

*chapter C-26, r. 28*

***Code of ethics of certified management accountants***

*Professional Code  
(chapter C-26, s. 87).*

*Implicitly revoked, 2012, chapter 11, s. 25, par. 1.*

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## ***DIVISION I***

### ***GENERAL***

**1.** *In this Regulation, unless otherwise indicated by the context:*

(a) *“firm” means the place where a member offers services to the public and practises the profession, alone or within a partnership or joint-stock company;*

(b) *“Order” means the Ordre professionnel des comptables en management accrédités du Québec;*

(c) *“member” means any person entered on the roll of the Order.*

*O.C. 672-90, s. 1; O.C. 904-2011, s. 1.*

**1.1.** *The duties and obligations under the Professional Code (chapter C-26) and its regulations are not modified or reduced in any manner owing to the fact that a member practises the profession within a partnership or joint-stock company.*

*O.C. 904-2011, s. 2.*

## ***DIVISION II***

### ***DUTIES AND OBLIGATIONS TOWARDS THE PUBLIC***

**2.** *A member must, unless there be valid reasons to the contrary, support every measure likely to improve the quality and availability of professional services in the field in which he practises.*

*O.C. 672-90, s. 2.*

**3.** *In the practice of his profession, a member must bear in mind the probable general effect which his research and work may have on society.*

*O.C. 672-90, s. 3.*

**4.** *A member must promote measures of education and information in the field in which he practises.*

*O.C. 672-90, s. 4.*

**5.** *A member must remain informed of recent developments in his profession in order to provide professional service of good quality.*

*O.C. 672-90, s. 5.*

**6.** *A member must, as far as possible, identify himself in the practice of his profession as a certified management accountant. He must, in particular, sign in and make known his capacity of certified management accountant, and the name of the partnership or joint-stock company within which the member practises the profession, on any report or document produced in the practice of his profession.*

*O.C. 672-90, s. 6; O.C. 904-2011, s. 3.*

**7.** *(Revoked).*

*O.C. 672-90, s. 7; O.C. 904-2011, s. 4.*

### ***DIVISION III***

#### ***DUTIES AND OBLIGATIONS TOWARDS CLIENTS OR EMPLOYERS***

##### ***General***

**8.** *In the practice of his profession, a member must give consideration to his aptitudes, his knowledge and the means at his disposal. He must not, in particular, undertake work for which he is insufficiently prepared unless he obtains the necessary assistance.*

*O.C. 672-90, s. 8.*

**9.** *A member must recognize at all times the right of the client or employer to consult a colleague, a member of another professional order or another competent person.*

*O.C. 672-90, s. 9.*

**10.** *A member must refrain from practising in conditions likely to compromise the quality of his services and the dignity of the profession.*

*O.C. 672-90, s. 10.*

**11.** *A member must practise his profession in accordance with generally accepted standards and the recognized data of current accounting science. The standards shall be constituted in particular by the set of generally recognized accounting principles and generally accepted auditing standards.*

*O.C. 672-90, s. 11.*

**12.** *A member must comply with recognized standards of presentation of financial statements unless he otherwise informs his client or employer and indicates clearly that the financial statement does not comply with those standards.*

*A member who is responsible, in whole or in part, for preparing or approving financial statements or for overseeing the accounting and financial reporting processes shall also ensure that such statements and processes result in a fair presentation in accordance with generally accepted accounting principles and generally accepted auditing standards.*

*O.C. 672-90, s. 12; O.C. 406-2010, s. 1.*

##### ***Integrity***

**13.** *A member must carry out his professional obligations with integrity, objectivity and all the necessary care.*

*O.C. 672-90, s. 13.*

**13.1.** *A member who participates in an assurance engagement or a specified auditing procedures engagement shall notify the person responsible for the engagement if the financial statements are not presented fairly in accordance with generally accepted accounting principles.*

*If, after notification, the financial statements are still not presented fairly, the member shall notify in writing one of the partners or shareholders with voting rights within the partnership or joint-stock company where the member practises the profession. The partner or shareholder must hold the most senior position within the partnership or joint-stock company.*

*The member shall send the notifications provided for in the first and second paragraphs prior to the issuance of the financial statements or, failing which, as soon as possible. He shall also record and retain in the file the purpose of the notifications and the date on which the notifications were sent.*

*The information and the notifications referred to in the second paragraph shall be retained for a minimum of 24 months from the date they were sent.*

*O.C. 406-2010, s. 2; O.C. 904-2011, s. 5.*

**13.2.** *A member who is responsible for applying generally accepted accounting principles or for overseeing their application within an enterprise that is the subject of an engagement contemplated in section 13.1 shall notify his immediate superior if the financial statements are not presented fairly in accordance with those principles.*

*If, after such notification, the financial statements are still not presented fairly, the member shall also notify in writing the enterprise's audit committee or similar body or, where there is no audit committee or similar body, the board of directors and the professional responsible for the engagement. The member shall satisfy the obligations provided for in the third and fourth paragraphs of section 13.1.*

*O.C. 406-2010, s. 2.*

**13.3.** *A member who prepares or approves, in whole or in part, financial statements prepared solely for internal use within an enterprise or for a specified user within the meaning of the Canadian Institute of Chartered Accountants Handbook is dispensed from satisfying the obligations set out in the second paragraph of section 12 and in sections 13.1 and 13.2.*

*O.C. 406-2010, s. 2.*

**13.4.** *A member who provides professional services other than those provided in engagements referred to in section 34.2 shall disclose in any report or other document, including that accompanying the financial statements or the financial information, which is addressed to a person other than his employer, the nature and extent of any influence, interest or relationship which, in respect of the engagement, may be perceived as impairing his professional judgment or objectivity.*

