration of skilled professionals who make up the membership of our association to come to this great country. People came to Canada in the sincere belief that their skills would be welcomed.

Indeed, they have been welcomed by all of the employers and clients, and their level of training remains in high demand. I myself came to Ontario some 20 years ago and was hired based solely on the strength of my ACCA qualification. There are still others who choose to live and work here who hear the language about welcoming skilled immigrants to an open Ontario. They would not come here, however, if they learned that they would effectively be stripped of their credentials on arrival. It is hard enough to find meaningful employment without Canadian experience. It will be even harder if Bill 158 were to be passed as is.

The ACCA designation is a product of years of effort and education. It is the very definition of the professional status that they have achieved. To then be marginalized without credentials by Bill 158 would be completely inconsistent with the Open Ontario plan that the government has talked about in the throne speech and budget.

Ontario opened for business some 20 years ago to welcome me. I strongly urge the members of this committee to continue that trend by making Ontario the best place to do business in the world.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you.

Mr. Kormos, we're running low on time, but go ahead.

**Mr. Peter Kormos:** I understand that. Look, bear with me. I'm doing the best I can.

So you say that CGA acknowledges that ACCAs are perfectly capable, by virtue of admitting them as CGAs?

**Mr. Paul Costello:** That's correct.

**Mr. Hin Leong:** Yes, they are.

**Mr. Peter Kormos:** And ACCAs are, quite frankly, prepared to legitimize CGAs by letting them become ACCAs?

**Mr. Paul Costello:** Correct.

**Mr. Hin Leong:** Yes.

**Mr. Peter Kormos:** Except CGA doesn't want you to be identified as an ACCA, even though they see ACCA as a perfectly valid standard?

**Mr. Paul Costello:** That's certainly what you've heard today, much as you heard Mr. Hillier say that you can become a CMA but "we won't let you use your CIMA designation." So we certainly don't see eye to eye on that. Our view is that if you get a university degree at York University and then you decide to get another one at Queen's, the deal isn't that you can't mention your York degree anymore after you get a Queen's degree.

**Mr. Peter Kormos:** This is Lewis Carroll kind of stuff, isn't it, Mr. Zimmer?

Thank you, gentlemen.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much for your presentation.

Yes, Mr. Kormos?

**Mr. Peter Kormos:** Could I ask legislative research—perhaps you can call your people in, because I have a question for legislative research.

**The Vice-Chair (Ms. Leeanna Pendergast):** That'd be lovely. Thank you.

I'm just checking to see if anyone from the Institute of Management Accountants has arrived, just to double-check? No.

CHARTERED INSTITUTE  
OF MANAGEMENT ACCOUNTANTS  
OF ONTARIO

**The Vice-Chair (Ms. Leeanna Pendergast):** If the Chartered Institute of Management Accountants of Ontario, CIMA Canada, could please come forward? And while you're assembling, Mr. Kormos?

**Mr. Peter Kormos:** Legislative research—Mr. Charlton—please: Earlier today, from the British Consul General, we were told that Britain is a wide-open jurisdiction where anybody can identify themselves as being a member of any of the various bodies. Can you please get some hard confirmation of that, with an illustration of what it means for Great Britain, for the UK; that is to say, who is practising there with these designations? And if you could give us some examples of who is not, because obviously the government might argue, at some point, that they want to protect the public from the mischief of somebody setting up a shell body with a name that could be used as an acronym that could in fact be misleading. We haven't seen any of that. We haven't seen any of these crummy little—like the diploma mills type of thing. I think that the government may argue that at some point. If they don't, they'd be fools not to, now that I've laid it out for them. But we want some argument in response.

**Mr. James Charlton:** We'll look into that.

**Mr. Peter Kormos:** Thank you, sir.

**Mr. James Charlton:** What sort of a deadline would you want? Just before clause-by-clause? The sooner, the better, I'm guessing?

**Mr. Peter Kormos:** April 29 is when we're here next for clause-by-clause. I suppose it'd be helpful if we had something by April 29.

**Mr. James Charlton:** We'll do our best to get something by then or earlier.

**Mr. Peter Kormos:** Thank you kindly. I'm sorry, Chair.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much.

Just a reminder before you begin: I'm watching the private members' business, but in case there is a vote called, we apologize ahead that we have to interrupt.

You have up to 15 minutes for your presentation. The remainder of the time will be shared evenly among all three parties. If you could please state your name and your affiliation with an organization for Hansard, please, before you begin.

**Mr. Amal Ratnayake:** Madam Chair, ladies and gentlemen, thank you for providing me with an opportunity to present to you today. To introduce myself, my name is Amal Ratnayake. I'm the deputy president of CIMA Canada, the CIMA branch in Canada. Professionally, I'm the vice-president of finance at officialCommunity, a corporation in the media and entertainment industry.

