UNIFICATION BACKGROUNDER

Overview

The leadership of the Certified General Accountants Association of Canada (CGA-Canada) and Chartered Professional Accountants of Canada (CPA Canada) has developed an Integration Agreement to unify CGA-Canada with CPA Canada.

The Integration Agreement was approved on September 14, 2013 by the CGA-Canada Board of Directors and the CGA-Canada Affiliation Council, which is comprised of voting delegates from all provinces and territories across Canada and our international affiliates. In order for CGA-Canada to integrate its operations with CPA Canada and begin providing CPA Canada’s benefits and services to CGA-Canada members, member approval is required in accordance with CGA-Canada’s by-laws.

If the Integration Agreement is approved at the Special General Meeting of CGA-Canada members on October 8, 2013, CGA-Canada will join with CPA Canada and advance the CPA profession’s commitment to unite and serve all of Canada’s professional accountants and the Canadian public.

Enclosed with this document is the Integration Agreement summary. CGA-Canada members may also access a copy of the proposed Integration Agreement at the online proxy submission site, upon agreement to maintain its confidentiality.

CGA members in most provinces have already voted strongly in favour of unifying their provincial bodies with their respective CA and CMA counterparts. As a result, accounting bodies representing almost 90 per cent of all professional accountants in Canada are now committed to unification. CGAs in Quebec have already combined operations with CAs and CMAs under the CPA banner. In Ontario, the CPA designation has been issued to all CAs and a process is in place to enable all active Ontario CGAs and CMAs to also have access to the CPA designation.

CPA Canada was created by the Society of Management Accountants of Canada (CMA Canada) and Canadian Institute of Chartered Accountants (CICA) on January 1, 2013 and became operational on April 1, 2013. All CAs and CMAs in Canada are receiving consolidated member benefits from the new CPA organization. The CPA Competency Map, based on the breadth and depth of the competency maps of the existing legacy programs, has been distributed to post-secondary schools across Canada and the CPA certification program...
is operational in British Columbia, Alberta, Saskatchewan and Manitoba, and will launch in the rest of Canada in 2014. In addition, steps are being taken to enable the CICA Handbook to be renamed the CPA Canada Handbook later this year.

With unification of the Canadian accounting profession moving swiftly forward, it is critical that CGAs across Canada and internationally express their interest in being part of the CPA profession through this important vote. Many members have already voted provincially to become part of the CPA designation. CGA-Canada now needs member support to represent the interests of all CGAs in shaping the new unified CPA profession. After two years of consultation with members and other stakeholders, CGA-Canada firmly believes unification is the right decision for the profession. We are now asking CGA-Canada members to approve the Integration Agreement, which will enable CGA-Canada to:

- Unify with CPA Canada through the transfer of CGA-Canada’s assets to, the assumption of CGA-Canada’s liabilities by, and the integration of CGA-Canada’s operations with, CPA Canada pursuant to the terms and conditions of the Integration Agreement;
- Provide CGA-Canada members participating in unification with the benefits provided to CPA Canada members;
- Work on developing paths that would enable CGAs in provinces that are not currently participating in unification to join the CPA profession, if they wish to do so.

Under the Integration Agreement, CGA-Canada, like CICA and CMA Canada when they integrated their operations to create CPA Canada, will continue to exist for a period of time to ensure that the covenants agreed upon by all bodies are continuously respected.
THE STATUS OF UNIFICATION ACROSS THE COUNTRY*

*As of August 15, 2013

**Results include those in favour and those who voted to allow the elected Council to decide, where applicable.

**British Columbia**
Who's in: CA, CMA, CGA
Member vote/survey:
CA-CMA in May/June 2012,
CGA survey in Feb 2013
Results**: CA 61%, CMA 94%,
CGA 93.7%

**Yukon**
Who's in: CA, CMA, CGA
Member vote/survey:
CMA vote June 2012,
CA vote Feb-March 2013,
CGA vote June 2013
Results**: CMA 92.9%,
CA 94%, CGA 93.8%

**Northwest Territories/Nunavut**
Who's in: CA, CMA, CGA
Unification complete
(CA, CMA, CGA).
CPA legislation passed
May 16, 2012

**Quebec**
Unification complete
(CA, CMA, CGA).

**Alberta**
Who's in: CA, CMA, CGA
Member vote/survey:
CMA/CGA vote May/June 2012,
CA vote June 2013
Results**: CA 68.4%,
CMA 79.2%, CGA 78.7%