*O.C. 406-2010, s. 2.*

**14.** *No member may make false, misleading or incomplete representations with respect to the member's level of competence, the effectiveness of services or, if applicable, the level of competence or the effectiveness of services provided by persons who carry on their professional activities within the same partnership or joint-stock company as the member or with respect to the firm the member claims to operate and the addresses of the head office and the offices in which the member practises the profession.*

*If the interest of the client or employer so requires, members must, with the latter's authorization, consult another member, a member of another professional order or another competent person, or advise the client or employer to consult one of those persons.*

*O.C. 672-90, s. 14; O.C. 904-2011, s. 6.*

**15.** *A member must furnish his client or his employer with the data and the explanations necessary to the understanding of the nature and extent of the problem as it appears from all the facts brought to his attention.*

*O.C. 672-90, s. 15.*

**16.** *A member must inform his client or employer of the extent of a problem as soon as possible and must obtain his consent concerning the nature and extent of the professional services required and concerning any later change required for the performance of his professional duties.*

*O.C. 672-90, s. 16.*

**17.** *A member must act within the terms of reference entrusted to him and must refrain from multiplying professional acts without sufficient justification.*

*O.C. 672-90, s. 17.*

**18.** *A member must not express contradictory or incomplete opinions. To that end, he must try to ascertain all the facts before giving an opinion or counsel.*

*O.C. 672-90, s. 18.*

**19.** *Members must take the necessary measures to remedy a situation likely to have, or having, detrimental consequences to the members' professional services. If it is impossible to avoid those consequences, members must so inform the client or employer as soon as possible.*

*O.C. 672-90, s. 19; O.C. 904-2011, s. 7.*

**20.** *To protect the interest of his client or employer, a member must notify his client or employer of any illegal act which comes to his knowledge in the practice of his profession.*

*O.C. 672-90, s. 20.*

**20.1.** *Members must take reasonable care of the property entrusted to them by clients and they may not lend or use the property for purposes other than those for which the property was entrusted to them.*

*If members practise their profession within a partnership or joint-stock company, they must take the necessary measures to ensure that the partnership or joint-stock company complies with the requirements of the first paragraph when the property is entrusted to the partnership or joint-stock company.*

*O.C. 904-2011, s. 8.*

**21.** *A member must return books and documents belonging to his client or employer without delay, even if the cost of his services has not been entirely paid for.*

*O.C. 672-90, s. 21.*

**22.** *The generally accepted management accounting principles in the practice of the profession are those set out in the Management Accounting Policies prepared by the Society of Management Accountants of Canada.*

*Where a member varies from any of those policies, he must rely as far as possible on authoritative texts and must mention the variation.*

*O.C. 672-90, s. 22.*

#### ***Availability and diligence***

**23.** *In the practice of his profession, a member must display reasonable availability and diligence.*

*O.C. 672-90, s. 23.*

**24.** *A member must give an accounting to his client or employer when so requested.*

*O.C. 672-90, s. 24.*

**25.** *Except for fair and reasonable cause, a member may not cease to act for a client's account before terminating his commission.*

*The following in particular constitute sound and reasonable grounds:*

(1) *loss of the client's confidence;*

(2) *being in conflict of interest or in any situation in which the member's professional independence could be called into question;*

(3) *inducement by the client to perform illegal acts;*

(4) *refusal by the client to recognize an obligation for the professional fees and expenses or, after being given reasonable notice, to pay an amount to the member to cover such fees and expenses; and*

(5) *the fact that the member has been misled by a client or failure by the client to cooperate.*

*O.C. 672-90, s. 25; O.C. 904-2011, s. 9.*

**26.** *Before ceasing his functions for the account of a client or an employer, a member must give a reasonable advance notice of withdrawal and ensure that such termination of service is not prejudicial to his client or employer.*

*O.C. 672-90, s. 26.*

### **Liability**

**27.** *In the practice of their profession, members must assume full civil liability. They must not evade or attempt to evade civil liability or request that a client or another person renounce any recourse in cases of professional negligence on their part.*

*O.C. 672-90, s. 27; O.C. 904-2011, s. 10.*

### **Independence and impartiality**

**28.** *In the practice of their profession, members must subordinate their personal interest and, if applicable, the interest of the partnership or joint-stock company within which they practise their profession, or in which they have interests, and the interest of any other person practising within that partnership or joint-stock company, to that of their client or employer.*

*O.C. 672-90, s. 28; O.C. 904-2011, s. 11.*

**28.1.** *Members must ensure that their obligations towards the partnership or joint-stock company of which they are directors or officers are not incompatible with their obligations towards clients.*

*O.C. 904-2011, s. 12.*

**29.** *A member must ignore any intervention by a third party which could influence the performance of his professional duties to the detriment of his client or his employer.*

*O.C. 672-90, s. 29.*

**30.** *A member must display objectivity and impartiality when a third party requests information for his own account.*

*O.C. 672-90, s. 30.*

**31.** *A member must safeguard his professional independence at all times and avoid any situation which would put him in conflict of interest.*

*Without restricting the generality of the foregoing, a member is in conflict of interest when the interests involved are such that he may be influenced to favour certain of them over those of his client or employer, or his judgment and loyalty towards the latter may be unfavourably affected.*

*O.C. 672-90, s. 31.*

**32.** *As soon as he ascertains that he is in a situation of conflict of interest, a member must notify his client or his employer. He must, in particular, reveal his business relations, links or interests which may place him in conflict of interest in that situation.*