**1610**

I'm not here today to talk to you from the perspective of CIMA. Charles Tilley flew in from the UK to do that. My intent is to explain the restrictions in this bill as they affect me and many other foreign-designated accountants. In my opinion, the restrictions should be eliminated altogether to ensure that we encourage professionals with international experience to move to Ontario, to encourage diversity and to prevent the marginalization of foreign-designated accountants.

However, if we do need to have these restrictions, a couple of suggestions would be to allow foreign-designated accountants to display their designation with the country of origin as a suffix. If that doesn't work, at least maybe we should limit the scope of the restrictions to those providing accounting services to the public.

The exact wording of the amendments I propose are in appendix A of the document that has been provided.

In order to explain the impact of the restrictions, I would like to take you back a decade, to my early days in Canada. When my wife and I decided to move to Canada, we did so because we had heard of Canada's supportive attitude towards new immigrants. We had considered a few other options but settled on Canada mainly for that reason.

The first dose of reality hit me when I started meeting with recruiters and I was asked if I had Canadian experience. Obviously not, and I could not understand the relevance of that. I was born in Sri Lanka, went to high school in Africa, went to grad school in the UK and had worked in the Middle East before I moved to Canada. I believed that my skills were transferable. Was that not the reason that Immigration Canada accepted my qualifications?

During this early period in Canada, a period of many challenges, the one thing that provided comfort to me during my job search was the strength of my education, the ability to proudly display my CIMA designation on my business card, my email signature and my resumé, a designation that I had worked really hard to achieve and a designation that I was extremely proud of.

It also had other benefits: networking benefits. My first job in Canada was a fairly junior role: no Canadian experience. A director at Sprint Canada, which is where I was contracting at, noticed my designation on my email signature, gave me a couple of complex projects and then asked me to apply for a managerial role. Hence, I am where I am today.

Many employment arrangements are developed through networking. For those new immigrants who are trying to get a foot in the door, the ability to network is essential. The ability to secure a job through networking will be much harder if he or she is not allowed to display the designation on a business card or email signature.

Mr. Zimmer suggested this morning a possible exception for resumé. That is definitely a step in the right direction. However, it would not address the fact that networking is one of the most practical means for new immigrants to find suitable employment. For that, you

need to be able to display your designation, your designatory letters, on your business card and your email signature.

There were a couple of questions earlier today about the MRA as well. To me, it's a matter of principle. To become a member of a Canadian body through an MRA should be a matter of choice. It should not be something that you're forced to do by legislation.

Secondly, sometimes it's a Catch-22, and I specifically refer to the MRA between CIMA and CMA. The MRA requires one year of managerial practical experience in Canada. That's a Catch-22. You're not allowed to network; you're not being given the opportunity to get to a managerial role in a speedy manner, yet you have to have one year of managerial experience.

I would also like to touch on CIMA for a bit. CIMA is a truly global body. The chair of the board of CIMA's global operations, coincidentally, was born in Sri Lanka. He is domiciled in Australia. He has no restriction on displaying his designation in Australia. The last time I spoke to him, he was visiting the CIMA branch offices in China. There are no restrictions regarding the display of foreign designations in China.

An interesting fact is that CGA-Canada has members and students in China. What would be the plight of the CGA members and students if the Chinese government were to propose legislation that would prevent them from displaying their designation? One may say, "Yes, that could happen in China," but ladies and gentlemen, we're not talking about China. We're talking about Canada; we're talking about Ontario. No other developed nation has imposed this type of restriction on foreign-designated accountants.

We've heard much of Open Ontario. I ask you, is this open? In an increasingly global world, Ontario should be welcoming professionals with international experience, not making life more challenging than it already is for those new to the country. Ten years ago, if these restrictions were in place, very likely I may have looked for other options than Canada. One views restrictions with a sense of apprehension. One thinks that this is the tip of the iceberg. One thinks that these restrictions are an indication of other challenges for new immigrants, a bias against foreign-designated accountants.

My understanding is that the intent of this bill is to protect consumers of accounting services. However, the restrictions are written so broadly that I, as an employee of a corporation—and I do not provide accounting services to the public—am not allowed to display my designation on a business card or email signature. Why is that?

There was a question this morning from Mr. Moridi, I believe, that highlighted the different tax laws in different countries. That's true; they're different. Accounting standards are the same the world over, with the introduction of IFRS, but tax principles differ. Surely, the answer is not to ban the use of foreign designations.

