



TIME TO SECURE OUR FUTURE



PROPOSAL FOR UNIFICATION OF THE ACCOUNTING PROFESSION IN NEW BRUNSWICK

MARCH 22, 2013

UNIFICATION PROPOSAL

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1. EXECUTIVE SUMMARY

After much deliberation and thanks to the good faith efforts of our three organizations, CMA New Brunswick, CGA New Brunswick and the Institute of Chartered Accountants of New Brunswick, we have been able to develop an agreement in principle for consideration by our members. The result is a proposal founded in shared principles which will protect and promote the long-term interests of our profession as we move forward.

The implementation of the unification proposal involves three stages. The first stage is member consultation, where we share the proposal with you, our members, and undertake to gather your feedback and address any questions you may have. Representatives from our organizations will also consult with the provincial government, employers, universities and other stakeholders in New Brunswick regarding the impact of unification. At the end of the consultation period, each organization will ask its members to vote on the question of unification of these three accounting bodies in New Brunswick.

In addition to the member vote, unification activities in other jurisdictions will be monitored closely. If the decision is made to move forward with new legislation, we will enter the transition stage of the unification process. In this stage, a Unification Agency will be led by a Council consisting of three CMA members, three CGA members and three CA members, appointed by the existing Councils/Boards. That Unification Agency will be responsible for deciding on the actions required to take us forward into stage three – Consolidation. A commitment has been made by all professional accounting bodies involved in unification discussions that the highest standards for certification programs, qualifications, practice and governance will be upheld. If the decision is made to move forward with unification, these will be fleshed out in more detail during the transition stage.

When the legislative changes have been made to create CPA New Brunswick, we will enter the Consolidation stage. All members in good standing of the three organizations become members of CPA New Brunswick. As members, you will be able to identify yourself with the designation you hold now, or become a CPA, CA or CPA, CMA, or CPA, CGA as you chose.

Students currently enrolled in CGA, CA or CMA programs will be given an opportunity to either complete their current program within a specific time frame or transition into the new CPA program. More details regarding the CPA program and resultant transitions for students will be communicated as they become available.

Our New Brunswick proposal is part of unification discussions occurring across the country. Thanks to a great working relationship between the NBICA, CMA New Brunswick and CGA New Brunswick, we have developed a unification proposal that will respect the rights of all members and afford them all of the benefits of a unified profession. You can keep up- to- date on national unification news on the CPA Canada website – www.cpacanada.ca.

2. PREAMBLE

2.1. The Council of CMA New Brunswick, the Council of the NBICA and the Board of CGA New Brunswick are proposing that the three accounting bodies unite to form one accounting body to serve its members and the public in both official languages under the name of Chartered Professional Accountants of New Brunswick (which will be referred to as CPA New Brunswick) which is to be established by legislation.

2.2. This Proposal will be placed before the Members of the NBICA, CMA New Brunswick and CGA New Brunswick for approval. Subject to that approval, the Council/Board of each Unifying Body intends to proceed with the

proposed unification as outlined in this Proposal. This shall include a request to the Government of New Brunswick for enabling legislation.

2.3. This Proposal relates only to the business and authority of the NBICA, CMA New Brunswick and CGA New Brunswick.

2.4. Where any activity, process, program or goal contemplated in this Proposal falls within the control of an organization related to a Unifying Body, that Unifying Body intends to cause or request the related organization(s) to give effect to the activity, process, program or goal contemplated in this Proposal.

2.5. The NBICA, CMA New Brunswick and CGA New Brunswick intend to continue to work within the broader national unification discussions.

2.6. This Proposal is subject to legislative amendments and to compliance with the enabling statutes of the Unifying Bodies and the proposed unified entity.

2.7. The Unifying Bodies acknowledge that they are subject to a confidentiality agreement.

3. MEMBER ENDORSEMENTS

3.1. A vote in favour of the Proposal by the Members of each of the NBICA, CMA New Brunswick and CGA New Brunswick, and who do so in a voting arrangement established by the applicable Council/Board, shall constitute a Member Endorsement of this Proposal. The vote must be conducted in accordance with the bylaws of the NBICA, CMA New Brunswick and CGA New Brunswick respectively. The voting arrangements, question(s), and threshold shall be established by each of the Unifying Bodies for their respective memberships.