*O.C. 672-90, s. 32.*

**32.1.** *Where a partner, shareholder, director, officer or employee of a partnership or joint-stock company in which a member carries on professional activities or has interests is in a situation of conflict of interest, the member must, upon becoming aware of the situation, take the necessary measures to ensure that information or documents protected by professional secrecy are not disclosed to that partner, shareholder, director, officer or employee.*

*Those measures take into account the following factors:*

- (1) the size of the partnership or joint-stock company;*
- (2) the precautions taken to prevent access to the member's records by the person in a situation of conflict of interest;*
- (3) the instructions given to protect confidential information or documents protected by professional secrecy; and*
- (4) isolation, from the member, of the person in a situation of conflict of interest.*

*O.C. 904-2011, s. 13.*

**33.** *Members must refrain from receiving or soliciting, except for the remuneration to which they are entitled, any benefit, rebate, sum of money or commission relating to their professional services. They may, however, accept customary tokens of appreciation and gifts of small value.*

*Members must also refrain from paying, offering to pay or agreeing to pay any benefit, rebate, sum of money or commission relating to their professional services.*

*O.C. 672-90, s. 33; O.C. 904-2011, s. 14.*

**34.** *A member shall generally act in a matter for only one of the parties in question. Otherwise, he shall state the nature of the professional services required by the other parties and must cease acting if the situation becomes inconsistent with his duty of impartiality.*

*O.C. 672-90, s. 34.*

#### ***Independence during an assurance engagement or a specified auditing procedures engagement***

*O.C. 406-2010, s. 3.*

**34.1.** *For the purposes of sections 34.2 to 34.9,*

*“affiliate” means a company that has control over the client, or over which the client has control, or which is under common control with the client, including the client's parent company or one of its subsidiaries;*

*“engagement period” means the period that starts on the date when the member or the partnership commits to perform the engagement and ends on the date when the resulting report is issued. For an engagement of a recurring nature, the period ends:*

*(1) in the case of an audit or review engagement referred to in section 34.6, on the date of notification by the client, the member or the partnership within which the member practises his profession that the professional relationship has terminated or on the date the final assurance report is issued, whichever is later;*

*(2) in the case of an audit engagement referred to in section 34.7, on the date when the listed enterprise, the member or the partnership within which the member practises his profession notifies the securities regulator that the listed enterprise is no longer an audit client of the partnership within which the member practises his profession;*

*“engagement team” means all persons within the partnership participating in the engagement, who provide quality control for the engagement and all other persons within the partnership who are in a position to directly influence the outcome of the engagement;*

*“financial interest” means a security within the meaning of the Securities Act (chapter V-1.1), a share, including the option to purchase such security or such share and their derivatives or any other debt instruments;*

*“listed enterprise” means an enterprise whose shares, debt or other securities are quoted or listed on a stock exchange recognized by a Canadian or foreign securities regulator or that is subject to the standards established by such stock exchange, and that has market capitalization or total assets of \$10,000,000 or more;*

*“network partnership or joint-stock company” means a partnership or joint-stock company that is, or can be perceived as being, under common control, ownership or management with the partnership within which the member practises his profession;*

*“related entity” means an enterprise that exercises control over another enterprise within the meaning of Section 3840 of the Canadian Institute of Chartered Accountants Handbook.*

*O.C. 406-2010, s. 3.*

**34.2.** *A member who performs or participates in an assurance engagement or a specified auditing procedures engagement shall remain free of any influence, interest or relationship which, in respect of the engagement, may impair or be perceived as impairing his professional judgment or objectivity.*

*O.C. 406-2010, s. 3.*

**34.3.** *A member who is a partner or shareholder with voting rights within the partnership or joint-stock company where the member practises the profession or who is in a management position within the partnership shall not provide a professional service, other than an assurance service, to a client or an affiliate when a person within his partnership or network partnership or joint-stock company performs an audit or review engagement for such client or affiliate, if the member, or a dependent or spouse, holds and controls a financial interest in the client or affiliate, or holds a financial interest therein that allows him to exercise significant influence over the client’s directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook.*

*However, a member may provide a professional service, other than an assurance service, if the service is clearly insignificant considering the fees invoiced or the nature of the service provided.*

*O.C. 406-2010, s. 3; O.C. 904-2011, s. 15.*

**34.4.** *In an engagement to provide professional services in insolvency as a trustee in bankruptcy, a liquidator, a receiver-manager or an administrator within the meaning of the Bankruptcy and Insolvency Act*



*(R.S.C. 1985, c. B-3), a member shall remain free of any influence, interest or relationship which, in respect of the engagement, may impair or be perceived as impairing his professional judgment or objectivity.*

*O.C. 406-2010, s. 3.*

**34.5.** *A member commits a breach of the independence rule contemplated in section 34.2 if, in the context of an assurance engagement or a specified auditing procedures engagement:*

*(1) the member participates on an engagement team when he, or a dependent or spouse, holds and controls a financial interest in the client or holds a financial interest in the client that allows him to exercise significant influence over the client's directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;*

*(2) the member or partnership within which he practises his profession performs such an engagement when the member or partnership holds and controls a financial interest in the client or holds a financial interest in the client that allows him to exercise significant influence over the client's directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;*

*(3) the member or partnership within which he practises his profession performs such an engagement for a client:*

*(a) when the partnership has a loan from or has a loan guaranteed by the client, except when the client is a bank or other financial institution and the loan or guarantee is immaterial to the partnership and the client, the loan or guarantee is made under terms and conditions that would have been imposed on any other person in similar circumstances, and the partnership is complying with the terms of the loan;*

*(b) that is not a bank or other financial institution when the partnership has a loan to the client;*

