



## **2011 CARE Chartered Accountancy Reciprocity Examination**

Information for Membership  
Candidates Seeking to Qualify as  
Chartered Accountants in Canada  
and as Public Accountants in Ontario





## Preface

The information in this booklet is designed to assist Applicants in preparing for and writing the Canadian Chartered Accountancy Reciprocity Examination (CARE).

The CARE is divided into Part-1 and Part-2. Please carefully read this information brochure to become familiar with the new format and updated requirements.

Note:

This Care Brochure has been updated to reflect the new terminology adopted by the Institute of CA of Ontario in its Regulation 6-2, on June 16, 2011. The term "Applicant" replaces the expression "Membership Candidate."



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# 1. Objectives of the CARE

The CARE is the means by which the provincial and territorial CA institutes/ordre measure the requisite professional competence, in a Canadian context, of members of accounting bodies outside Canada that were assessed by the International Qualifications Appraisal Board (IQAB) as having education, examination and experience requirements substantially equivalent to the high standards of the Canadian CA qualification program.

The philosophy underlying the provincial and territorial CA institutes/ordre's qualification processes is summarized as follows:

- (i) the public interest must be protected and the integrity of the CA designation must be maintained by ensuring that members of accounting bodies outside Canada who apply for the CA designation in one of the provincial or territorial CA institutes/ordre in Canada embody the high standards of education, technical competence and professionalism associated with CAs in Canada;
- (ii) while the requirements to be completed by all those accepted by the provincial and territorial CA institutes/ordre in Canada as Applicants must be uniform, at the same time they must fully take into account the diverse academic and practical experience backgrounds of members of accounting bodies outside Canada; and
- (iii) the qualification processes and the regulations on which they are based must be administered equitably.

## 2. Eligibility to Write the CARE

Only qualified Applicants are eligible to write the CARE.

### **Certification as a Chartered Accountant in Canada**

To qualify for admission to membership in a provincial or territorial CA institute/ordre, to use the Chartered Accountant designation and CA initials in the province or territory of membership, and to hold out to be or to offer services as a Chartered Accountant (Comptable agréé/e) in the province or territory where membership is sought, a member in good standing of an accounting body outside Canada that has signed a Mutual Recognition Agreement (MRA) with the Canadian Institute of Chartered Accountants (CICA) and the provincial and territorial CA institutes/ordre must apply to a provincial or territorial CA institute/ordre to become an Applicant, and must successfully complete the examination and practical experience requirements as prescribed by the provincial or territorial CA institute/ordre's Council, bylaws and regulations.

### **Examination Requirement**

Part-1 of the CARE is the examination requirement and the means by which the provincial and territorial CA institutes/ordre measure the professional competence required of an Applicant in Canadian taxation, Canadian business law, and the Canadian CA Rules of Professional Conduct.

### 3. Public Accounting Licence in Ontario

Anyone who intends to practise public accounting in Ontario following admission to membership in a provincial or territorial CA institute/ordre must apply to become a member of the Institute of Chartered Accountants of Ontario (ICAO) and is required to have a Public Accounting Licence (PAL) issued by the ICAO.

A PAL is required if one is the lead engagement person responsible for signing a statement or report when:

- the engagement statement or report is issued in Ontario, or the engagement work is primarily performed in Ontario; and
- the statement or report is issued in respect of:
  - an assurance engagement for which a licence is required, including an audit or review engagement; or
  - a compilation engagement for which it can reasonably be expected that all or any portion of the compilation or associated materials will be relied upon or used by a third party, and which is **not** accompanied by the prescribed Notice to Reader.

If you intend to be the lead engagement person on any such engagements, you will be required to apply for a PAL. At the time you apply, you will have to demonstrate that you have the prescribed public accounting experience and other requirements as set out in the ICAO's bylaws and regulations.

Please note that a member of an engagement team, including the quality control reviewer or other expert, does not require a public accounting licence.

If you were admitted to membership through a reciprocity provision and intend to practise public accounting in Ontario, you are required to successfully complete Part-2 of the CARE in addition to Part-1.

#### **Examination Requirement**

Part-2 of the CARE is the examination requirement set out by the ICAO for members who successfully completed Part-1 of the CARE and were admitted to membership. Part-2 of the CARE examines these members on their knowledge of Canadian generally accepted accounting principles (GAAP) and Canadian generally accepted auditing standards (GAAS).

***Please note that Part-2 of the CARE in a given year is only open to Applicants who successfully wrote Part-1 of the CARE in a prior sitting and were admitted to membership, or to those who are registering and writing Part-1 of the CARE in the current year.***

## 4. Public Accounting Licence in other Provinces and Territories

Anyone who intends to practise public accounting in a province or territory other than Ontario should meet the requirements prescribed by that provincial or territorial institute/ordre of CA.

### **Examination Requirement**

Part-2 of the CARE is NOT required by the other provincial or territorial institutes/ordre of CA in Canada, since and including the 2010 CARE.

However, an Applicant who relocates to Ontario after having been admitted to membership (CA) in a provincial or territorial institute/ordre other than the ICAO is required to successfully complete Part-2 of the CARE as one of the requirements to obtain a public accounting licence in Ontario; this requirement applies to Applicants who wrote the CARE in 2010 and following years, whether or not they held a public accounting licence or similar rights in the province or territory where they were admitted to membership.