4. UNIFICATION STAGES

4.1. The Unifying Bodies shall proceed in three stages. The dates of these stages are outlined in Section 17 and described herein as follows:

4.1.1. Consultation Stage - from the date of this Proposal to the time a Final Unification Vote is passed.

4.1.2. Transition Stage - from the conclusion of the Consultation Stage to the proclamation of provincial legislation which creates CPA New Brunswick. During this stage each of the existing Unifying Bodies will retain their existing responsibilities and authority under their organization's legislation, regulations, bylaws, code of ethics and Council/Board resolutions and policies, but the Unifying Bodies will begin the process of delegating their operational responsibilities to the Unification Agency. It is expected that this stage could be as short as a year or could take several years depending on how quickly the proposed legislation moves through the legislative process.

4.1.3. Consolidation Stage - from the proclamation of provincial legislation which creates CPA New Brunswick.

5. UNIFICATION ACTIVITIES

5.1. During the **Consultation Stage**, the NBICA, CMA New Brunswick and CGA New Brunswick jointly undertake the following activities:

5.1.1. Member presentations;

5.1.2. Consultation and plan development with other provincial and national accounting bodies and other related organizations;

5.1.3. Consultation with the Government of New Brunswick and its agencies, New Brunswick regulators and other New Brunswick professional bodies;

5.1.4. Consultation with New Brunswick post-secondary institutions and employers;

5.1.5. Confidentially identify, analyze and discuss risk management issues of the Unifying Bodies;

5.2. During the **Transition Stage**, the Unifying Bodies will jointly undertake the following activities, to the extent permitted by legislation:

5.2.1. Soliciting support from the provincial government and members for the necessary changes to Regulations and Bylaws so as to give effect to the unification described herein;

5.2.2. Establishing a Council, to be known as the Unification Agency, to undertake preparations for the transition from the Unifying Bodies to CPA New Brunswick when it is formed. The role of the Unification Agency shall include retaining the services of a CEO for the transition on a timely basis, funded on a pro rata basis, with the understanding that the CEO so retained, subject to his/her performance during the transition period, will assume the position of the CEO of CPA New Brunswick, and empowering that CEO with authority to:

a. implement the unification arrangements referred to herein;

b. design and deploy an organizational structure for the Transition Stage;

c. develop and implement a three-year strategic plan for the Unification Agency which shall be presented for review by the Unification Agency and recommended for approval to each of the CMA Council, CA Council and CGA Board in anticipation of CPA legislation;

d. develop and implement all operational policies of CPA New Brunswick;

e. unify the operations of the three unifying bodies;

f. develop and implement a cash budget and budget funding schedule for the Unification Agency for a period covering the Transition Stage and submit that budget for approval by, and commitments from the Unifying Bodies.

5.2.3. Undertake appropriate legal and other professional due diligence on the unification plans of each Unifying Body and of the Unification Agency and of CPA New Brunswick;

5.2.4. Participate in the development of a CPA national Affiliation Agreement

5.2.5. Develop a Student/Candidate Transition Policy and program;

5.2.6. Develop a shared policy statement on access to the profession along with an outline of how various access paths would be developed and deployed by the Unification Agency and CPA New Brunswick;

5.2.7. Development of the following for approval by the Unifying Bodies in respect of the Unification Agency and CPA New Brunswick:

- a. Code of Ethics and Rules of Professional Conduct applicable to CPA members and students;
- b. Through direct CPA New Brunswick work or via collaboration in national CPA work, standards and rules for admission to the CPA Profession along with any associated credentials, recognitions and designations;
- c. Policy for the operation of the Unification Agency and CPA New Brunswick Council and the delegation of Council authority to the CPA New Brunswick CEO and CPA New Brunswick standing Council committees;
- d. Hiring plans and processes for the CPA New Brunswick CEO;
- e. Appointment processes to Councils, committees and task forces of CPA New Brunswick and its associated organizations;
- f. Phase out of the individual education programs of the Unifying Bodies and implementation of the CPA Education Program.
- g. Governance structure of the Unification Agency and CPA New Brunswick Council (Section 14) including appropriate protections of principles important to the NBICA, CMA New Brunswick, CGA New Brunswick and their Members (Section 9);
- h. Professional discipline processes;
- i. Continuing Professional Development requirements;
- j. Admission and ongoing registration standards for practicing Public Accounting, including requirements to be met either pre or post certification;
- k. Professional liability insurance for public accounting;
- l. Practice Review rules and processes, including the establishment of education and experience qualifications to be met by practice reviewers appointed for the purpose of practice reviews.

5.2.8. Delivering modified student/candidate recruiting programs and maintaining all relationships with post-secondary institutions with a view to transitioning all students/candidates seeking to become designated accountants, to the CPA designation, regardless of whether they will do so through existing legacy programs or the CPA program;

5.2.9. Execute plans to mitigate and manage risks and liabilities identified in the Consultation or Transition Stages;

5.2.10. Identify liabilities and plan for the assumption of identified liabilities by CPA New Brunswick at the Consolidation Stage;

5.2.11. Develop a transition plan to harmonize Member Dues based on the expected budget for CPA New Brunswick;

5.2.12. Seek legal and professional advice, as appropriate, with respect to the implementation of the approved Unification Proposal.

5.3. During the **Consolidation Stage**, CPA New Brunswick will undertake the following activities:

5.3.1. Complete all transition and consolidation activities from the Consultation and Transition Stages;

5.3.2. Negotiate and finalize all of the regulatory and contractual changes necessary to give effect to this unification and to begin the effective operation of CPA New Brunswick in accordance with its strategic plan to undertake the unification of the operations of all three Unifying Bodies;

5.3.3. Implement the CPA Education Program and discontinue existing educational programs in accordance with plans and commitments to do so;

5.3.4. The authority of the CPA New Brunswick CEO will include the following:

- a. execute the unification arrangements referred to herein;
- b. deploy the CPA New Brunswick organizational structure;
- c. implement business plans consistent with a three-year strategic plan for CPA New Brunswick;
- d. implement all operational policies of CPA New Brunswick;
- e. unify operations of all three Unifying Bodies;
- f. coordinate efforts with national activities;
- g. any other duties as established by the Unification Agency.

5.3.5. Combine all activities, assets, and personnel of the Unifying Bodies;

5.3.6. Transfer control of all associated activities to CPA New Brunswick.

6. TRANSITION STAGE FUNDING AND TRANSFERS

6.1. It is the intention of the Unifying Bodies that they will contribute on a pro rata basis, as and when financing is required, to a non-refundable fund to finance the Transition Stage and the start-up of CPA New Brunswick. When the Transition Stage commences, the Unifying Bodies will negotiate the terms of, and enter into, a contract dealing with the financing.

7. MEMBER HONOURS, DESIGNATIONS AND RECOGNITIONS

7.1. All existing member honours, designations and recognitions of the Unifying Bodies (e.g. Fellowship awards, life memberships, service honours) will be continued in CPA New Brunswick. These shall include awards given by the Unifying Bodies and/or their national organizations before and during transition.

7.2. The Unifying Bodies intend that the awards will be carried forward with their current titles and/or rights indefinitely with respect to the Members involved. Decisions as to new awards or the relabeling of existing awards will be determined by CPA New Brunswick.

8. REGULATORY MATTERS

8.1. All regulatory activities in each of the Unifying Bodies shall be continued within each of the Unifying Bodies through the Consultation, Transition and Consolidation Stages. The transfer of these processes and the associated responsibilities will be sought in changes proposed to the Government of New Brunswick for legislation and any associated Regulations or Bylaws. Until that transfer is completed, the Unifying Bodies will begin delegating responsibility for same to the Unification Agency subject to suitable operating agreements and the legal authority of each of the Unifying Bodies to undertake such delegation.