*(c) when the partnership guarantees a loan of the client;*

*(4) the member or partnership within which he practises his profession performs such an engagement for a client:*

*(a) when the partnership has a loan from or has a loan guaranteed by an officer or director of the client or a shareholder of the client who owns more than 10% of the equity securities of the client;*

*(b) when the partnership has a loan to or guarantees a loan of an officer or director of the client or a shareholder of the client who owns more than 10% of the equity securities of the client;*

*(5) the member participates on the engagement team when:*

*(a) he has a loan from or has a loan guaranteed by:*

*i. the client, unless the client is a bank or other financial institution, the loan or guarantee is made under terms and conditions that would have been imposed on any other person in similar circumstances and the member is complying with the terms of the loan;*

*ii. an officer or director of the client; or*

*iii. a shareholder of the client who owns more than 10% of the equity securities of the client;*

*(b) he has a loan to or guarantees a loan of the client, other than a bank or other financial institution, of an officer or director of the client, or of a shareholder of the client who owns more than 10% of the equity securities of the client;*

*(6) the member or partnership within which he practises his profession performs an engagement when the partnership has a business relationship with the client or its directors or officers unless the business*

*relationship is clearly insignificant to the partnership, the client, or its directors and officers, as the case may be;*

*(7) the member participates on the engagement team when he has a business relationship with the client or its directors or officers, unless the business relationship is clearly insignificant to the member, the client or its directors and officers, as the case may be;*

*(8) the member participates on the engagement team when a dependent or spouse of the member is a director or officer of the client or an employee of the client in a position to exercise direct and significant influence, within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook, over the subject matter of the engagement, or was in such a position during the period covered by the financial statements subject to the engagement or the engagement period;*

*(9) the member participates on the engagement team when he served as an officer or director for the client or performed functions for the client that put him in a position to exercise direct and significant influence, within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook, over the subject matter of the engagement during the engagement period;*

*(10) the member or partnership within which he practises his profession performs such an engagement when the member or any other person practising professional activities therein serves as an officer or director for the client;*

*(11) the member or partnership within which he practises his profession performs such an engagement when, during the engagement period, the member, the partnership or any other person practising professional activities therein makes a management decision or performs management functions for the client;*

*(12) the member or partnership within which he practises his profession performs such an engagement when, during the engagement period, the member, the partnership or any other person practising professional activities therein provides any of the following services to the client:*

*(a) promoting, dealing in or underwriting the client's securities;*

*(b) making investment decisions on behalf of the client or otherwise having discretionary authority over the client's investments;*

*(c) executing a transaction to buy or sell the client's investments; or*

*(d) safeguarding assets of the client;*

*(13) the member participates on an engagement team and he or the partnership within which he practises his profession accepts a gift or hospitality, including a product or service discount, from the client, unless the gift or hospitality is clearly insignificant to the member or partnership.*

*O.C. 406-2010, s. 3.*

**34.6.** *A member commits a breach of the independence rule contemplated in section 34.2 if, in the context of an audit or review engagement:*

*(1) the member or partnership within which he practises his profession, or a network partnership or joint-stock company is in a situation described in paragraphs 1 to 5, 12 or 13 of section 34.5. For the application of those paragraphs, the word "client" includes affiliates;*

*(2) the member or partnership within which he practises his profession performs such an engagement when the member, partnership or a network partnership or joint-stock company holds and controls a financial interest in the client or an affiliate or holds a financial interest in the client or an affiliate that allows him to exercise significant influence over the client's directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;*

(3) *the member, as the person with primary responsibility for an engagement for a client, performs the engagement at the main office in which one of the partners or shareholders with voting rights of the partnership or joint-stock company practises when this partner, this shareholder, a dependent or spouse holds and controls a financial interest in the client or an affiliate, or holds a financial interest in the client or an affiliate that allows him to exercise significant influence over the client's directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;*

(4) *the member or partnership within which he practises his profession performs such an engagement when the pension or retirement plan of the partnership or of a network partnership or joint-stock company, holds and controls a financial interest in the client or an affiliate, or holds a financial interest in the client or an affiliate that allows him to exercise significant influence over the client's directors or officers within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;*

(5) *the member or partnership within which he practises his profession performs such an engagement when the partnership or a network partnership or joint-stock company, holds a financial interest in an enterprise, and the member or the partnership knows that the client or an affiliate, or a director, officer or controlling person of the client or affiliate, within the meaning of paragraph 3 of section 2 of the Canada Business Corporations Act (R.S.C. 1985, c. C-44), also holds a financial interest in the enterprise, unless the client or affiliate is not in position to exercise significant influence over the enterprise within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;*

(6) *the member participates on the engagement team or any other team within a network partnership that is in a position to influence the engagement when the member holds a financial interest in an enterprise and knows that the client or a director, officer or controlling person of the client or an affiliate holds a financial interest in the enterprise, unless the client is not in a position to exercise significant influence over the enterprise within the meaning of Sections 3050 and 3840 of the Canadian Institute of Chartered Accountants Handbook;*

(7) *the member or partnership within which he practises his profession performs such an engagement for a client or an affiliate when a partner or shareholder with voting rights within the partnership or joint-stock company where the member practises the profession, or any candidate to one of the accounting professions employed by the partnership, or a dependent or spouse, owns more than 0.1% of the securities of the client or affiliate within the meaning of section 1 of the Securities Act (chapter V-1.1), or controls the client or affiliate by means other than the ownership of the majority of the common shares of the client or affiliate;*