## 5. Format and Structure of the CARE

The Ontario Board of Evaluators has the responsibility to:

- Set Part-1 and Part-2 of the CARE in accordance with the general guidelines included in this booklet and other directions;
- Evaluate candidates' responses to Part-1 and Part-2 of the CARE;
- Recommend to the provincial and territorial CA institutes/ordre the successful or unsuccessful standing that should be given to each Applicant on Part-1 of the CARE;
- Recommend to the ICAO the successful or unsuccessful standing that should be given to each candidate on Part-2 of the CARE; and
- Report annually on the CARE to the provincial and territorial CA institutes/ordre in Canada.

Part-1 and Part-2 of the CARE are offered once a year in late October and are testing knowledge, comprehension and the application of knowledge in accordance with the levels of proficiency defined in *The UFE Candidates' Competency Map* available on the CICA website (<http://www.cica.ca/become-a-ca/documents/item9604.pdf>).

Part-1 and Part-2 of the CARE do **not** test the higher cognitive skills tested in the Uniform Evaluation (UFE).

- Part-1 of the CARE features 75 multiple-choice questions that are arranged by competency areas. Answer score sheets are electronically graded.
- Part-2 of the CARE features 50 multiple-choice questions that are arranged by competency areas. Answer score sheets are electronically graded.

The CARE is a **closed-book examination**, and therefore, Applicants are not permitted to bring any reference materials with them into the examination writing centre. It is also a **non-disclosed examination**, and therefore, the examination booklets are collected at the writing centres and the examination questions and solutions are not published. Part-1 and Part-2 of the CARE are structured as follows:

	Range	
	Questions	Minutes
<b>Part-1</b>		
Canadian taxation	35 – 45	84 – 108
Canadian business law	10 – 15	24 – 36
Canadian CA Rules of Professional Conduct	20 – 25	48 – 60
	<u>75</u>	<u>180 minutes</u>
<b>Part-2</b>		
Canadian GAAP	20 – 30	48 – 72
Canadian GAAS	20 – 30	48 – 72
	<u>50</u>	<u>120 minutes</u>

The passing standard of each of Part-1 and Part-2 is set individually.

## 6. Scope and Content of the CARE

### Part-1 of the CARE

You can expect Part-1 of the CARE to examine the following materials to the extent that it is integral to the demonstration of your knowledge of:

#### Canadian Taxation

- You are responsible for federal taxation legislation, the *Federal Income Tax Act*, including the *Income Tax Application Rules* (ITARs) and *Regulations*, and the *Excise Tax Act*, enacted as at **March 31, 2011**.

#### Canadian Business Law

- Fundamental principles of Canadian business law including the law of torts, contract law and laws relating to business organizations and related topics (corporation, partnership, sole proprietorship, agency, bailment, etc.) as at **March 31, 2011**.

#### Canadian CA Rules of Professional Conduct and Council Interpretations

- The Canadian CA Rules of Professional Conduct and Council (or equivalent) Interpretations and guidelines found in the Members' Handbook of the provincial or territorial CA institutes/ordre as at **March 31, 2011**.

You are not responsible for provincial tax legislation or tax law applicable only to specific industries. Please refer to Appendix B (page 18) for a detailed **Knowledge Reference List** by competency area.

### Part-2 of the CARE

You can expect Part-2 of the CARE to examine the following materials to the extent that it is integral to the demonstration of your knowledge of:

#### Canadian GAAP

- You are responsible for Canadian GAAP in effect as at **March 31, 2011**.
  - IFRS (CICA Handbook Accounting – Part I);
  - ASPE (CICA Handbook Accounting – Part II);
  - Not-For-Profit (CICA Handbook Accounting – Part III); and
  - Public Sector Accounting.

#### Canadian GAAS

- You are responsible for Canadian GAAS as at **March 31, 2011**.
  - CICA Handbook Assurance (CSQC, CAS, Other Canadian Standards, and Assurance and Related Services Guidelines);
  - Guidance on the Criteria of Control Board; and
  - Risk Oversight and Governance Collection.

Please refer to Appendix C (page 29) for a detailed **Knowledge Reference List** by competency area.

## 7. Preparing for the CARE

A preparation program for each of Part-1 and Part-2 of the CARE is offered in two versions: in-class and materials-only. The in-class version is subject to a minimum number of registrations.

### Part-1 of the CARE

The CARE Prep Program Part-1 is offered in the in-class version in English only in Toronto (mid-August), and in Vancouver (September) each year. It consists of a three-day **review** of Canadian taxation (2 ½ days) and Canadian CA Rules of Professional Conduct (½ day). The Canadian business law component is offered in a materials-only version.

The CARE Prep Program Part-1 is also offered in a materials-only version in English for Applicants who cannot attend the in-class version.

The CARE Prep Program Part-1 review materials are provided as downloadable documents from a secure website to Applicants who registered for the CARE Prep Program Part-1. Some printed materials will be shipped at no additional cost to addresses within Canada. Shipment costs to destinations outside Canada will be billed in addition to the registration fees.

The registration fee for the CARE Prep Program Part-1 does not include the fee for the examination, and is payable to the institute offering the preparation program.

In-class version: CA\$650 (plus applicable taxes)

Materials-only version: CA\$500 (plus applicable taxes)

CARE multiple-choice questions and solutions are not publicized because they are non-disclosed examinations. However, practice examinations and sample questions are made available.

Past examinations (2005 to 2009) with approaches to solutions are available on the ICAO's website. **These examinations are however not indicative of the current examination format and have not been updated to reflect changes in professional standards and legislation.**

A list of reference/study materials is provided in Appendix A (page 17) and on the ICAO's web site. Please note that this list is not intended to be all-inclusive; it is indicative of the learning materials used at university in courses that prepare students for careers as Chartered Accountants.