8.2. The Unifying Bodies intend that the regulation of its members in Public Accounting in New Brunswick will be undertaken in accordance with the following principles:

8.2.1. Within a common framework, which is harmonized nationally among CPA organizations, which addresses entrance and continuance standards, and ensures compliance with professional standards.

8.2.2. The regulation system will include authorizations for practicing public accounting by CPA New Brunswick.

8.2.3 The existing rights of legacy members will be honoured going forward.

8.2.4 Future CPA graduates will be regulated according to the regulation framework established by CPA New Brunswick.

8.2.5. The regulation system will operate in a manner which respects the obligations of CPA New Brunswick and the Government of New Brunswick to other organizations which are the subject of trade agreements of the Government of New Brunswick or agreements of CPA New Brunswick

9. LEGACY PROTECTION PRINCIPLES

9.1. The eight guiding principles established by the national bodies at the beginning of unification discussions serve as the foundation of the unification process. One of the guiding principles indicates that unification would protect all existing rights of members without granting new rights. This section outlines the way these rights would be protected. The Unifying Bodies acknowledge the following legacy protection principles which each Unifying Body undertakes to implement through governance and oversight of management and operations. In cases other than those involving the scheduled evolution of CPA New Brunswick, these principles should be permanent.

During the Transition Stage and in the subsequent Consolidation Stage (as applicable) the Councils/Board of the Unifying Bodies, the Unification Agency and/or of CPA New Brunswick, and their agents or employees, shall uphold the rights and privileges of all members and will not undertake, support or acquiesce in certain prohibited activities more fully described below which may have a negative impact on any member of a Unifying Body or CPA New Brunswick.

9.1.1. General Member Protection

- a. No preference, in any form, will be given to a Legacy Designation, a holder of a Legacy Designation, or students/candidates from a Legacy Designation relative to one or more other Legacy Designations. Representing directly or implicitly to any party or

government that the competence and skills of one Legacy Member (or group of Legacy Members) are superior or inferior to another based solely on the Legacy Designation(s) involved is prohibited.

- b. Access to the profession - access of a Legacy Designation holder to any part of the profession where the Legacy Designation holder had access to that part of the profession prior to the unification will not be impeded. Where changes are made in professional standards in response to environmental or legislative change, it shall be acceptable for CPA New Brunswick or the Unifying Body to create an economically viable and responsive access route and program for those Legacy Members impacted. Economic viability shall be assessed from the perspective of both the Unifying Body and the Legacy Member. Members with public accounting rights at the time of unification in New Brunswick will retain those rights.

Sustaining the role of a Legacy Body or Member in any function while precluding access to that function by another Legacy Designation Member based solely upon the specific Legacy Designation involved, is prohibited. This does not preclude the need to temporarily maintain predecessor names (e.g. the "CICA Handbook") pending the legislative or regulatory steps necessary to re-label functions with a reference to the applicable CPA Body.

- c. Access to member support and services - A major reason to undertake the unification of the accounting profession is to enhance member support and services in an efficient and effective manner. During the Transition Stage, the Unification Agency and the Councils/Board of each Unifying Body will identify and, where practical, implement coordinated supports and services. At the beginning of the Consolidation Stage and beyond, all members of CPA New Brunswick will have access to all available member services, supports, privileges and courses provided by CPA New Brunswick without differentiation between legacy designation holders and/or members who qualified through the CPA program.
- d. Education and Professional Development - The development or expansion of any education or professional development program which is focused on a group of Members who are differentiated by their Legacy Designation is prohibited. This will not preclude the support of the Legacy Designation education programs while they are being operated pending the introduction of the new CPA Education Program, nor the adaptation of any program to Member needs based on specific Member competency and experience. An appropriate level of investment will be maintained in research/publications and professional development opportunities for the support and development of professional accountants in business and the territories of management and management accounting as fields of practice reflective of the percentage of members practicing in these areas.
- e. Existing legacy designations will only be issued to members who have successfully completed legacy programs.

9.1.2. Branding –

- a. One of the fundamental principles in the unification of the accounting profession is to brand the CPA designation. The approach to branding will be based on transferring brand value in the New Brunswick marketplace from each of the CMA, CA and CGA designations to the CPA brand.