(8) *the member participates on the engagement team or any other team within a network partnership or joint-stock company within which he practises his profession that is in a position to influence the engagement when the member knows that a parent, non-dependent child or sibling owns more than 0.1% of the securities of the client or an affiliate within the meaning of section 1 of the Securities Act, or controls the client or affiliate by means other than the ownership of the majority of the common shares of the client or affiliate;*

(9) *the member or partnership within which he practises his profession performs such an engagement when the partnership or a network partnership or joint-stock company has a business relationship with the client or its directors or officers, unless such business relationship is clearly insignificant to the partnership or network partnership or joint-stock company and the client or its directors or officers, as the case may be;*

(10) *the member or partnership within which he practises his profession performs such an engagement when a person within a network partnership serves as an officer or a director of the client other than serving as secretary and the practice is permitted under the law or standards of practice, and the duties undertaken are exclusively administrative in nature;*

(11) *the member or partnership within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or review or the engagement period, a person within a network partnership or joint-stock company makes a management decision or performs management functions for the client;*

*(12) the member or partnership within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or review or the engagement period, the member or another person within the partnership or within a network partnership or joint-stock company:*

*(a) prepares or changes a journal entry, determines or changes an account code or a classification for a transaction, or prepares or changes another accounting record without obtaining the approval of the client's management; or*

*(b) prepares a source document or originating data, or makes a change to such a document or data;*

*(13) the member or partnership within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or review or the engagement period, the member, the partnership or a network partnership or joint-stock company or a person within the partnership or network partnership or joint-stock company provides legal services to the client other than those referred to in section 141 of the Act respecting the Barreau du Québec (chapter B-1) in the resolution of a dispute or litigation in circumstances where the matters in dispute or subject to litigation are material in relation to such financial statements.*

*O.C. 406-2010, s. 3; O.C. 904-2011, s. 16.*

**34.7.** *A member commits a breach of the independence rule contemplated in section 34.2 if, in the context of an audit of a listed enterprise:*

*(1) the member participates on the engagement team, or a team within a network partnership or joint-stock company that is in a position to influence the engagement when a parent, non-dependent child or sibling is in an accounting role or a financial reporting oversight role at the client that puts the parent, non-dependent child or sibling in a position to exercise influence over either the contents of the financial statements or anyone who prepares them, or was in such a position during any period covered by the engagement;*

*(2) the member or partnership within which he practises his profession performs such an engagement when a person who participated in an audit of the financial statements of the listed enterprise has accepted employment in a financial reporting oversight role with respect to the enterprise before a period of one year has elapsed from the date on which the financial statements were filed with a stock exchange recognized by a Canadian or foreign securities regulator;*

*(3) the member performs such an engagement for a listed enterprise, or a related entity, when a person practising professional activities within the partnership within which the member practises his profession, or within a network partnership or joint-stock company, serves as an officer or a director of the related entity or as secretary for the related entity;*

*(4) the member continues as the person with primary responsibility for the engagement or as the engagement quality control reviewer on such an engagement for a listed enterprise for more than 5 years, and there after resumes or assumes such functions before a further 5 years have elapsed from the date on which he ceased to perform these functions;*

*(5) the member, who has responsibility for decision making on auditing, accounting and reporting matters that affect the performance of the engagement, or who maintains regular contact with the audit committee or management of the listed enterprise and provides more than 10 hours of assurance services during the engagement period in connection with the annual financial statements or the interim financial information of the listed enterprise, or who has primary responsibility for an audit engagement for a subsidiary of the listed enterprise, continues in such role or roles for more than 7 years and thereafter resumes or assumes such functions before a further 2 years have elapsed from the date on which he ceased to perform these functions. However, this provision does not extend to members who consult with the engagement team regarding technical or industry specific issues, transactions or events;*

(6) *the member or partnership within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, another person within the partnership or a network partnership or joint-stock company makes a management decision or performs management functions for the listed enterprise or a related entity;*

(7) *the member or partnership within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, the member, the partnership, a network partnership or joint-stock company or another person within the partnership or a network partnership or joint-stock company, provides professional services to the listed enterprise or a related entity, the results of which are likely to be subject to audit procedures during the financial statement audit, including one of the following services, unless the member determines that the results of these services will not be subject to such procedures:*

(a) *accounting or bookkeeping services related to the accounting records or financial statements to be audited;*

(b) *valuation services;*

(c) *actuarial services;*

(d) *internal audit services that relate to the enterprise's internal accounting controls, financial systems or financial statements;*

(e) *financial information systems design, implementation, operation or management services;*

(8) *the member or partnership within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, the member, the partnership, a network partnership or joint-stock company or another person within the partnership or a network partnership or joint-stock company, provides one of the following professional services to a listed enterprise or a related entity:*

(a) *services that consist in providing an expert opinion or other expert service for the listed enterprise or a legal representative thereof, for the purpose of advocating the enterprise's interest in a civil, criminal, regulatory, administrative or legislative proceeding or investigation;*

(b) *legal services other than those referred to in section 141 of the Act respecting the Barreau du Québec (chapter B-1);*

(c) *human resource management services that involve:*

i. *searching for or seeking out prospective candidates for management, executive or director positions;*

ii. *engaging in psychological testing, or other formal testing or evaluation programs;*

iii. *undertaking reference checks of prospective candidates for an executive or director position;*

iv. *acting as a negotiator or mediator on the listed enterprise's behalf with respect to employees or future employees concerning any condition of employment, including position, status or title, compensation or fringe benefits; or*

v. *recommending that the enterprise hire a specific candidate for a specific job or advising it to do so;*

(9) *the member or partnership within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, an audit partner or a shareholder with voting rights who is on the engagement team earns or receives compensation for procuring any engagement that is not an assurance engagement from the listed enterprise,*