I would suggest that this would cause greater confusion, as you would not be able to distinguish between a

foreign-designated accountant and an accountant who has no designation at all. That surely cannot be in the public interest.

Qualified accountants understand the need for professional development and will do what is required to develop themselves. If not, their business will not thrive. They will not give the right advice to their clients, they will not get referral business, and in the longer term, their business will not survive—probably not in the shorter term either.

There are also a couple of myths around this bill, one of which is that these restrictions exist in their current form. They do not exist in the current CMA Act. I refer to the CMA Act, because that is the act that impacts me as a CIMA member. This existing CMA Act prohibits anyone other than a member of CMA Ontario from using the letters CMA. The proposed legislation prevents anyone from using the letters CMA together with any other letters. I would suggest that this wording is broader than it needs to be and overly restrictive.

The South Asian Legal Clinic of Ontario, a legal clinic that has a mandate to review legislation that affects their clients—and a significant number of our members are from South Asia—reviewed this bill and concluded that it is discriminatory under the Human Rights Code of Ontario. I believe they've written to the AG. I believe we are in a position to address these issues before it is approved and prevent the likelihood of persons impacted by this bill making an application to the Human Rights Tribunal of Ontario at a later date.

We have an opportunity today to redress the potential imbalance before it is created. I ask that when you review this bill, please consider the impact that it will have on new immigrants, many of whom are minorities, like myself, many of whom have moved to Canada to achieve their dreams. Are we acting fairly towards them? Are we marginalizing a group of people who are already facing significant hardship when integrating into this economy? Premier McGuinty has made a commitment to assist new immigrants to integrate into our economy. I suggest to you that this bill will be detrimental to that goal. Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much for your presentation. We have about six minutes remaining, so approximately two minutes per party. We'll begin with the official opposition: Ms. Jones.

**Ms. Sylvia Jones:** I don't have any additional questions. Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Mr. Kormos.

**Mr. Peter Kormos:** Thank you kindly. I'm eager to get the material that legislative researcher Mr. Charlton is going to prepare about England, the UK. The picture that's being painted for me by you folks who have been here today is that this legislation is going to paint us, as a province, as being, at the very least, provincial in our attitude and ethnocentric to the point of xenophobic.

Mr. Zimmer, it's that same arrogance and haughtiness that has prevented us from ever meaningfully developing

a protocol for recognizing foreign training. Sure, we've got a University of Toronto that goes back maybe a century and change, but there are universities in other parts of the world that go back centuries and centuries and change.

Do you understand what I'm saying, Chair? We assume that, unless it comes from North America with all of our historical background, it can't beat us in any way, shape or form.

**1620**

I'm really worried, and I'm interested in what the Consul General—he was very careful not to appear to be threatening. I think that in a very benign way, a very friendly way, a very amicable way, he expressed concern about what Ontario is doing to itself in terms of the image the world has of Ontario, especially in the context of the UK, with this type of legislation. It just appears to be so restrictive and defensive and non-inclusive.

Again, the Premier—we teased him for his hokey speech about Open Ontario. We thought it was hokey. But he clearly wanted to paint Ontario in a certain way. This isn't helpful. He has just taken out a black brush and painted over the paint-by-number that he did in his most recent speech.

Jeez, what would Martin and Florida say about this? They'd charge you a couple of hundred thousand dollars to say it, but I suspect they'd tell you that this was darned short-sighted on the part of the province of Ontario. I bet you that's what they'd tell you. As a matter of fact, we haven't heard from Jean Augustine, and I may not see her in the immediate future, but I bet you she'd have some very interesting things to say about this perspective, this approach, this style, this model.

Thank you, sir. I guess I didn't ask you a question, did I? But I'm complimenting you for helping me get this image. I'm starting to get a handle on this.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Kormos. If you have any comments for Mr. Kormos at any time, just let me know.

To the government: Questions? Comments?

**Mr. David Zimmer:** Thank you very much. You covered the questions that I was going to ask you in your remarks, and I've made notes, so thank you very much for your presentation.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you again for your presentation.

#### INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

**The Vice-Chair (Ms. Leeanna Pendergast):** At this point, we would like to call forward the Institute of Chartered Accountants of Ontario, please.

We're just watching to make sure that you won't be interrupted. Just a reminder, though, that there could be an interruption. If a vote is called, we'll have to call a five-minute recess. I apologize in advance for a possible interruption.

Again, you have up to 15 minutes for your presentation; any remaining time will be shared equally among all three parties. We ask that before you begin, you identify yourselves for Hansard, please.

**Mr. Rod Barr:** Thank you very much, Madam Chair. Madam Chair, members of the committee, ladies and gentlemen, my name is Rod Barr and I'm the president and CEO of the Institute of Chartered Accountants of Ontario.