Applicants who wish to have more information about the CARE Prep Program Part-1 should contact the ICAO or the Institute of Chartered Accountants of British Columbia (see contact information in Appendix D – page 35).

## 7. Preparing for the CARE (continued)

### Part-2 of the CARE

The CARE Prep Program Part-2 is offered in an in-class version in English only in Toronto in mid-August each year. It consists of a three-day **review** of Canadian GAAP and Canadian GAAS and is subject to a minimum number of registrations.

The CARE Prep Program Part-2 is also offered in a materials-only version in English to candidates who cannot attend the in-class version.

The CARE Prep Program Part-2 review materials are provided as printed materials to candidates who registered for the CARE Prep Program Part-2, and are shipped at no additional cost to addresses within Canada. Shipment costs to destinations outside Canada will be billed in addition to the registration fees.

The registration fee for the CARE Prep Program Part-2 does not include the fee for the examination, and is payable to the ICAO.

In-class version: CA\$650 (plus applicable taxes)

Materials-only version: CA\$500 (plus applicable taxes)

CARE multiple-choice questions and solutions are not publicized because they are non-disclosed examinations. However, practice examinations and sample questions are made available.

Past examinations (2005 to 2009) with approaches to solutions are available on the ICAO's website. **These examinations are however not indicative of the current examination format and have not been updated to reflect changes in professional standards and legislation.**

A list of reference/study materials is provided in Appendix A (page 17) and on the ICAO's web site. Please note that this list is not intended to be all-inclusive; it is indicative of the learning materials used at university in courses that prepare students for careers as Chartered Accountants.

Applicants who wish to have more information about the CARE Prep Program Part-2 should contact the ICAO (see contact information in Appendix D – page 35).

## 8. Applying to Write the CARE

### Part-1 of the CARE

An application form for Part-1 of the CARE is available on the website of each of the provincial and territorial CA institutes/ordre in Canada. The fee for Part-1 of the CARE is payable to the provincial or territorial CA institute/ordre at the time the application form is submitted. Eligible Applicants should contact their provincial or territorial CA institute/ordre to confirm registration deadlines, the date and time of Part-1 of the CARE, and the location of the examination centres.

The fee to write Part-1 of CARE is CA\$425 (plus applicable taxes) for 2011, and is **not** included in the CARE Preparation Program Part-1 or Part-2 fees.

Late registration may be subject to a fee as determined by each of the provincial and territorial CA institutes/ordre.

Part-1 of the CARE is scheduled for Monday, October 24, 2011 from 9:00 a.m. to 12:00 p.m..

### Part-2 of the CARE

An application form for Part-2 of the CARE is available on the website of the ICAO. The fee for Part-2 of the CARE is payable at the time the application form is submitted. Eligible candidates should contact the ICAO to confirm registration deadlines, the date and time of Part-2 of the CARE, and the location of the examination centres.

The fee to take the Part-2 of CARE is CA\$425 (plus applicable taxes) for 2011, and is **not** included in the CARE Preparation Program Part-1 or Part-2 fees.

Late registration may be subject to a fee as determined by the ICAO.

Part-2 of the CARE is scheduled for Monday, October 24, from 1:00 p.m. to 3:00 p.m.

The provincial and territorial CA institutes/ordre's contact information is provided in Appendix D (page 35).

## 9. Communicating CARE Results

Within seven to eight weeks of writing Part-1 or Part-2 of the CARE, the results are communicated to candidates by their provincial or territorial CA Institutes/ordre.

The results are reported as either a successful or unsuccessful attempt. No alpha or numerical grades are reported. A decile standing in each competency area is provided to each candidate whose attempt was unsuccessful, to help the candidate revise his/ her study program.

Part-1 and Part-2 of the CARE answer score sheets, once submitted, are the property of the provincial and territorial CA Institutes/ordre. The answer score sheets are retained by a provincial and territorial CA institutes/ordre for a period of 60 days from the date of the release of the results and are then destroyed.

Given the non-disclosed nature of Part-1 and Part-2 of the CARE, a review of questions and answers by candidates subsequent to the examination submission is not allowed.

Candidates whose attempt was unsuccessful may request a mechanical check of their answer score sheet(s); no other petitions will be accepted. The fee for performing a mechanical check is as follows:

Part-1 of the CARE	CA\$60 (plus applicable taxes)
Part-2 of the CARE	CA\$60 (plus applicable taxes)

The result letters for Part-1 and Part-2 of the CARE will be mailed to Applicants on Friday, December 9, 2011.

The names of the successful Applicants on Part-1 of the CARE may be published on the provincial or territorial CA institute/ordre's website no earlier than Friday, December 9, 2011 at 10:00 a.m. local time, provided that the Applicant has granted consent for such publication and that the provincial and territorial CA institutes/ordre provides this service.

The names of the successful candidates on Part-2 of the CARE are not published on the ICAO's website.

Should a Applicant write Part-1 and Part-2 of the CARE on the same day, and have an unsuccessful attempt at Part-1 of the CARE, the Applicant will retain the benefit of the successful attempt at Part-2 of the CARE for two calendar years following the year in which the first attempt is made. If the Applicant does not successfully complete Part-1 of the CARE within this time frame, the Applicant must then write and successfully complete both Part-1 and Part-2 of the CARE.

## Appendix A – Useful Reference Materials

The following is a list of textbooks and other materials useful in preparing for Part-1 and Part-2 of the CARE. The list is not intended to be all-inclusive. Applicants should **make sure** that the textbooks and other materials are **current**.