*unless the partnership within which the member practises his profession has fewer than 5 audit clients that are listed enterprises and fewer than 10 partners or shareholders with voting rights;*

*(10) the member or partnership or joint-stock company within which he practises his profession provides services to a listed enterprise or a related entity without the prior approval of the audit committee, unless the following conditions exist:*

*(a) the services do not represent more than 5% of total audit fees paid by the listed enterprise and a related entity to the member, the partnership and network partnerships or joint-stock companies in the fiscal year in which the services are provided;*

*(b) the services were recognized as assurance services at the time of the engagement;*

*(c) the provision of these services is promptly brought to the attention of the audit committee; and*

*(d) the audit committee or one or more designated representatives approves the services prior to the completion of the audit for the listed enterprise or the related entity;*

*(11) the member or the partnership or joint-stock company within which he practises his profession performs such an engagement when, during either the period covered by the financial statements subject to audit or the engagement period, a person within the partnership or a network partnership or joint-stock company provides services referred to in paragraph 12 of section 34.5 to a related entity.*

*O.C. 406-2010, s. 3; O.C. 904-2011, s. 17.*

**34.8.** *A member who is required to comply with the independence rule provided for in section 34.2 shall, in respect of the particular engagement, identify threats to independence, evaluate the significance of those threats and, if the threats are other than clearly insignificant, identify and apply measures to reduce or eliminate them.*

*The member shall document the decision to accept or continue the particular engagement. The documentation shall include the following information:*

*(1) a description of the nature of the engagement;*

*(2) the threats identified;*

*(3) the measures identified and applied to reduce or eliminate the threats; and*

*(4) an explanation of how the measures reduce or eliminate the threats.*

*Where the threats cannot be reduced, the member shall:*

*(1) eliminate the activity, relationship, influence or interest creating the threats; or*

*(2) refuse to accept or continue the engagement.*

*O.C. 406-2010, s. 3.*

**34.9.** *A member who violates section 34.2 shall communicate this violation in writing, on a timely basis, to another member, partner or shareholder with voting rights of the partnership or joint-stock company duly appointed by the board of directors or a similar internal management board of the partnership or joint-stock company.*

*A member who has been assigned to an engagement team to perform assurance services or apply specified auditing procedures shall also communicate in writing to the designated member any situation or facts that would put this member in violation of section 34.2.*

*O.C. 406-2010, s. 3.*

***Professional secrecy***

**35.** *A member must respect the secrecy of all confidential information, documents or writings obtained in the practice of his profession.*

*O.C. 672-90, s. 35.*

**36.** *A member shall be released from professional secrecy only with the authorization of his client or whenever so ordered by law.*

*O.C. 672-90, s. 36.*

**36.1.** *In addition to the cases provided in section 36, the member may communicate information protected by professional secrecy to prevent an act of violence, including a suicide, where the member has reasonable cause to believe that there is an imminent danger of death or severe bodily injury to a person or an identifiable group of persons.*

*However, the member may communicate the information only to the person or group of persons exposed to the danger, their representative or persons who can come to their aid.*

*The member may communicate only the information necessary for the purpose indicated for such communication.*

*O.C. 829-2003, s. 1.*

**36.2.** *The member who, in application of section 36.1, communicates information protected by professional secrecy in order to prevent an act of violence must:*

*(1) warn without delay the person or persons exposed to danger, their representative or persons able to come to their aid;*

*(2) as soon as possible, enter the following details in the client's record:*

*(a) the reasons for the decision to communicate the information, including the identity and contact information of the person who motivated the communication;*

*(b) the content of the communication, including identity and contact information of the person or persons to whom it was made.*

*O.C. 829-2003, s. 1.*

**37.** *A member must not disclose a request for his services made by a person when such fact is likely to cause prejudice to that person.*

*O.C. 672-90, s. 37.*

**38.** *A member must avoid indiscreet conversations concerning a client and the services rendered him.*

*O.C. 672-90, s. 38.*

**39.** *A member shall not make use of confidential information to the prejudice of any person or with a view to obtaining, directly or indirectly, an advantage for himself or for another person.*

*O.C. 672-90, s. 39.*

#### ***Accessibility, correction and delivery of documents***

*O.C. 672-90, sub-title; O.C. 1087-2000, s. 1.*

**40.** *In addition to the specific rules prescribed under the Act, a member who is in possession of documents covered by an application for access or correction on the part of a client must deal with this request promptly, and in no event later than 20 days following reception of such application.*

*A member who has not responded within 20 days of receiving such application shall be deemed to have refused it.*

*O.C. 672-90, s. 40; O.C. 1087-2000, s. 1.*

**40.1.** *Access to information contained in documents is be free of charge. However, fees not exceeding the cost of their transcription, re production or transmittal may be required of the applicant. A member intending to charge such fees under this section shall inform the applicant of the approximate amount payable before proceeding with any such transcription, reproduction or transmittal of information.*

*O.C. 1087-2000, s. 1.*

**40.2.** *A member who, pursuant to the second paragraph of section 60.5 of the Professional Code (chapter C-26), refuses to allow his client access to information contained in the record established in his respect, shall indicate to his client, in writing, the reasons for the refusal.*

*O.C. 1087-2000, s. 1; O.C. 904-2011, s. 18.*

**40.3.** *A member responding to an application for correction shall remit, without charge to the applicant, a copy of any information changed or added, as the case may be, or a certificate ascertaining that the information has been removed.*

*Such applicant may require that the member transmit a copy of the information or, as the case may be, of the certificate to the person from whom he obtained such information or to any person to whom such information was provided.*