- b. During the Transition Stage, Unifying Body branding initiatives will be disclosed to the Unification Agency and any other Unifying Body. If concerns are identified by Members or the Council/Board of a Unifying Body, amendments will be recommended to the relevant Council/Board. That Council/Board will be expected to take reasonable steps to resolve the branding/promotion concerns of the Members or Council/Board of the Unifying Body or the Unification Agency.

9.1.3. Key decisions requiring a very high threshold for approval

Should any of the following be contemplated by CPA New Brunswick in the future, a decision to move forward would require a super majority council vote (80% or higher) as well as a super majority member vote (80% or higher) in a duly constituted annual or special meeting of the members:

- a. The adoption of requirements that discriminate against members of one of the legacy associations.
- b. Any decision to issue, support or promote any designation other than Chartered Professional Accountant.
- c. Any decision that results in materially less rigor in any existing rule of professional conduct.

10. DESIGNATION USAGE

10.1. The Unifying Bodies undertake that they will only promote the CPA designation and will not promote the Legacy Designations in the Consolidation Stage and beyond. Under the prevailing bylaws, regulations and Council policy, the following rules of Designation Usage will apply.

10.2. Individuals - A Member of a Unifying Body may:

10.2.1. use their Legacy Designation on its own, without restriction, during the Transition Stage and indefinitely thereafter, so long as that Member remains a member in good standing of the Unifying Body or the CPA Body, or

10.2.2. use CPA from the commencement of the Consolidation Stage and beyond so long as the relative Legacy Designation is appended thereto, in the style (for example) of "CPA, CA" or "CPA, CMA" or "CPA,CGA".

The requirement in 10.2.2 that a member include the Legacy Designation with "CPA" will not continue for a term in excess of 10 years from the beginning of the Consolidation Phase.

Those CPA New Brunswick members who do not earn a Legacy Designation may only employ CPA.

10.3. Public Accounting Firms - Consistent with the CPA branding strategy, CPA New Brunswick and the Unifying Bodies intend that Public Accounting firms will eventually replace their reference to a Legacy Designation (where such a reference is used) with a reference to "CPA" or "Chartered Professional Accountant". Public Accounting Firms will be permitted to represent themselves to the public in the following styles:

10.3.1. Public Accounting Firms Registered with a Legacy Body - At the commencement of the Consolidation Stage such firms may represent themselves to the public in the following styles:

- a. CPA alone - Permitted styles include "CPA" or "Chartered Professional Accountant"
- b. Tagged or legacy alone - For a period no longer than three years after commencement of the Consolidation Stage, permitted styles include:
 - i. For firms registered with CMA New Brunswick at the date of Consolidation:
 - 1. CPA, CMA or
 - 2. Chartered Professional Accountant, CMA or
 - 3. Chartered Professional Accountant, Certified Management Accountant or
 - 4. Certified Management Accountant or CMA
 - ii. For firms registered with the NBICA at the date of Consolidation:
 - 1. CPA, CA or
 - 2. Chartered Professional Accountant, CA or
 - 3. Chartered Professional Accountant, Chartered Accountant or
 - 4. Chartered Accountant or CA
 - iii. For firms registered with the CGA-NB at the date of Consolidation:
 - 1. CPA, CGA or
 - 2. Chartered Professional Accountant, CGA or
 - 3. Chartered Professional Accountant, Certified General Accountant or
 - 4. Certified General Accountant or CGA

10.4. Notwithstanding 10.3 b), firms initially registered with CPA New Brunswick when the Consolidation Stage commences shall only refer to "Chartered Professional Accountant" when signing all assurance reports. These firms shall be prohibited from referring to themselves as a Legacy Designation firm.

11. NEW BRUNSWICK POST-SECONDARY INSTITUTIONS

11.1. The Unifying Bodies and CPA New Brunswick intend to maintain those positive relationships which they enjoy with New Brunswick post-secondary educational institutions. CPA New Brunswick will take steps to communicate to, and consult with these institutions on its plans, needs and expectations.