I'd like to thank you first of all for this opportunity to speak today on behalf of Ontario's 34,000 chartered accountants in support of the timely passage of Bill 158. I'm joined by my two colleagues: on my left is Tom Warner, the institute's vice-president and registrar, and to my right is Elizabeth Cowie, our director of legal and regulatory affairs.

I'd like to preface their remarks by setting out for you today what we see as two basic issues. One of them constitutes about 95% of the content of Bill 158; the other, maybe 5%. Unfortunately, it seems that that 5% has consumed most of the discussion here today and for the past year, as I believe one of the previous presenters said. We're going to talk about both of those issues.

The bulk of this bill, as you know, is a set of new regulatory tools for the accounting profession that are essential for us to do our jobs as regulators in the 21st century. That job is to protect consumers and the public. In the case of the new CA Act, as it's contained in Bill 158, these measures would modernize and update the regulatory powers that haven't changed since 1956, especially as they relate to our ability to discipline acts of professional misconduct in a timely way.

Judging from everything I've heard here today and that transpired before I got here, as was reported to me, that part of the bill is not terribly contentious. That's the good news, and Tom will review that with you in a moment.

The bad news is that a singular clause in Bill 158 has caused a lot of misunderstanding that needs to be squarely addressed. I refer to a section of the act designed to limit the use of accounting designations that are not regulated in Ontario and that sound too much like the accounting designations that are regulated in Ontario, thereby risking marketplace confusion as to who can do what and who is properly regulated where. That's the other side of the public interest issue.

You see, we started out this process with a focus on modernizing our legislation, and we have wound up arguing about barriers to employment and protectionism, which is decidedly not what, in my view, Bill 158 is about. Elizabeth will address this point in a moment.

First, let me turn to the institute's vice-president and registrar, Tom Warner.

**Mr. Tom Warner:** Thank you, Rod. Let me begin with two central points: The first is that in order to effectively regulate a 21st-century profession in the name of consumer and public protection, you need 21st-century tools, just as Rod has said. Bill 158 would grant us those tools. In doing so, Bill 158 would replace the current

Chartered Accountants Act that was passed back in 1956, when Leslie Frost was Premier.

The second point is that the effectively regulated practice of accounting is critical to the proper functioning of Ontario's financial services sector, and critical to public confidence in that sector. Financial services is a part of our economy that has been recognized by successive Ontario governments as a key driver of our competitiveness, prosperity and job creation—as recently as in last month's speech from the throne. For this, too, our province needs modern regulatory tools of the kind built into Bill 158. Let me highlight a few of these for you now—I'm sure you're familiar with them.

The legislation defines the powers of our investigators and inspectors so that they can effectively fulfill their duties in the public interest. It will clarify and enhance the efficiency of our discipline processes in such areas as settlement agreements, cost recovery, the effect of an appeal, and our jurisdiction over former members, so that the public can trust in our processes and that trust can be maintained. It will allow us to both protect the public and assist members who have a health issue or crisis by enabling us to conduct a capacity assessment. And it will permit the institute to protect clients and consumers by granting us the power to obtain court orders for custody of client records in the possession of members who have died or disappeared, or who have neglected or abandoned their practices.

While these provisions might be new to the CA profession, they are in no way new to the broader community of regulated professions in Ontario. These other regulatory tools are common to a number of professional bodies, such as the Ontario College of Teachers and the Law Society of Upper Canada, to name just two. All are devised for the sole purpose of ensuring that these professions are regulated in a modern, transparent and effective way, to protect consumers and the public in an age of unprecedented change and complexity.

Now I'd like to turn to my colleague, Elizabeth Cowie.

**Ms. Elizabeth Cowie:** Thank you, Tom. The need for consumer and public protection applies equally to the provision in Bill 158 respecting the use of non-recognized accounting designations in this province. This provision, as Rod has alluded to, has created considerable debate, not only in today's hearing but in the many months preceding it.

I refer to the sections of the act that would prohibit an individual from using any term, title, initials, designation or description that would imply that the individual is a member of one of Ontario's recognized accounting designations, when in fact they are not. This provision is actually carried over from the current CA Act and its predecessors, and has been the law in this province for almost a century. In fact, the only change to this section is an increase in the maximum penalty for such misuse, from \$300 to a more realistic \$10,000.

The issue at stake here is not that of barriers to employment in accounting or any other field. Nothing in

this provision or this legislation impacts on the ability of a person with an accounting designation other than one of the three designations regulated by this province to seek employment as an accountant or to provide accounting services. Nor is it about competition. Section 2 in the proposed act sets out that this act does not affect or interfere with the right of any person who is not a member of the Ontario CA institute to practise as an accountant. That provision has also been around for a century. It's the same for the CGA and CMA acts contained in Bill 158.