### Part-1 of the CARE

#### Canadian Taxation

- *Income Tax Act, Income Tax Application Rules and Regulations, and the Excise Tax Act.*
- Interpretation Bulletins.
- Canadian Taxation textbooks such as:
  - Beam; Laiken; Barnett – *Introduction to Federal Income Taxation in Canada*, CCH.
  - Buckwold; Kitunen – *Canadian Income Taxation, Planning and Decision Making*, McGrawhill-Ryerson.
  - Byrd; Chen – *Canadian Tax Principles*, Pearson.

#### Canadian Business Law

- Canadian Business Law textbooks such as:
  - Willes; Willes – *Contemporary Canadian Business Law, Principles & Cases*, McGrawhill-Ryerson.
  - Smyth; Soberman; Easson – *The Law and Business Administration in Canada*, Pearson.

#### Rules of Professional Conduct

- Members' Handbook of each provincial or territorial CA institutes/ordre.

### Part-2 of the CARE

#### Performance Measurement & Reporting, Assurance, and Governance Strategy & Risk Management

- *CICA Handbook.*
- Canadian intermediate and advanced financial accounting textbooks such as:
  - Kieso; Weygandt; Warfield; Young; Wiecek – *Intermediate Accounting, Volume 1 and Volume 2*, Wiley.
  - Beechy; Conrod – *Intermediate Accounting, Volume 1 and Volume 2*, McGrawhill-Ryerson.
  - Spiceland; Sepe; Tomassini; Morrill; Mortimer – *Intermediate Accounting, Volume 1 and Volume 2*, McGrawhill-Ryerson.
  - Hilton; Herauf – *Modern Advanced Accounting in Canada*, McGrawhill-Ryerson.
  - Beechy; Trivedi; MacAulay – *Advanced Financial Accounting*, Pearson.
  - Byrd; Chen – *Canadian Advanced Accounting: International Convergence*, Knotia.
  - Scott – *Financial Accounting Theory*, Pearson.
- Canadian auditing textbooks such as:
  - Arens; Elder; Beasley; Splettstoesser-Hogeterp – *Auditing: The Art and Science of Assurance Engagements*, Pearson.
  - Smieliauskas; Bewley – *Auditing - An International Approach*, McGrawhill-Ryerson.
  - Messier; Glover; Prawitt – *Auditing and Assurance Services*, McGrawhill-Ryerson.

# Appendix B – Knowledge Reference List – Part-1

## Canadian taxation

### 1. General concepts and principles of taxation

- Structure of the *Income Tax Act* in Canada
- Reference sources – Interpretation Bulletins, Information Circulars, Advance Tax Rulings and Case Law
- Liability for tax
- Tax evasion
- Tax avoidance – General anti-avoidance rule
- Liability of directors
- Books and records
- Concept of residency, deemed resident, part-year resident
- Currency used for tax information
- Exempt entities
- Withholding requirements and information returns

### 2. Computation of income

- Income for taxation year
- Source and timing of income or loss
- General limitation – expenses
- Alternative business structures – sole proprietorship, corporations, joint ventures and partnerships
- Types of corporations – Canadian-Controlled Private Corporation, Public, Private
- Taxation year, fiscal period
- Professional business, work in progress, inventory

### 3. Income or loss from an office or employment

- Basic rules
- Taxable benefits:
  - Travel, personal or living allowances
  - Director's or other fees
  - Automobile benefits
  - Other taxable benefits
  - Stock option benefits
- Deductions allowed and limitations
- Employee or self-employed, personal services business

## Appendix B – Knowledge Reference List – Part-1

### Canadian taxation (continued)

#### 4. Income or loss from a business or property

- Types of income – active business income, property income, capital gain/loss
- Extended meaning of carrying a business
- Owner-manager tax-planning:
  - Incorporation
  - Compensation options for owner-manager: employment income vs. dividends
  - Shareholder and employee benefits and loans, deemed interest paid
- Basic rules and principles
- Inclusions
- Deductions – Limitations
- Limitation on certain interest, property tax and construction costs
- Limitation on other items
- Inventory valuation
- Amounts to be included – dividends
- Deductions permitted
- Deductibility of interest expense
- Split income
- Reserves
- Convention expenses
- Foreign taxes
- Accrued bond interest
- Ceasing to carry on business
- Professional business, work in progress, inventory
- Scientific research and development

#### 5. Capital cost allowance

- General principles and definitions:
  - Recaptured capital cost allowance
  - Terminal loss
- Special Rules:
  - Exchanges of property
  - Change in use, non-arm's length
  - Passenger vehicle
  - Deemed capital cost – inducement
  - Expenses of representation
  - Disposition of a building
  - Loss on certain transfers
  - Available for use
  - Consideration – FMV rules
  - Half-year rule and short taxation year
- Capital cost allowances classes

## Appendix B – Knowledge Reference List – Part-1

### Canadian taxation (continued)

#### 6. Cumulative eligible capital

- General rules
- Acquisition – non-arm's length
- Dispositions of eligible capital property

#### 7. Taxable capital gains and allowable capital losses

- General rules, definitions & computation
- Proceeds of disposition – allocation
- Inadequate consideration, gifting
- Election – disposition of Canadian securities
- Business investment loss
- Limitations re: reserves
- Principal residence
- Listed personal property
- Small business share rollover
- Personal use property
- Special rules
- Dispositions to affiliated persons
- Options and convertible property
- Adjusted cost base – inclusions
- Adjusted cost base – deductions
- Corporate dividend – transfer of property

#### 8. Other sources of income inclusions and deductions

- Inclusions
- Indirect payments
- Interest-free or low-interest loans
- Maintenance
- Deductions