*O.C. 1087-2000, s. 1.*

**40.4.** *A member who is in possession of information covered by an application for access or correction shall, failing acquiescence to such request, preserve it during any period of time required to enable the client to pursue the remedies provided under the law.*

*O.C. 1087-2000, s. 1.*

**40.5.** *A member must promptly follow up on any written request made by a client, whose purpose is to take back a document entrusted to him by the client. A member indicates in the client's record, where applicable, the reasons to support the client's application.*

*O.C. 1087-2000, s. 1.*

#### ***Determination and payment of fees***

**41.** *A member must charge and accept fair and reasonable remuneration; the remuneration is fair and reasonable if it is justified by circumstances and corresponds to the services rendered, in particular; to the*



*sector of activity, the experience and the knowledge of the member, the difficulty, the importance and the time devoted to the performance of professional services.*

*O.C. 672-90, s. 41.*

**42.** *A member must, if so requested, provide his client or employer with all the explanations required for the understanding of his account and for the terms and conditions of payment.*

*O.C. 672-90, s. 42.*

**43.** *No member may require full advance payment of fees for their professional services.*

*O.C. 672-90, s. 43; O.C. 904-2011, s. 19.*

## ***DIVISION IV***

### ***DUTIES AND OBLIGATIONS TOWARDS THE PROFESSION***

#### ***Derogatory acts***

**44.** *In addition to the acts referred to in sections 57, 58, 58.1, 59.1 and 59.2 of the Professional Code (chapter C-26) and those determined pursuant to the second paragraph of section 152 of the Code, the following acts by members are derogatory to the dignity of the profession:*

*(a) pressing or repeated inducement to make use of his own professional services;*

*(aa) engaging in, or allowing anyone else to engage in, false or misleading advertising, or in advertising that is liable to mislead the public or that derogates in any way whatsoever from the provisions of Divisions V and VI;*

*(b) communicating with a complainant without the prior written permission of the syndic or his assistant when he is informed of an inquiry into his professional conduct or competence or when a complaint has been laid against him under section 132 of the Professional Code;*

*(c) failure to notify the Order that he has reason to believe that a member is incompetent, does not adhere to professional ethics or obtained a permit fraudulently;*

*(c.1) failing to notify the Order that the member has reason to believe that a member or partnership or joint-stock company within which the member practises the profession contravenes the Professional Code or a regulation made under the Code;*

*(d) signing a letter, report, statement or any other document or lending his name thereto if he knows that the document is false or misleading or that it has been prepared in a manner which may tend to render it misleading or to present the situation in a misleading manner;*

*(e) participating in any manner whatsoever in the commission of an illegal act by his client or his employer;*

*(f) participating in any manner, alone or with the help of other persons in the commission of an offence against the laws and regulations governing the practice of the profession;*

*(g) being convicted of an offence against a fiscal law or a securities law in Canada or in a foreign country by a final judgment of a court having jurisdiction;*

*(h) failing to promptly inform the Order that the member has assigned his or her property or been declared bankrupt by a final judgment of a court of competent jurisdiction.*

*O.C. 672-90, s. 44; O.C. 165-93, s. 1; O.C. 904-2011, s. 20.*

**44.1.** *For members practising their profession within a partnership or joint-stock company, the following acts are also derogatory to the dignity of the profession:*

(1) *failing to take reasonable measures, within 30 days of being aware of the act, to put an end to, or prevent the repeated performance of, an act derogatory to the dignity of the profession performed by a person who carries on professional activities within the partnership or joint-stock company;*

(2) *continuing their activities within the partnership or joint-stock company or having an interest in the partnership or joint-stock company when they have reason to believe that a director, shareholder, partner or employee practises a profession, trade, industry, business, position or function that is incompatible with the practice of the profession;*

(3) *continuing their activities within the partnership or joint-stock company when a person referred to in subparagraph a of subparagraph 1 of the first paragraph of section 3 or subparagraph a of subparagraph 1 of the first paragraph of section 4 of the Regulation respecting the practice of the profession of certified management accountant within a partnership or joint-stock company (chapter C-26, r. 33.1) who holds shares with voting rights or who acts as a director or officer of the partnership or joint-stock company, has been struck off the roll or had his or her permit revoked.*

*O.C. 904-2011, s. 21.*

**44.2.** *Despite section 44.1, members are authorized to continue to practise their profession within a partnership or joint-stock company within which a person referred to in subparagraph a of subparagraph 1 of the first paragraph of section 3 or subparagraph a of subparagraph 1 of the first paragraph of section 4 of the Regulation respecting the practice of the profession of certified management accountant within a partnership or joint-stock company (chapter C-26, r. 33.1) has been struck off the roll of a professional order, or the equivalent, or has had their permit revoked, if*

(1) *the person concerned ceases to be a director or officer of the partnership or joint-stock company within 10 days from the date of the penalty or the date on which the measure imposed is executory;*

(2) *the person concerned ceases to attend all shareholder meetings and to exercise the person's right to vote within 10 days from the date of the penalty or the date on which the measure imposed is executory; and*

(3) *the person concerned disposes of his or her partnership or company shares with voting rights within 180 days from the date of the penalty or the date on which the measure imposed is executory.*

*O.C. 904-2011, s. 21.*

**44.3.** *It is derogatory to the dignity of the profession for members to practise within a partnership or joint-stock company that holds out or implies that it is governed by the Professional Code (chapter C-26) where such partnership or joint-stock company does not comply with the requirements set out in the Professional Code or the Regulation respecting the practice of the profession of certified management accountant within a partnership or joint-stock company (chapter C-26, r. 33.1).*