The new act will simply continue to reduce the risk that the use of these designations will confuse members of the public, the would-be users of accounting services, who already face a bewildering array of similar-looking designations and degrees. Madam Chair, the public should not be expected to judge subtle nuances of differentiation and distinction. Consumers should not be expected to have the expertise to judge the relative competencies of these practitioners. That's why we have regulatory bodies such as ours. They shouldn't, certainly, be expected to know that one practitioner belongs to a professional accounting body recognized in Ontario law, regulated in Ontario, required to meet certain standards and subject to professional conduct rules and discipline mechanisms in Ontario, and that another does not.

It is important to understand as well that internationally trained accounting professionals have a broad range of options available for pursuing their careers here in our province. The CA profession's own processes for assessing and enabling access to our profession have already been recognized by successive governments as best practices. As evidence, I have for you a summary of those processes, and I stress that this is just a summary of much more comprehensive information readily available to any prospective immigrant from anywhere in the world on both the institute website and the government of Ontario website.

Further—

**The Vice-Chair (Ms. Leeanna Pendergast):** Ms. Cowie, could I interrupt you there, please? I apologize. We have to take a brief recess so that the members can vote. I would encourage members to return in an expedient fashion, please, because we have people waiting for us.

We are recessed. Thank you.

*The committee recessed from 1631 to 1645.*

**The Vice-Chair (Ms. Leeanna Pendergast):** If we could come to order again, please.

**Mr. Lou Rinaldi:** We can?

**The Vice-Chair (Ms. Leeanna Pendergast):** If we may, if we can, if we have the ability. Thank you, everyone.

Sorry for the interruption. Ms. Cowie, I especially apologize; you were mid-sentence when we had to interrupt you. If you wanted to continue where you left off, that would be appreciated.

**Ms. Elizabeth Cowie:** Thank you, Madam Chair. Just before I continue, if I could just confirm, I believe we've got eight minutes left?

**The Vice-Chair (Ms. Leeanna Pendergast):** You've spoken for eight minutes and 17 seconds, so you're good.

*Interjection.*

**Ms. Elizabeth Cowie:** But are they accurate?

**Mr. Peter Kormos:** But we've got all the time in the world.

**Ms. Elizabeth Cowie:** I don't.

To pick up where I left off, the UK-based accounting bodies who have expressed considerable concern with the prohibition provision already, as you've heard, enjoy reciprocal rights with other recognized Ontario accounting bodies. Therefore, the provision has nothing to do with protectionism, which by definition involves keeping people or things out. On the contrary, this measure, together with every other section and clause in the bill, is about ensuring that consumer and public protection continues to be built into legislation governing the accounting professions in this province.

Now, back to Rod for some closing thoughts.

**Mr. Rod Barr:** Thanks, Elizabeth and Tom.

Madam Chair, you don't need me to tell you that sometimes the best of intentions can lead to misunderstandings. Based on much of what we've heard here today, this may be the case with Bill 158.

Few professions today are more sensitive to the needs for global talent and global expertise than chartered accountants. We need to work globally because that's how markets, capital and investment work. They cross borders and time zones at the push of a button, so we need to work internationally, and we need international talent to work here. Yet we do know that we have to strike a balance between the need for enhanced immigration and the protection of the public. Both of these sides, if you like, of Bill 158 attempt to do that. They're not about protectionism. They're not about barriers to employment.

We need Bill 158 to succeed, but we're also mindful of the concerns that we have heard here today. The institute, therefore, would have no objection whatsoever to the addition of language that would clarify the real intent and to address those misapprehensions.

Specifically, such language should make clear the following things: that nothing in this act would prevent a person from referencing his or her designation in a speech or presentation in response to an RFP or in an application for employment to illustrate his or her educational background, and that nothing in this act would prevent a designation holder from referencing his or her designation at a conference or seminar if he or she does not reside in Ontario. Such amendments have been discussed with many of the discussions here today.

We encourage the government to pass Bill 158, and we thank the government for bringing it forward. This legislation, we believe, enhances public protection, both by strengthening our ability to effectively provide the regulatory oversight that we need and, at the same time,

by minimizing the risk of public misconceptions about the many designations in the marketplace. That is what Bill 158 is supposed to be about—not protectionism, not market share, not access.

Thank you, and we'd be happy to answer any questions.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much. We have just over three minutes for a round of questioning, so we'll ask that each party keep the questions brief, if possible. We begin with the third party—Mr. Kormos. His eyes are flashing around. I don't know what it means.

Mr. Kormos.