## Appendix B – Knowledge Reference List – Part-1

### Canadian taxation (continued)

#### 9. Estate planning and introduction to tax-planning

- Death of a taxpayer – basic rules
- Reserves for year of death
- Charitable donations
- Inter vivos transfers – spouse
- Income splitting – Income attribution rules:
  - Transfers or loans to a spouse
  - Transfers or loans to a minor
  - Repayment of existing indebtedness
  - Transfers or loans to a trust or corporation
  - Spouses living apart
  - Exceptions to attribution rules
- Tax on split income (“kiddie tax”)
- Arm's length and affiliated persons
- Extended meanings – “child”, “parent”, “spouse”, “former spouse”

#### 10. Financially troubled businesses

- Unpaid amounts
- General rules for debt forgiveness

#### 11. Business combinations and corporate reorganizations

- Sale of a business – assets or shares
- Non-arm's length sale of shares - deemed dividend
- Transfer of property to corporation
- Mergers, divestitures & acquisitions - basic rules and planning opportunities:
  - Share-for-share exchange
  - Section 86 reorganization
  - Amalgamations
- Winding up a subsidiary
- Winding up other companies
- Planning opportunities – capital gains deduction

#### 12. Partnerships and their members

- Partnerships – general rules
- Limited partnerships – at-risk rules
- Contribution of property
- Terminated partnership
- Information returns

## Appendix B – Knowledge Reference List – Part-1

### Canadian taxation (continued)

#### 13. Introduction to trusts

- General definitions and liability
- Types of trusts – testamentary, inter vivos
- Income determination for trusts

#### 14. Computation of taxable income deductions

- Employee stock options
- Worker's compensation, social assistance, etc.
- Home relocation loan
- Lump sum payments
- Charitable gifts
- Gifts of capital property
- Gifts made by partnership
- Capital gains deduction
- Losses deductible
- Net capital losses
- Net capital losses in year of death
- Limitation on deductibility & change in control
- Taxable dividend received by corporation resident in Canada

#### 15. Rules applicable to individuals

- Tax payable under Part I
- Non-refundable tax credits:
  - Personal, age, pension and other credits
  - Other tax credits
  - Transfer of unused credits
  - Part year and non-resident
  - Ordering of credits
  - Credits in separate returns
  - Income for the year
  - Minimum tax carry-over
  - Dividend tax credit
  - Overseas employment tax credit
- Refundable tax credits:
  - Goods and services tax credit
  - Refundable medical expense supplement
  - Child tax benefit
  - Working income tax benefit
- Minimum tax
- Changes in residence

## Appendix B – Knowledge Reference List – Part-1

### Canadian taxation (continued)

#### 16. Rules applicable to corporations

- Basic rate for corporations
- Refundable tax on CCPC's investment income
- Corporate tax reduction
- Federal abatement
- Small business deduction
- Private corporations – dividend refund
- Eligible dividends, general rate and low rate income pool
- Capital dividend – general rules
- Refundable dividend tax on hand
- Definitions of Canadian and foreign investment income
- Investment income from associated corporation deemed to be active business income
- Associated corporations

#### 17. Rules applicable to all taxpayers

- Foreign tax credit
- Political contributions credit
- Investment tax credit – basic rules
- Refundable investment tax credit

#### 18. Deferred Income Plans

- Definitions
- Registered Retirement Savings Plans
- Home Buyers Plan
- Lifelong Learning Plan
- Registered Education Savings Plan
- Tax Free Savings Account (TSFA)
- Registered Retirement Income Funds
- Registered Disability Savings Plan
- Transfers between plans
- Deferred Profit Sharing Plans
- Registered Pension Plans

## Appendix B – Knowledge Reference List – Part-1

### Canadian taxation (continued)

#### 19. Administration, returns, assessments, payment and appeals

- Basic returns
- Other returns
- Electronic filing of returns
- Payment of tax:
  - Estimate of tax
  - Instalments for individuals
  - Instalments for corporations
  - Payment of remainder
- Assessment – important dates
- Notice of assessment
- Taxpayer's representative
- Joint liability for tax-split income
- Interest and penalties, failures and omissions
- Misrepresentation by third party
- Refunds and interest
- Objections to assessments and appeal process

#### 20. Other taxes

- Tax on old age security benefits
- Tax on certain taxable dividends
- Non-resident – Tax on income from Canada: interest, rents or royalties, alimony, dividends

### GOODS AND SERVICES TAXATION

#### 1. General rules

- Definitions – taxable supply, zero-rated supply, exempt supply, person, property, recipient, service, registrant
- Small suppliers
- Consideration
- Imposition of tax
- When tax payable
- Input tax credits
- Taxable benefits
- Passenger vehicles
- Importation of goods and services

## Appendix B – Knowledge Reference List – Part-1

### Canadian taxation (continued)

#### 2. Collections and remittances

- Collection of tax
- Remittance of tax
- Meals and entertainment

#### 3. Returns, administration and reporting requirements

- Returns
- Registration
- Fiscal and reporting periods
- Administration and enforcement
  - Books and records
  - Assessments
  - Objections and appeals

# Appendix B – Knowledge Reference List – Part-1

## Business Law

### Overview

The law, the legal and judicial systems, the *Canadian Charter of Rights and Freedoms*, and notions of the *British North America Act, 1867*.