**Ontario**
Who's in: CA, CMA
Member vote/survey:
June 2013
Results**: CA 65%, CMA 94%

**Newfoundland and Labrador**
Who's in: CA, CMA, CGA
Member vote/survey:
CA vote June 2012, CMA vote
Fall 2012, CGA vote Feb 2013
Results**: CA 68%,
CMA 86.5%, CGA 92%

**Nova Scotia**
Who's in: CA, CMA, CGA
Member vote/survey:
CA, CMA: October 2012,
CGA vote: TBD
Results**: CA 64.7%, CMA 93%

**Prince Edward Island**
Who's in: CA, CMA, CGA
Member vote/survey:
CA, CMA: June/July 2012,
CGA: June 2013
Results**: CA 72%, CMA 98%,
CGA 98%

**New Brunswick**
Who's in: CA, CMA, CGA
Member vote/survey:
April 2013
Results**: CA 75%, CMA 97%,
CGA 97%

**Manitoba**
Who's in: CA, CMA, CGA
Member vote/survey:
March 2012
Results**: CA 59.5%, CMA 95%

**Ontario**
Who's in: CA, CMA
Member vote/survey:
June 2013
Results**: CA 65%, CMA 94%

**Saskatchewan**
Who's in: CA, CMA, CGA
Member vote/survey:
CA, CMA vote: May 2013
Results**: CA 63%, CMA 94%,
CGA 99%

**Manitoba**
Who's in: CA, CMA
Member vote/survey:
March 2012
Results**: CA 59.5%, CMA 95%

**Ontario**
Who's in: CA, CMA
Member vote/survey:
June 2013
Results**: CA 65%, CMA 94%
Proposed Unification

The proposed unification of CGA-Canada with CPA Canada is based on the Unification Framework jointly presented to members by the three national legacy accounting bodies in January 2012. The framework sets out the vision for the CPA profession and the eight guiding principles that form the agreement. These eight principles are enshrined in the national and provincial unification agreements, thereby creating a shared mandate and governance across the new profession.

Chartered Professional Accountant Profession: Vision

To be the pre-eminent, internationally recognized Canadian accounting designation and business credential that best protects and serves the public interest.

Guiding Principles

These guiding principles form the basis of the unification agreements for each of the national and provincial CPA bodies. They provide the mechanism for unifying the profession and achieving its vision.
- Evolution to a single designation
- Continued use of existing designations
- Retention but no expansion of rights
- Certification
- A single designation with specialties
- Branding the CPA designation
- Common code of conduct, regulation and the practice of public accountancy
- Combined operations and governance

CPA VALUE: What’s In It for Me?

Keep what you have already earned
All members would retain the right to use their existing designations.

Receive a new designation with international recognition
All members would receive the CPA designation and be part of Canada’s only national accounting profession. CPA, in its various forms, is the most widely held accounting designation in the world.

Eliminate duplicated efforts of the three national accounting bodies
Combining the national accounting bodies into one would result in more efficient, cost-effective administration and enhanced support for the provincial bodies that regulate the profession.

Enhanced representation with federal and provincial governments
Being part of a 150,000+ membership will increase your influence in matters that affect your future and that of the profession as a whole.

Access greater professional resources at better prices
A larger, stronger national organization provides more extensive and targeted services to members at better prices. Membership in CPA Canada can save individuals and accounting practices hundreds, if not thousands, of dollars per year. In addition to saving the $550 cost of the electronic version of the CICA Handbook, CPA members receive free webinars and postings on the CPASource job board, as well as access to a wide array of technical, professional and business publications.

1 The CICA Handbook is being renamed CPA Canada Handbook
CPA VALUE: What’s In It for the Accounting Profession?

Create Canada’s pre-eminent professional accounting designation

CPA will be Canada’s only national professional accounting designation. With over 150,000 members, it will be one of the largest accounting bodies in the world.

Ensure uniform high and consistent ethical and practice standards

The public is better protected when professional accountants and the services they deliver are subject to common high standards.

Respond to increased competition

A unified profession can better react to the potential entry into Canada by foreign accounting bodies.

Increase global influence

The unified CPA profession will have the size and resources to contribute substantially to international accounting organizations and initiatives.
About CPA Canada

CPA Canada is the national organization representing the CPA profession. It was created January 1, 2013 through the union of CICA and CMA Canada. The articles and by-laws creating CPA Canada align with the Unification Framework that is the foundation for all provincial agreements.