11.2. All usage of the Legacy Designations within post-secondary institutions will be converted to the usage of CPA in as expeditious a manner as the Unifying Bodies and/or CPA New Brunswick can reasonably undertake after the commencement of the Consolidation Stage.

12. PROFESSIONAL EDUCATION CERTIFICATION

12.1. As at the date of this Proposal, the Unifying Bodies have agreed to a [Certification Education Program](#) that will follow these guiding principles:

12.1.1. Be, and be recognized as, at least as rigorous as all current programs.

12.1.2. Be developed and delivered in both official languages within a reasonable period of time following unification.

12.1.3. Require an undergraduate degree and specific prerequisite business and accountancy courses for admission to the professional education program.

12.1.4. Include a post-graduate professional education program developed nationally and delivered provincially/regionally.

12.1.5. Culminate in a comprehensive multi-day final examination.

12.1.6. Appeal to the broadest possible group of potential candidates, including post-secondary graduates with non-business degrees, immigrants and career changers. The program would be attractive to all those individuals interested in developing and enhancing their business and accountancy skills.

12.1.7. Appeal to employers for the development of accountancy and business skills in a high quality, cost effective professional program.

12.1.8. Meet or exceed all International Federation of Accountants (IFAC) standards for education, assessment and practical experience.

12.1.9. Meet or exceed the requirements of the leading global accounting bodies, ensuring the new profession can maintain existing and establish new Mutual Recognition Agreements (MRAs).

12.2. The Unifying Bodies have further resolved with respect to professional education:

12.2.1. The CPA pre-certification program content will be based on, and aligned with the national CPA pre-certification education program.

12.2.2. The delivery of CPA pre-certification education will be controlled by CPA New Brunswick and CPA New Brunswick will participate in, and support its delivery.

13. POST-CERTIFICATION

13.1. Offering relevant, timely and affordable on-going professional development to membership is a critical service, allowing for growth and attainment of career building skills while meeting the professional development standards as set forth by the profession. The Unifying Bodies have agreed to the following:

13.1.1. During the Transition and Consolidation Stages, common programs, standards and delivery processes will be sought and developed for regional and national post-designation education.

13.1.2. Post-designation education will be developed and delivered in both official languages, within a framework modeled similarly to that for Pre-Certification education, adhering to the CPA competency framework.

13.1.3. Post-designation programs will offer contemporary, leading edge, and evolving career options and opportunities, in Canada and abroad, to CPA members.

14. CPA NEW BRUNSWICK UNIFICATION AGENCY AND COUNCIL COMPOSITION

14.1. During the Transition Stage the Unification Agency is responsible for overseeing the implementation of the unification Proposal approved by each of the CMA and CA Councils and CGA Board and accepted by the Members of the Unifying Bodies. Consequently, the Unification Agency will, during the Transition Stage, review and make recommendations to each Council/Board on transition policies and operations.

14.2. During the Transition Stage, the Unification Agency will be comprised of the following members:

14.2.1. A Public Member appointed by each of the Unifying Bodies-

14.2.2. Holders of Legacy Designations of the Unifying Bodies as follows:

a. 3 CMA Legacy Designation holders selected by the CMA New Brunswick Council at the beginning of the Transition Stage

b. 3 CA Legacy Designation holders selected by the NBICA Council at the beginning of the Transition Stage

c. 3 CGA Legacy Designation holders selected by the CGA-NB Board at the beginning of the Transition Stage

14.3. Notwithstanding the composition of the Unification Agency during the Transition Stage, any vote of the Unification Agency must be unanimous less one vote in order to pass, when the matter to be voted on is any of the following:

14.3.1. The appointment of the CEO of CPA New Brunswick and matters associated with the employment arrangements of, and delegation of authority to that CEO or

14.3.2. Any agreements with respect to CPA New Brunswick Council membership at any stage of this Proposal.

14.4. The Chair of the CPA New Brunswick Council during the Consolidation will be elected by a majority vote of the CPA New Brunswick Council.