### The law of torts

- Intentional, unintentional and other types of torts (e.g., defamation, trespass, nuisance)
- Negligence, duty and standard of care
- Commercial negligence and professional liability
- Defences, tort remedies, damages and compensation

### The law of contract

- Formation of valid contracts
  - Intention, offer, acceptance, consideration
  - Legal capacity to contract and the requirement of legality
- Enforceability of contractual rights
  - Form and writing, electronic business law, data protection and personal information
  - Misrepresentation, influence and duress
  - Assignment of contractual rights
- Performance and breach of contract
  - Nature and extent of performance
  - Other means of discharge
  - Breaches and remedies

### Forms of business organization

- Sole proprietorship, agency, partnerships, and joint ventures
- Corporation law
  - Incorporation process, division of powers, purchase/sale, dissolution
  - Securities regulation and trading
  - Proxy voting and solicitation

### Business relationships

- Sale of goods and consumer protection law
  - Nature of sales contract, conditions, duties of the parties, and warranties
  - Consumer protection legislation, safety, product quality and performance
  - Credit related matters, and collection agencies
- Law of banking and negotiable instruments
  - *Bills of Exchange Act*, cheques, promissory notes, liabilities of parties
  - Consumer protection
- Law of credit and finance
  - Forms of security and liens
  - Bankruptcy legislation and insolvency
- Bailment and insurance law
  - Nature and types of bailment
  - Insurance contracts and indemnity for loss

# Appendix B – Knowledge Reference List – Part-1

## Rules of Professional Conduct

### First bylaw of 1973

#### Foreword

Application of the rules of professional conduct  
Interpretation of the rules of professional conduct

#### 100 – General

- 101 Compliance with bylaws, regulations and rules
- 102.1 Conviction of criminal or similar offences
- 102.2 Reporting disciplinary suspension, expulsion or restriction of right to practise
- 103 False or misleading applications
- 104 Requirement to co-operate
- 105 Hindrance, inappropriate influence and intimidation

#### 200 – Standards of conduct affecting the public interest

- 201.1,  
.2 & .3 Maintenance of reputation of profession
- 201.4 Advocacy services
- 202.1 Integrity and due care
- 202.2 Objectivity
- 203.1 Professional competence
- 204 Independence
  - 204.1 Assurance and specified auditing procedures engagements
  - 204.2 Identification of threats and safeguards
  - 204.3 Documentation
  - 204.4 Specific prohibitions, assurance and specified auditing procedures engagements
  - 204.5 Members must disclose prohibited interests and relationships
  - 204.6 Firms to ensure compliance by partners and professional employees
  - 204.7 Independence: insolvency engagements
  - 204.8 Disclosure of impaired independence
- 205 False or misleading documents and oral representations
- 206 Compliance with professional standards
- 207 Unauthorized benefits
- 208 Confidentiality of information
- 209 Borrowing from clients
- 210 Conflict of interest
- 211 Duty to report breach of rules of professional conduct
- 212.1 Handling of trust funds and other property
- 212.2 Handling property of others
- 213 Unlawful activity
- 214 Fee quotations
- 215 Contingent fees
- 216 Payment or receipt of commissions

## Appendix B – Knowledge Reference List – Part-1

### Rules of Professional Conduct

#### 200 – Standards of conduct affecting the public interest (continued)

- 217.1 Advertising and promotion
- 217.2 Solicitation
- 217.3 Endorsements
- 218 Retention of documentation and working papers

#### 300 - Relations with other members or firms and with non-members licensed to practise public accounting

- 302 Communication with predecessor
- 303 Co-operation with successor
- 304 Joint engagements
- 305 Communication of special engagements to incumbent
- 306.1 Responsibilities on accepting engagements
- 306.2 Responsibilities on referred engagements

#### 400 - Organization and conduct of a professional practice

- 401 Practice names
- 402 Use of descriptive styles
- 403 Association with firms
- 404 Operation of members' offices
- 405 Office by representation
- 406 Member responsible for a non-member in practice of public accounting
- 407 Related business or practice, and member responsible for non-member in such business or practice
- 408 Association of member with non-members in public practice
- 409 Practice of public accounting in corporate form

#### 500 - Rules of professional conduct applicable only to firms

- 501 Firm's maintenance of policies and procedures for compliance with professional standards
- 502 Firm's maintenance of policies and procedures: competence and conduct of firm members
- 503 Association with firms

#### Appendix A

Former Rule of Professional Conduct 204 (Objectivity)

#### Regulations and council interpretations

Note: The above list of Rules of Professional Conduct is an extract from the ICAO Member's Handbook, and is provided as an indication of the rules that are examinable. Each provincial or territorial CA institute/ordre has a set of Rules of Professional Conduct that may differ in wording, or structure, or both, but that addresses similar professional conduct related behaviours and rules.

