

## THE PUBLIC ACCOUNTANTS COUNCIL FOR THE PROVINCE OF ONTARIO

**Council Guideline No. 2010-6**  
**Amended by Council March 22, 2016**

### **Criteria for Issuance of a Public Accounting Licence to a Member of a Newly Authorized Designated Body Who Has Substantial Involvement in Public Accounting But Who Does Not Meet All of the Requirements of Council Standards 2 (post-secondary education), 3 (pre-licensing education and study) and/or 4 (pre-licensing experience)**

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The provisions of the *Public Accounting Act, 2004* (the “Act”) and the standards (the “Standards”) of The Public Accountants Council for the Province of Ontario (the “Council”) are intended to ensure that all licensees have the capabilities, competencies and current skills to provide the public accounting services described in Section 2 of the Act (“public accounting services”).

Section 5 of the Act provides that a member of an authorized designated body (“ADB”) is entitled to be licensed as a public accountant under the Act (“licensed public accountant” or “LPA”) if,

- (a) the person is a member of the designated body;
- (b) the person applies to the designated body and pays the fees established by it;
- (c) the person meets the qualifications to be licensed as a public accountant established by the designated body at or after the time it became an ADB; and
- (d) the designated body is satisfied that the person is of good character.

Section 19(4) of the Act outlines the content of the minimum Standards that have been developed by Council and that a designated body must meet in order to be authorized to license public accountants. The Council recognizes that an ADB may use different processes to meet or exceed the requirements set out in any section of the Standards.

#### **Minimum Criteria**

The Council recognizes that there may be existing members and/or students of a newly authorized ADB who have had substantial involvement in public accounting and who may have an interest in becoming licensed to practise public accounting in Ontario, but who, notwithstanding this public accounting experience, may not meet all the requirements of Standards 2, 3 and/or 4. This Council Guideline sets out the minimum criteria to be considered by a licensing board of an ADB in determining whether such a member or student meets the Standards to be licensed as a public accountant.

This Council Guideline was originally written to be effective for a limited time, but has since been extended, as outlined below. It previously provided that to be eligible for licensure by the applicable ADB based on the terms of this Council Guideline, an existing member or student of an ADB must meet the definitional, substantially equivalent, declaratory and other ADB specific qualifications or requirements of this Council Guideline and apply for licensure within 24 months of the applicable ADB being authorized to license and govern the activities of its members as public accountants (the “Application Deadline”). The timelines within which an existing member or student of the ADB must also meet the evaluation and/or examination requirements of this Council Guideline as prescribed in Section 4 below have also been amended.

## **Additional Provisions Regarding Certain Legacy Certified General Accountants of Ontario Members (“Legacy CGAO Members”)**

Effective March 22, 2016, Council determined to extend the Application Deadline for eleven (11) Legacy CGAO Members (individually referred to as “Legacy CGAO Member”) identified by the Chartered Professional Accountants of Ontario to May 31, 2016. To be eligible for licensure, each Legacy CGAO Member shall: (i) have completed the evaluations and/or examinations requirements of section 4 below by no later than December 31, 2015; (ii) complete the Applicant requirements as set out herein by no later than December 31, 2018; and fulfill all other requirements and necessary qualifications as set out herein, by no later than July 2, 2019.

### **Definitions**

In this Council Guideline, the following terms are used with the following meanings:

“Applicant” means a member or student of a designated body who is in good standing who meets all of the following eligibility criteria to apply for a public accounting licence pursuant to the terms of this Council Guideline:

- 1) Was in good standing as a member or student at the time the designated body which he or she belongs to became qualified as an ADB;
  - 2) Has been engaged in the practice of public accounting in a substantive way within the immediate past five years of the date of his or her application under this Guideline, in accordance with the minimum criteria outlined by Council Guideline No. 2007-3 *Criteria for Establishing that an Applicant for Renewal of a Licence has Practised Public Accounting in a Substantive Way*;
  - 3) In addition to the requirements of subparagraph (2) above, has obtained at some point either as a student and/or as member of the designated body, a minimum of 30 months of full-time practical experience in public accounting and other accounting services under the supervision of a licensed public accountant in an approved training office (“ATO”), including a minimum of 2,500 chargeable hours consisting of:
    - (a) a minimum of 1,250 hours of assurance work, within which the Applicant must have spent:
      - (i) a minimum of 625 chargeable hours in financial statement audit procedures in accordance with generally accepted assurance standards (“GAAS”); and
      - (ii) a minimum of 100 chargeable hours of review procedures in review and other assurance engagements in accordance with GAAS; and
    - (b) a minimum of 100 chargeable hours in taxation matters involving providing advice on corporate or personal income tax matters associated with auditing and review engagements and the preparation of the related tax returns;
  - 4) Has obtained a declaration regarding the completion of the eligibility requirements under subparagraph (3) above from the appropriate LPA of the ATO in the form prescribed by the ADB in accordance with the terms of Section 3 of this Council Guideline;
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- 5) Has a minimum of five years of experience having participated in a recognized capacity in providing public accounting services and designated services, both as defined in Council Guideline No. 2007-3 *Criteria for Establishing that an Applicant for Renewal of a Licence has Practised Public Accounting in a Substantive Way*. Such experience may be obtained concurrently with the requirements of subparagraphs (2) and (3) above and subparagraph (6) below;
- 6) In addition to the requirements of subparagraphs (2), (3) and (5) above, has satisfied all of the applicable pre-licensing experience requirements of Standard 4, specifically, Standards 4(1), 4(2), 4(4) and 4(6); and
- 7) Has established to the satisfaction of the ADB's licensing board that he or she has met the Additional Requirements outlined in Council Guideline No. 2007-4 *Criteria for Issuance of a Public Accounting Licence to a Member of an Authorized Designated Body who Previously Qualified But Never Applied for a Licence or Allowed His or Her Licence to Lapse* respecting continuing professional development and ethical and independence requirements.