14.5. Within 15 months of the Consolidation Stage, it is the intention of the Unifying Bodies that the Target Composition of the Council of CPA New Brunswick will be amended as follows, subject to the enabling legislation of CPA New Brunswick:

14.5.1. Council membership will ultimately be comprised of a maximum of 2 appointed by the government of New Brunswick, 12 members elected from the membership at large of CPA New Brunswick to 3 year staggered terms, and the CEO of CPA New Brunswick (as an ex officio, non-voting Council member).

14.5.2. Elected Council members will hold a term of 3 years, renewable once (an appointment to the Board of CPA New Brunswick prior to Consolidation, or membership on a Unifying Body council/board, shall not be included in or counted in this term limit).

14.5.3. The Chair of CPA New Brunswick will be elected by the Council of CPA New Brunswick to a one year term by majority of the Council. Going forward, the intended Chair will be identified by the Council at a minimum of one year prior to the commencement of their term, in the role of Vice President. The intended Vice President will be identified by the Council at a minimum of one year prior to the commencement of their term, in the role of Secretary/Treasurer.

14.5.4. During the first four years following unification, each legacy body would have a minimum of one representative as a member of the Executive, which would be comprised of the Chair, the Vice Chair and the Secretary/Treasurer.

14.6. The Council of CPA New Brunswick, when this Proposal enters the Consolidation Stage, shall be the Unification Agency as appointed by the Unifying Bodies during the Transition Stage. At Consolidation, each of these Council members will be assigned to a Council term (by consensus or by lot) so that each of the Unifying Body appointed Council members shall be designated as having 1, 2, or 3 years remaining in their Council term. A minimum of 2 seats must be filled by representatives of each legacy designation for the first four years of the Consolidation Stage.

14.7. The CPA New Brunswick Council shall govern, control and administer the affairs of CPA New Brunswick in accordance with the enabling legislation and the by-laws there under.

14.8 Within 15 months of the date of Consolidation the additional positions on the Council and the expiring terms of Council Members shall be filled by an election by the members of CPA New Brunswick.

14.9. Any vacated Council terms may be replaced by an appointment by the Council of CPA New Brunswick from the membership of CPA New Brunswick on the understanding that any member so appointed may only hold office until the next annual Council election.

14.10. In any election, newly elected/re-elected Council members will be assigned to terms on a predetermined basis as shared with members in conjunction with the election. If any member leaves the Council before their term is over, they are replaced by someone who completes their term.

15. UNIFYING BODY EMPLOYEES

15.1. Nothing in this Proposal is intended to compromise or modify the rights of employees of the Unifying Bodies. The rights involved shall include those covered under specific or implied contracts of employment with a Unifying Body.

15.2. The Councils/Board formally declare their intent to search for the best qualified employees for CPA New Brunswick notwithstanding the relationship that an employee may have with a Unifying Body or (where applicable) the Legacy Designation of the employee involved.

15.3. Each Unifying Body shall meet its contractual obligations to its employees and this shall include at least suitable outplacement and advisory services to all terminated Unifying Body employees.

15.4. Contractual or common law rights which employees of a Unifying Body may possess when beginning any employment with CPA New Brunswick may be continued without compromise into that employment relationship with CPA New Brunswick, subject to any amended formal employment contracts which are mutually agreed for renegotiation between the employee and CPA New Brunswick.

16. DEFINITIONS

16.1. The following terms as used in the Proposal shall have the meanings described herein:

16.1.1. Affiliation Agreement: an agreement between Canadian accounting bodies having the same accounting designation.

16.1.2. Board: the Board of Governors of CGA-NB

16.1.3. Council: the Council of the NBICA, or the Council of CMA New Brunswick.

16.1.4. CA: Chartered Accountant - Member of the New Brunswick Institute of Chartered Accountants.

16.1.5. Candidate: an individual who is registered in a professional program with a Unifying Body.

16.1.6. CICA: Canadian Institute of Chartered Accountants.

16.1.7. CMA New Brunswick: Society of Management Accountants of New Brunswick.

16.1.8. CMA: Certified Management Accountant - Member of the Society of Management Accountants of New Brunswick.

16.1.9. CGA New Brunswick: The Certified General Accountants Association of New Brunswick.

16.1.10. CGA: Certified General Accountant – Member of the Certified General Accountants Association of New Brunswick.

16.1.11. Continuing Professional Development: refers to programs, courses, or focused communications designed to increase and maintain the depth and scope of the professional competency of Members of a Unifying Body.