**Mr. Peter Kormos:** It could mean a seizure of some sort.

**The Vice-Chair (Ms. Leeanna Pendergast):** I wasn't sure, actually.

Go ahead.

**Mr. Peter Kormos:** Thank you, Chair. Thank you, folks.

You are who Ms. Francisco was talking about this morning when she talked about oligopolists. There they are, Mr. Zimmer. We've met them. You weren't here this morning.

1650

**Mr. Rod Barr:** I'm not 100% sure what the young lady said.

**Mr. Peter Kormos:** She talked about the oligopolists.

Look, I hear you, and I also hear you say that it's the 95% of the bill that is the real content you need in terms of the enforcement: tech tools and prosecution tools; in other words, the ability—I'm not a big fan of self-regulation, but that's irrelevant. This bill is about self-regulation. We're not going to defeat the bill because I'm not a fan of self-regulation, okay? That is a regrettable trend in most places in the world right now.

My goodness, you referred to St. Laurent and the time frame of that provision. When St. Laurent was Prime Minister, people weren't coming here from Sri Lanka, people weren't coming here from the Philippines and people weren't coming here from India. People like my folks were coming here, from southern Europe. So I hear you, and I see you—I'm not sure that means anything in terms of the panel sitting here—but we have changed as a province. We're an international community. We're not a single ethnic community. We celebrate multiculturalism.

I'm old enough to remember St. Laurent, because I was born just about that time. In my short lifespan, this province, this country, has changed for the better, for the good. You say it's confusing now; I agree. You suggest that professional clientele don't check credentials. Somebody suggested that HR people weren't that clever, that they would be confused by these things.

I hear you, and I respect your position when you say that 95% of the bill is what really matters. I suspect that this—and you did the alphabet soup thing too, which I thought was interesting. I hadn't seen your material, because it struck me as that. The alphabet issue is one

that I think the government should address in a more inclusive way. You know that's where I come from.

The bill is going to pass. The only issue is whether we're going to be perceived as a world-class jurisdiction that accesses the whole world or as somewhat provincial.

**Mr. Rod Barr:** I didn't detect a question there—

**Mr. Peter Kormos:** Well, it wasn't really a question.

**Mr. Rod Barr:** —but may I make a comment?

**Mr. Peter Kormos:** Sure. Of course you can. I made one.

**Mr. Rod Barr:** I would say I absolutely agree with some of the things you say. I would certainly say that 50 or 60 years ago, we were more oligarchic. Of course, it wasn't a big problem because we didn't have folks coming in. But I will also tell you that in the last 15 years, our organization of chartered accountants, as well as those of my colleagues, has spent an awful lot of time and energy trying to smooth out access and allow those with a foreign designation to take that foreign designation and build on it to meet Ontario standards.

It's a blessing and a curse, but this government said a few years ago: "These are your standards. For somebody to become a CA, they have to meet these standards." We have no choice.

So the gap between where somebody might be, when we do our assessment, from their jurisdiction to where we are today requires some sort of remedy and some sort of work, and we're spending millions of dollars, as Merv from the CMAs has already suggested, trying to build bridges to allow people who come in from those countries to meet the Canadian standards as espoused by Ontario in the Public Accounting Act.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much.

To the government: Mr. Zimmer.

**Mr. David Zimmer:** We've had a lot of deputants here today. You're the penultimate deputant. What do you take to be the most important aspect of the bill that this committee has to consider? What's the core of the bill, in your view?

**Mr. Rod Barr:** It would be pretty hard for me to argue that the core of the bill is, as Mr. Hillier said, protecting the public interest. But the core of the bill in volume is, as Mr. Kormos has said, the ability for us and any of the designated bodies to effectively police, if you'll allow me to use that term, our people.

But that policing aspect does spill over into the second issue that I discussed today, in terms that if people are going to do things and sound like they're accountants, there has to be a policeman. Why should our members be the only ones being policed in this jurisdiction, when other members of other bodies are not policed? I realize that's a different problem for the committee to deal with, but that is the issue nonetheless.

**Mr. David Zimmer:** Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Ms. Elliott.

**Mrs. Christine Elliott:** I'd like to thank you for joining us today, and I'm sorry that I missed the first part

of your presentation because I had to step outside; my apologies.

I just have a quick question. Looking at this in the international context, I'm just wondering if you had any concerns or considered any possible reciprocity that might happen in other jurisdictions with respect to the changes being introduced in Ontario.

**Mr. Rod Barr:** We have a very widely cast net of reciprocity with what I think we call the CAGE bodies—is that the right acronym, Tom? With those folks, we recognize each other's degrees back and forth, much as you heard about the ACCAs and the CGAs, subject only, at this time, to tax and law examination, because tax and business law are at the roots of what we do.