## Appendix C – Knowledge Reference List – Part-2

### Canadian GAAP

#### **Accounting - Part I**

##### **Introduction**

The Conceptual Framework for Financial Reporting

##### **IFRS in Effect on January 31, 2011**

##### **International Financial Reporting Standards**

IFRS 1 - First-time Adoption of International Financial Reporting Standards

IFRS 2 - Share-based payment

IFRS 3 - Business Combinations

IFRS 5 - Non-current Assets Held for Sale and Discontinue Operations

IFRS 7 - Financial Instruments: Disclosures

IFRS 8 - Operating Segments

##### **International Accounting Standards**

IAS 1 - Presentation of Financial Statements

IAS 2 - Inventories

IAS 7 - Statement of Cash Flows

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

IAS 10 - Events after the Reporting Period

IAS 11 - Construction Contracts

IAS 12 - Income Taxes

IAS 16 - Property, Plant and Equipment

IAS 17 - Leases

IAS 18 - Revenue

IAS 19 - Employee Benefits

IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance

IAS 21 - The Effects of Changes in Foreign Exchange Rates

IAS 23 - Borrowing Costs

IAS 24 - Related Party Disclosures

IAS 27 - Consolidated and Separate Financial Statements

IAS 28 - Investments in Associates

IAS 31 - Interests in Joint Ventures

IAS 32 - Financial Instruments: Presentation

IAS 33 - Earnings per Share

IAS 34 - Interim Financial Reporting

IAS 36 - Impairment of Assets

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets

IAS 38 - Intangible Assets

IAS 39 - Financial Instruments: Recognition and Measurement

IAS 40 - Investment Property

IAS 41 - Agriculture

##### **International Financial Reporting Interpretations Committee (IFRIC)**

As they relate to the examinable standards

##### **Standing Interpretations Committee (SIC)**

As they relate to the examinable standards

## Appendix C – Knowledge Reference List – Part-2

### Canadian GAAP (continued)

#### Accounting - Part II

##### Accounting Standards for Private Enterprises

Introduction to Part II

##### Accounting Standards

###### General accounting

- 1000 - Financial Statement Concepts
- 1100 - Generally Accepted Accounting Principles
- 1400 - General Standards of Financial Statement Presentation
- 1500 - First-time Adoption
- 1505 - Disclosure of Accounting Policies
- 1506 - Accounting Changes
- 1508 - Measurement Uncertainty
- 1510 - Current Assets and Current Liabilities
- 1520 - Income Statement
- 1521 - Balance Sheet
- 1540 - Cash Flow Statement
- 1582 - Business Combinations
- 1590 - Subsidiaries
- 1601 - Consolidated Financial Statements
- 1602 - Non-controlling Interests
- 1651 - Foreign Currency Translation
- 1800 - Unincorporated Businesses

###### Specific items

- 3031 - Inventories
- 3051 - Investments
- 3055 - Interests in Joint Ventures
- 3061 - Property, Plant and Equipment
- 3063 - Impairment of Long-lived Assets
- 3064 - Goodwill and Intangible Assets
- 3065 - Leases
- 3110 - Asset Retirement Obligations
- 3240 - Share Capital
- 3251 - Equity
- 3260 - Reserves
- 3280 - Contractual Obligations
- 3290 - Contingencies
- 3400 - Revenue
- 3461 - Employee Future Benefits
- 3465 - Income Taxes
- 3475 - Disposal of Long-lived Assets and Discontinued Operations
- 3610 - Capital Transactions
- 3800 - Government Assistance
- 3805 - Investment Tax Credits
- 3820 - Subsequent Events

## Appendix C – Knowledge Reference List – Part-2

### Canadian GAAP (continued)

- 3831 - Non-monetary Transactions
- 3840 - Related Party Transactions
- 3841 - Economic Dependence
- 3850 - Interest Capitalized – Disclosure Considerations
- 3856 - Financial Instruments
- 3870 - Stock-based Compensation and Other Stock-based Payments

#### Accounting Guidelines

- AcG-2 - Franchise Fee Revenue
- AcG-14 - Disclosure of Guarantees
- AcG-18 - Investment Companies

#### Accounting - Part III

##### Accounting Standards for Not-for-Profit Organizations

- Introduction to Part III
- 1001 - Financial statement concepts for not-for-profit organizations
- 1101 - Generally Accepted Accounting Principles for Not-for-profit Organizations
- 1401 - General Standards of Financial Statement Presentation for Not-for-profit Organizations
- 1501 - First-time Adoption by Not-for-profit Organizations
- 3032 - Inventories Held by Not-for-profit Organizations
- 4400 - Financial Statement Presentation by Not-for-profit Organizations
- 4410 - Contributions - Revenue Recognition
- 4420 - Contributions Receivable
- 4431 - Tangible Capital Assets Held by Not-for-profit Organizations
- 4432 - Intangible Assets Held by Not-for-profit Organizations
- 4440 - Collections Held by Not-for-profit Organizations
- 4450 - Reporting Controlled and Related Entities by Not-for-profit Organizations
- 4460 - Disclosure of Related Party Transactions by Not-for-profit Organizations
- 4470 - Disclosure of Allocated Expenses by Not-for-profit Organizations

##### Public Sector Accounting

- Public Sector Accounting Standards
- Public Sector guidelines
- Please see note on page 53 of *The UFE Candidates' Competency Map*  
<http://www.cica.ca/become-a-ca/documents/item9604.pdf>

## Appendix C – Knowledge Reference List – Part-2

### Canadian GAAS

#### Preface to the CICA Handbook – Assurance

#### Canadian Standards on Quality Control

CSQC 1 – Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements

#### Canadian Auditing Standards

- CAS 200 - Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards
- CAS 210 - Agreeing the Terms of Audit Engagements
- CAS 220 - Quality Control for an Audit of Financial Statements
- CAS 230 - Audit Documentation
- CAS 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- CAS 250 - Consideration of Laws and Regulations in an Audit of Financial Statements
- CAS 260 - Communications with Those Charged with Governance
- CAS 265 - Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
- CAS 300 - Planning an Audit of Financial Statements
- CAS 315 - Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
- CAS 320 - Materiality in Planning and Performing an Audit
- CAS 330 - The Auditor's Responses to Assessed Risks
- CAS 402 - Audit Considerations Relating to an Entity Using a Service Organization
- CAS 450 - Evaluation of Misstatements Identified during an Audit
- CAS 500 - Audit Evidence
- CAS 501 - Audit Evidence - Specific Considerations for Selected Items
- CAS 505 - External Confirmations
- CAS 510 - Initial Audit Engagements - Opening Balances
- CAS 520 - Analytical Procedures
- CAS 530 - Audit Sampling
- CAS 540 - Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
- CAS 550 - Related Parties
- CAS 560 - Subsequent Events
- CAS 570 - Going Concern
- CAS 580 - Written Representations
- CAS 600 - Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)
- CAS 610 - Using the Work of Internal Auditors
- CAS 620 - Using the Work of an Auditor's Expert