16.1.12. CPA: Chartered Professional Accountant as that term will be defined in legislation.

16.1.13. CPA Canada: Chartered Professional Accountants Association of Canada or other national organization established following a unification of accounting organizations.

16.1.14. CPA Education Program: the certification education program created by the Unifying Bodies as part of the unification process.

16.1.15. CPA New Brunswick: Chartered Professional Accountants of New Brunswick established pursuant to legislation establishing the unification of the NBICA, CMA New Brunswick and CGA New Brunswick.

16.1.16. Final Unification Vote: a vote designated as such and undertaken by each Unifying Body for the purposes set out herein.

16.1.17. Legacy Designation: refers to the designation of Chartered Accountant held by a CA, or of Certified Management Accountant held by a CMA, or of Certified General Accountant held by a CGA.

16.1.18. Legacy Member: a Member holding a Legacy Designation or, depending on the context, a Member who has become the holder of a CPA designation by virtue of a Legacy Designation.

16.1.19. Legacy Protection Principles: those principles referred to in this Proposal for the protection of Legacy Members following the unification of the NBICA, CMA New Brunswick and CGA New Brunswick.

16.1.20. Member: an individual who holds a CA, CMA or CGA designation, and is a member in good standing of a Unifying Body. A reference to a member does not include students/candidates.

16.1.21. Member Endorsement: the formal affirmation of the Members of a Unifying Body in a process prescribed by the Council of the Unifying Body.

16.1.22. Member Dues: those annual amounts assessed to a Member of CPA New Brunswick or a Unifying Body as a condition of continuing membership in the relative body. Member Dues are in an amount which is generally equal for all Members of that body.

16.1.23. MRA or Mutual Recognition Agreement: refers to agreements that the Unifying Bodies have with international accounting organizations and which CPA New Brunswick or CPA Canada will eventually have with these bodies at the completion of the Unification Proposal herein.

16.1.24. National Body: CMAC and/or CICA and/or CGAC as applicable in the context.

16.1.25. NBICA: The New Brunswick Institute of Chartered Accountants.

16.1.26. Proposal or Unification Proposal: this New Brunswick Accounting Body Unification Proposal dated March 22, 2013.

16.1.27. Pro rata: according to the relative number of certified/chartered members within each unifying body, which would include both active and retired members.

16.1.28. Public Accounting: the practice of or offering to provide one or more of the following services to the public, whether for reward or not:

- an assurance engagement;
- a specified auditing procedures engagement;
- a compilation engagement;
- an accounting service insofar as it involves summarization, analysis, advice, counsel or interpretation but excluding an accounting service which is incidental to the provider's primary occupation which is not public accounting;
- advice, counsel or interpretation with respect to taxation matters; and
- preparation of a tax return.

16.1.29. Public Accounting Firm: a firm authorized by a Unifying Body or by CPA New Brunswick to practice Public Accounting in New Brunswick.

16.1.30. Public Member: a member of a Council of a Unifying Body appointed by the Government of New Brunswick. A Public Member may not be a current or past holder of a Legacy Designation or a CPA.

16.1.31. Student: an individual who is registered in a pre-certification education program with a Unifying Body.

16.1.32. Unification Agency: the entity to be created by the Unifying Bodies during the Transition Stage defined herein.

16.1.33. Unifying Body: the New Brunswick Institute of Chartered Accountants, or the Society of Management Accountants of New Brunswick, or the Certified General Accountants Association of New Brunswick as is applicable in the context.

17. UNIFICATION STAGE DATES

Subject to the member vote and approval of the Unifying Body Councils/Board, the Unification Stage dates are as follows:

- The Consultation Stage would begin on March 22, 2013.
- The Transition Stage would begin on May 1, 2013.
- The Consolidation Stage, subject to legislation, would begin on April 1, 2014.