So, yes, we have a large number of mutual recognition agreements, and we're working even harder to try to expand those. As we speak, there are meetings about that going on in BC right now.

**Mrs. Christine Elliott:** But you don't anticipate that there would be any diminution in that relationship as a result of these changes to Bill 158?

**Mr. Rod Barr:** I do not expect that at all. No.

**Mrs. Christine Elliott:** Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much for your presentation.

**Mr. Peter Kormos:** Chair?

**The Vice-Chair (Ms. Leeanna Pendergast):** Yes, Mr. Kormos.

**Mr. Peter Kormos:** We should thank Mr. Zimmer for—

**The Vice-Chair (Ms. Leeanna Pendergast):** We're not finished. There's one more—

**Mr. Peter Kormos:** I know that—but for his proper use of the word “penultimate,” so often misused. I'm grateful to him for that.

**Mr. David Zimmer:** Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Duly noted. Thank you.

#### MR. ANTOO VALOOKARAN

**The Vice-Chair (Ms. Leeanna Pendergast):** We call forward Mr. Antoo Valookaran.

You have up to 15 minutes for your presentation. Any time that is left over will be shared equitably among the three parties. We would ask that you begin by stating your name for Hansard, please.

**Mr. Antoo Valookaran:** Good evening, honourable members of the standing committee. I'm a chartered accountant from the Institute of Chartered Accountants of India, a certified public accountant from the United States of America and a registered professional accountant from the Society of Professional Accountants of Ontario. I also have certified financial planner designation and trust and estate practitioner designation, and I practise as a financial planner in Markham.

Thank you for providing me with this opportunity to express my concern and indignation regarding Bill 158. Personally, I feel the Accounting Professions Act, if

passed to become law, would be catastrophic for foreign accountants and immigrants who hold foreign accounting designations. This is tantamount to the removal of fundamental and inalienable rights granted under the Charter of Rights and Freedoms to earn a livelihood utilizing knowledge and skills acquired in a foreign country in which full-time studies and practical experience were completed. In certain cases, this can be as much as 20 to 25 years of training and education. What a disgrace for a diverse, cosmopolitan and democratic society to ask these professional accountants to hide in the closet their hard-earned and underrated accounting designations obtained outside of Canada to further the interests, aims and objectives of the big three oligopolists.

It is beyond my comprehension how the House could propose and endorse a bill that imposes a mandatory \$10,000 fine and criminal conviction on those who proudly have their designation displayed on their business card or letterhead, with the country encapsulated in brackets.

It would appear that the oligopolists want to protect their own interests at the expense of the public interest by manipulating the Accounting Professions Act. In my opinion, only the audit as an assurance function should be restricted. Reviews and compilations which provide no assurance whatsoever are sacrosanct to all and should not be legislated. Accounting, bookkeeping and corporate tax preparation should also remain outside of the licensed realm.

#### 1700

I would like to take this opportunity to delineate some of the elitist and discriminatory practices I believe the Institute of Chartered Accountants of Ontario is engaged in. For example, their regulation II, section 203, clause 4 specifically provides for the granting of membership candidate status for designated certified public accountants who have received their qualifications in the United States. This section provides for the granting of the CPA membership candidate status in the Institute of Chartered Accountants of Ontario.

Regulation II, section 203, clause 4 discusses the writing of all parts of the uniform CPA examination of the American Institute of Certified Public Accountants while having been a resident of a country other than Canada. This clearly means that a person who passed the CPA while not a resident of Canada will be granted the membership candidate status by the Institute of Chartered Accountants of Ontario. This would appear to be an example of unabashed and blatant discrimination to Canadian residents, even though all candidates successfully wrote and passed the same exam. Could one possibly infer from this that the institute is a self-serving member of the oligopoly? Why do they always appear to prioritize the protection of their own interest ahead of that of the public interest? Surely this could not be another example of abusive oligopolistic behaviour. I believe that their policy is protecting the public interest. Clearly these bylaws and regulations should not be condoned.

I would like the committee to carefully review this issue and request that the institute undertake all necessary steps to terminate all elitist and discriminatory practices in Ontario.

In summary, I would like the committee to carefully consider the following three issues:

(1) Allow the foreign designations to continue the practice of printing their foreign designation on their business cards and letterheads, with the country in which the foreign designation was earned following and encapsulated after the foreign designations in brackets.

(2) Reviews, compilations, bookkeeping, accounting and tax preparations should be specifically excluded from the scope of the Accounting Professions Act so that any member of the public who is qualified is allowed to perform these services.