*O.C. 904-2011, s. 21.*

**44.4.** *It is derogatory to the dignity of the profession for members to enter into an agreement or permit an agreement to be entered into, within a partnership or joint-stock company of which the member is a partner or shareholder, including a unanimous agreement between shareholders, that operates to impair the independence, objectivity and integrity required for the practice of the profession or compliance with the Professional Code (chapter C-26) and the regulations made under the Code.*

*O.C. 904-2011, s. 21.*

***Relations with the Order and colleagues***

**45.** *A member whose participation in a council for the arbitration of accounts, a disciplinary council or a professional inspection committee is requested by the Order must accept that duty unless he has exceptional grounds for refusing.*

*O.C. 672-90, s. 45.*

**46.** *A member must answer promptly all correspondence addressed to him by the syndic of the Order, investigators or members of the professional inspection committee.*

*O.C. 672-90, s. 46.*

**47.** *Members may not betray the good faith of a member or be guilty of breach of trust or disloyal practices towards a member.*

*O.C. 672-90, s. 47; O.C. 904-2011, s. 22.*

**48.** *(Revoked).*

*O.C. 672-90, s. 48; O.C. 904-2011, s. 23.*

**49.** *Before setting up a firm for the practice of his profession, a member shall inform the Order in writing indicating the address of the office and the names of the members practising therein.*

*O.C. 672-90, s. 49.*

**50.** *(Revoked).*

*O.C. 672-90, s. 50; O.C. 904-2011, s. 24.*

***DIVISION V***

***RESTRICTIONS AND OBLIGATIONS RESPECTING ADVERTISING***

*O.C. 165-93, s. 2.*

**50.1.** *No member may engage in, or allow anyone else to engage in, false or misleading advertising or advertising that is likely to mislead the public, using any means whatsoever.*

*To determine whether advertising is false or misleading, or likely to be misleading, the general impression projected and, where applicable, the literal meaning of the terms appearing in the advertising must be taken into account.*

*O.C. 165-93, s. 2.*

**50.1.1.** *No member may practise the profession within a partnership or joint-stock company whose name is misleading, deceptive or contrary to the honour or dignity of the profession, or is a number name.*

*O.C. 904-2011, s. 25.*

**50.1.2.** *The name of a member must be withdrawn from the name of the partnership or joint-stock company and from any advertising document concerning the partnership or joint-stock company within one year after the death or retirement of the member of the partnership or joint-stock company, unless otherwise agreed.*

*O.C. 904-2011, s. 25.*

**50.2.** *A member's advertising may claim specific qualities or skills only if the member can justify them.*

*O.C. 165-93, s. 2.*

**50.3.** *No member may advertise in a manner that is likely to denigrate or disparage, directly or indirectly, another member or a partnership of members.*

*O.C. 165-93, s. 2.*

**50.4.** *A member advertising lump-sum fees must:*

*(a) establish fixed rates;*

*(b) provide full particulars about the nature and extent of the services included in the fee;*

*(c) indicate whether or not other expenses or disbursements are included in the fee;*

*(d) indicate whether additional services not included in the fee may be required and whether an additional fee may be charged for them.*

*The particulars and indications must be such that they provide adequate information enabling a person to make an enlightened choice in regard to the professional services and fees charged.*

*Every lump-sum fee must remain in effect for a minimum period of 90 days after it was last broadcast or published.*

*O.C. 165-93, s. 2.*

**50.5.** *A member must retain a complete copy of all advertising in its original form for a period of 3 years following the date on which it was last broadcast or published. Upon request, the copy must be handed over to the secretary of the Order.*

*O.C. 165-93, s. 2; O.C. 904-2011, s. 26.*

**50.5.1.** *Members who carry on professional activities within a partnership or joint-stock company must take reasonable measures to ensure that advertising by the partnership or joint-stock company or by any other person carrying on activities within it complies with the rules set out in this Division.*

*O.C. 904-2011, s. 27.*

**50.6.** *All members who carry on professional activities within a partnership or joint-stock company are solidarily responsible for complying with advertising rules, unless the advertisement clearly indicates the name of the member who is responsible for it or unless the other members establish that the advertisement was done without their knowledge and despite the measures taken to ensure compliance with those rules.*

*O.C. 165-93, s. 2; O.C. 904-2011, s. 28.*

## ***DIVISION VI***

### ***GRAPHIC SYMBOL OF THE ORDER***

*O.C. 165-93, s. 2.*

**50.7.** *The Order is represented by a graphic symbol conforming to the original held by the secretary of the Order.*

*O.C. 165-93, s. 2.*

**50.8.** *Where members use the graphic symbol of the Order in their advertising and documents, they must ensure that the symbol conforms to the symbol whose use is permitted by the Order and is not represented in such a manner as to imply that the advertising or documents come from the Order or are approved by the Order.*

*O.C. 165-93, s. 2; O.C. 904-2011, s. 29.*

**51.** *This Regulation replaces the Code of ethics of certified management accountants (R.R.Q., 1981, c. C-26, r. 21).*

*O.C. 672-90, s. 51.*

**52.** *(Omitted).*

*O.C. 672-90, s. 52.*

#### UPDATES

*O.C. 672-90, 1990 G.O. 2, 1447*

*O.C. 165-93, 1993 G.O. 2, 835*

*O.C. 1087-2000, 2000 G.O. 2, 4590*

*O.C. 829-2003, 2003 G.O. 2, 2706*

*S.Q. 2008, c. 11, s. 212*

*S.Q. 2009, c. 35, s. 76*

*O.C. 406-2010, 2010 G.O. 2, 1298*

*O.C. 904-2011, 2011 G.O. 2, 2614*