“Substantially Equivalent Requirements” are the minimum equivalents outlined by this Council Guideline to the requirements regarding post-secondary education and pre-licensing education and study requirements and pre-licensing experience requirements that the Applicant is required by Council to meet in accordance with Standards 2, 3 and 4 in order to be eligible to apply for a public accounting licence.

### **1. Council Standards 2 and 3 - Substantially Equivalent Requirements Regarding Post-Secondary Education Requirements and Pre-licensing Education and Study Requirements**

Existing members and/or students of an ADB who do not meet all of the post-secondary education requirements of Standard 2 and/or the pre-licensing education and study requirements of Standard 3, but who do meet to the satisfaction of the ADB's licensing board the minimum eligibility requirements under this Guideline including the requirements of an Applicant as defined and also demonstrate a satisfactory level of proficiency in key competency areas as described in this Section 1, may be eligible for licensure by the licensing board of the ADB on the basis that the Applicant has satisfied the Substantially Equivalent Requirements.

An Applicant must demonstrate, to the ADB's satisfaction, proficiency to the level of an entry-level public accountant prescribed in the *Public Accountants Council Handbook* in each of the following key competency areas described in Standard 3(2):

- Assurance;
- Performance measurement; and
- Taxation

An LPA will be required to sign a declaration that the Applicant meets these Substantially Equivalent Requirements in the form prescribed by the ADB in accordance with the terms of Section 3 of this Council Guideline.

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## **2. Council Standard 4 – Substantially Equivalent Requirements Regarding Pre-Licensing Experience Requirements**

Existing members and/or students of an ADB who do not meet all of the pre-licensing experience requirements of Standards 4(3), 4(5) and/or 4(7), but who do meet to the satisfaction of the ADB’s licensing board the minimum eligibility requirements under this Guideline including the requirements of an Applicant as defined herein, may be eligible for licensure by the licensing board of the ADB on the basis that the Applicant has satisfied the Substantially Equivalent Requirements.

## **3. Declarations Provided by LPAs to the ADB**

Declarations in the form prescribed by the ADB shall be completed by the appropriate LPA by July 2, 2019 to certify the Applicant’s completion of the minimum practical experience requirements of an Applicant as outlined in subparagraph (3) of the definition of “Applicant” above and the minimum Substantially Equivalent Requirements noted in Section 1 of this Council Guideline. The declarations must also include the following:

- confirmation that the LPA has the minimum qualifications to provide these certifications;
- the term of employment of the Applicant; and
- a declaration that the Applicant is of good character.

LPAs and ATOs who complete declarations must be prepared to provide to the ADB upon request all relevant information to support these declarations.

## **4. Council Standard 6 – Evaluations and/or Examinations used for Licensing Public Accountants**

The Applicant must have successfully completed by no later than December 31, 2015, the prescribed licensing evaluations and/or examination(s) that has/have been established by the ADB under Standard 6 prior to being eligible for licensure based on the terms of this Council Guideline.

## **5. Other ADB Specific Qualifications or Requirements**

The Applicant must also satisfy any other qualifications or requirements to be licensed as a public accountant established by the ADB under Section 5 of the Act except as modified by this Council Guideline within the timelines set out herein.

### **References:**

Sections 2, 5, and 19 of the *Public Accounting Act, 2004*

Sections 2, 3, 4, 5, and 6 of the Council’s Standards

Council Guidelines 3 and 4

**Approved and Adopted** by the Council on June 22, 2010.

**Approved** by the Attorney General for Ontario on July 28, 2010

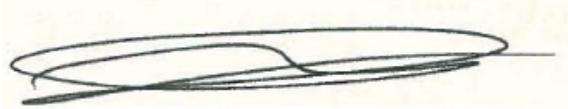
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Chair and Secretary

Amended effective March 22, 2016



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Chair and Secretary