(3) Require that the Institute of Chartered Accountants of Ontario remove all elitist and discriminatory practices that are contained in their bylaws and regulations.

I hope that these suggestions will assist the committee when making revisions to the legislation. Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you very much for your presentation. We have just over two minutes each per party for questions, and this round of questioning begins with the government. Mr. Zimmer.

**Mr. David Zimmer:** I just wanted to understand: You said in summary, your second point was, “Reviews, compilations, bookkeeping, accounting and tax preparations should be specifically excluded from the scope of the Accounting Professions Act so that any member of the public ... is allowed to perform these services.” Did I—

**Mr. Antoo Valookaran:** Any qualified member.

**Mr. David Zimmer:** Any qualified member. All right. I just wanted clarification on that. Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Ms. Elliott?

**Mrs. Christine Elliott:** I don’t really have any questions, but I’d like to thank you for your presentation. It’s very clear and concise. I understand it very well. Point taken. Thank you very much.

**Mr. Antoo Valookaran:** Thank you.

**The Vice-Chair (Ms. Leeanna Pendergast):** Mr. Kormos, the last word goes to you.

**Mr. Peter Kormos:** Thank you, sir. I appreciate your participation. You’re the last presenter, and now you’ve left me with a nagging thought—and I’m going to blame you for keeping me up tonight: Really, when you distil it down, it isn’t about who can do accounting work, because anybody can do accounting work and anybody can call themselves an accountant; it’s about who can put initials, letters, after their name and who can’t. There’s no fear that the existing proposal, Bill 158, would prevent you from—if a client asked for your resumé or your CV, you could list all the professional training you received.

**Mr. Antoo Valookaran:** No, the bill specifically says the \$10,000 fine—

**Mr. Peter Kormos:** But you can list it on a CV. You could say, “Well, I was in this country and this country. I took this training and belonged to that body and was

certified by that body.” The bill doesn’t prevent you from doing that. It’s all about the letters after the name, and that seems to me to be a really silly thing to be disputing, quite frankly. If you can have a big sign in your window saying, “I am a member of the Chartered Institute of Management Accountants”—and you can; nothing in this bill prevents you from doing that. It can be neon. It can be flashy. It can be a billboard. You can run TV ads saying, “Valookaran: Distinguished Member of the Chartered Institute of Management Accountants,” and nothing that’s coming from the other side suggests that that’s not the case, except that they won’t let you put “CIMA” after your name—not that they won’t, but they want legislation. For the life of me, I’m going to think about that till late into the evening.

**Mr. Antoo Valookaran:** All my clients are Indian immigrants. If I put “CA” in there, it will give weight. That’s a source of my clientele. If they see that, they will come to me—

**Mr. Peter Kormos:** I’m on side. Talk to those guys.

**Mr. Antoo Valookaran:** Well, it’s all to the committee.

If you restrict that, that means you’re restricting my source of income, because that’s one of the things that attracts clients to me.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, Mr. Valookaran, for your comments and your presentation. They’re very much appreciated.

We have three housekeeping items before we adjourn today.

I want to go back and see: Has anyone arrived from the Institute of Management Accountants? One final check? Seeing none, thank you.

The deadline for filing amendments is 5 o’clock on Tuesday, April 27. That’s an administrative deadline.

Seeing no further business, we are adjourned—

**Mr. Peter Kormos:** Chair?

**The Vice-Chair (Ms. Leeanna Pendergast):** Mr. Kormos?

**Mr. Peter Kormos:** I’m so glad you were here this afternoon.

**The Vice-Chair (Ms. Leeanna Pendergast):** It’s been a pleasure. Thank you.

**Mr. Peter Kormos:** The afternoon has run smoothly. We elected you Vice-Chair this morning. I’d support you as Chair too—and you make more money as Chair.

**The Vice-Chair (Ms. Leeanna Pendergast):** Come on. Where do we begin?

**Mr. Peter Kormos:** It’s true. Nobody told you that?

**The Vice-Chair (Ms. Leeanna Pendergast):** No.

**Mr. Peter Kormos:** Well, they should have.

**The Vice-Chair (Ms. Leeanna Pendergast):** Thank you, sir. Was there a further point—not that there needs to be one.

**Mr. Peter Kormos:** No. You’re Chair material. You’re too good to be a Vice-Chair.

**The Vice-Chair (Ms. Leeanna Pendergast):** We are adjourned until Thursday, April 29 at 9 a.m. Thank you.

*The committee adjourned at 1708.*

## **STANDING COMMITTEE ON JUSTICE POLICY**

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### **Vice-Chair / Vice-Président**

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Mr. Charles Sousa (Mississauga South / Mississauga-Sud L)

### **Also taking part / Autres participants et participantes**

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