Governance

The governance of CPA Canada is set out in the by-laws, which are available on the CPA Canada website. The by-laws reflect the eight core principles of the Unification Framework and are based on the concepts of fairness and equity.

Protection of Member Rights

The CPA Canada by-laws specifically enshrine the Unification Framework’s important principle regarding member rights. Protection for all legacy members is extended through Article 4 of the by-laws, which ensures that any practice or other rights a member had before unification are retained post-unification. Specifically, Article 4 covers protection of the rights of legacy members, as well as currently established legacy rights during the negotiation of Mutual Recognition Agreements (MRAs).

Importantly, during the period of transition of the profession, Article 4 of the by-laws cannot be amended without the unanimous consent of CGA-Canada, CICA and CMA Canada.

CPA Canada Board

Governance of CPA Canada aligns with that created by the provincial agreements in that the professional body is governed by a volunteer board. The board’s size, roles and responsibilities, policies and procedures are reflective of best practices for corporate governance and enshrined in the CPA Canada by-laws.

With the signing of the Integration Agreement, CGAs will participate fully in the governance of CPA Canada. Terms of reference and composition of the board for the reorganization and post-reorganization period are set out in Article 6 of the CPA Canada by-laws. During the period of transition of the profession, Article 6 of the by-laws dealing with legacy representation and size of the board cannot be amended without the consent of all three national legacy bodies.

The New CPA Certification Program

CPA Canada is responsible for the development of the new CPA Certification Program, as well as development of post-designation specialty programs that will be developed in the future to offer CPAs the opportunity to enhance their expertise and advance their careers.

The CPA Certification Program builds on the best of existing education programs, creating a challenging and rigorous certification process that meets the needs of business, public practice and government. Development of the programs takes into account the transitions required for each of the legacy program candidates/students. Details of all CPA Canada education programs can be found at www.cpacanada.ca.
The new CPA Certification Program has been designed to meet or exceed all International Federation of Accountants (IFAC) standards for education, assessment and practical experience. The new program will:

- Be recognized as being at least as challenging as all current programs
- Be a nationally developed program that will be delivered by the provincial (or in some cases regional) bodies
- Require an undergraduate degree and specific subject area coverage for admission to the graduate-level CPA Professional Education Program (CPA PEP)
- Culminate in a comprehensive multi-day Common Final Examination
- Include the CPA Pre-requisite Education Program (CPA PREP), a part-time accelerated bridging program designed to provide university graduates with non-business degrees the ability to obtain the courses necessary for entry into the CPA PEP
- Appeal to employers for its development of accountancy and business skills in a high-quality, cost-effective professional program
- Meet or exceed the requirements of the leading global accounting bodies, ensuring the new CPA profession can maintain existing, and establish new MRAs.

The new CPA Certification Program is designed to develop Canada’s pre-eminent professional accountants. However, not all individuals interested in accounting will want to become CPAs. The CPA profession is developing a separate program for individuals who aspire to a career in accounting but not as a qualified CPA. This program will have relevant entrance, education and assessment requirements to meet market needs and the goals of the profession. Education/evaluation bridges to the appropriate stage of the CPA Certification Program will also be developed. This new program is expected to launch across Canada in fall 2014.

Post-Certification

Continuing professional education for CPAs will create learning opportunities that match the diversity of the membership. Cooperation with the national and other provincial bodies will ensure sufficient breadth of courses and leverage economies of scale. Post-designation specialty programs will offer members the opportunity to enhance their expertise and advance their careers.

Member Dues

Members in all accounting bodies pay dues to both the national and provincial organizations. Today, national dues among the legacy bodies differ. The goal is to harmonize the national fee over time.

There will be a period of transition due to the varied pace of the journey to unification at the provincial level. It is expected that the fee will be fully harmonized by 2016, the date by which new CPA legislation is expected to be in place in all jurisdictions across Canada.

Your Vote Counts

CGA-Canada is asking members to participate in the Special General Meeting of members, whether in person or by proxy, to approve the agreement to unify CGA-Canada and CPA Canada. Your voice needs to be heard at the national level to ensure CGA-Canada can be part of CPA Canada and represent the interests of all CGAs – across Canada and internationally – in shaping the future of the CPA profession. So even if you have voted provincially, please participate in the Special General Meeting of members.