## Appendix C – Knowledge Reference List – Part-2

### Canadian GAAS (continued)

- CAS 700 - Forming an Opinion and Reporting on Financial Statements
- CAS 705 - Modifications to the Opinion in the Independent Auditor's Report
- CAS 706 - Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
- CAS 710 - Comparative Information - Corresponding Figures and Comparative Financial Statements
- CAS 720 - The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements
- CAS 800 - Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
- CAS 805 - Special Considerations - Audits of Single Financial Statements and Special Elements, Accounts or Items of a Financial Statement
- CAS 810 - Engagements to Report on Summary Financial Statements

### Other Canadian Standards

#### General Assurance and Auditing

- CSAE 3416 - Reporting on Controls at a Service Organization
- 5020 - Association
- 5021 - Authority of Auditing and Assurance Standards and Other Guidance for Engagements Other than Audits of Financial Statements and Other Historical Financial Information
- 5025 - Standards for Assurance Engagements Other than Audits of Financial Statements and Other Historical Financial Information
- 5030 - Quality Control Procedures for Assurance Engagements Other than Audits of Financial Statements and Other Historical Financial Information
- 5049 - Use of Specialist in Assurance Engagements Other than Audits of Financial Statements and Other Historical Financial Information
- 5050 - Using the Work of Internal Audit in Assurance Engagements Other than Audits of Financial Statements and Other Historical Financial Information
- 5800 - Special Reports - Introduction
- 5815 - Special Reports - Audit Reports on Compliance with Agreements, Statutes and Regulations
- 5925 - An Audit of Internal Control Over Financial Reporting that Is Integrated with an Audit of Financial Statements

#### Specialized Areas

- 7050 - Auditor Review of Interim Financial Statements
- 7110 - Auditor Involvement with Offering Documents of Public and Private Entities
- 7115 - Auditor Involvement with Offering Documents of Public and Private Entities – Current Legislative and Regulatory Requirements
- 7200 - Auditor Assistance to Underwriters and Others
- 7500 - Auditor's Consent to the Use of the Auditor's Report in Connection with Designated Documents
- 7600 - Reports on the Application of Accounting Principles

#### Review Engagements

- 8100 - General Review Standards
- 8200 - Public Accountant's Review of Financial Statements
- 8500 - Reviews of Financial Information Other than Financial Statements
- 8600 - Reviews of Compliance with Agreements and Regulations

## Appendix C – Knowledge Reference List – Part-2

### Canadian GAAS (continued)

#### Related Services

- 9100 - Reports on the Results of Applying Specified Auditing Procedures to Financial Information Other than Financial Statements
- 9110 - Agreed-Upon Procedures Regarding Internal Control over Financial Reporting
- 9200 - Compilation Engagements

#### Public Sector

- PS 5000 - Introduction to Assurance Recommendations that Apply Only to the Public Sector
- PS 5300 - Auditing for Compliance with Legislative and Related Authorities in the Public Sector
- PS 5400 - Value-for-Money Auditing in the Public Sector
- PS 6410 - Planning Value-for-Money Audits in the Public Sector
- PS 6420 - Knowledge of the Audit Entity in Planning Value-for-Money Audits in the Public Sector

#### Assurance and Related Services Guidelines

- AuG-4 - Services on Matters Relating to Solvency
- AuG-5 - Compilation Engagements — Financial Statement Disclosures
- AuG-6 - Examination of a Financial Forecast or Projection Included in a Prospectus or Other Public Offering Document
- AuG-10 - Legislative requirements to report on the consistent application of accounting principles in the applicable financial reporting framework
- AuG-16 - Compilation of a Financial Forecast or Projection
- AuG-19 - Audit of Financial Statements Affected by Environmental Matters
- AuG-20 - Performance of a Review of Financial Statements in Accordance with Sections 8100 and 8200
- AuG-30 - The Auditor's Consent and Comfort in Connection with Securities Offering Documents
- AuG-32 - Electronic Commerce — Effect on the Audit of Financial Statements
- AuG-39 - Auditing Derivative Financial Instruments
- AuG-46 - Communications with Law Firms under new Accounting and Auditing Standards
- AuG-47 - Dating the review engagement report on financial statements

#### Guidance of the Criteria of Control Board

- Preface to Risk Management and Governance Board
- Guidance on Control
- Guidance for Directors - Governance Processes for Control
- Guidance on Assessing Control
- Guidance for Directors – Dealing with Risk in the Boardroom
- Additional Resources

#### Risk Oversight and Governance Collection

- 20 Questions Series
- CFO Series
- Director Briefings

## Appendix D – Provincial and Territorial CA Institutes/Ordre

The Institute of Chartered Accountants of British Columbia  
Suite 500, One Bentall Centre  
505 Burrard Street, Box 22  
Vancouver, BC V7X 1M4  
(604) 681-3264; (800) 663-2677  
[www.ica.bc.ca](http://www.ica.bc.ca)

The Institute of Chartered Accountants of Saskatchewan  
3621 Pasqua Street  
Regina, SK S4S 6W8  
(306) 359-1010  
[www.icas.sk.ca](http://www.icas.sk.ca)

The Institute of Chartered Accountants of Ontario  
69 Bloor Street East  
Toronto, ON M4W 1B3  
(416) 962-1841; (800) 387-0735  
[www.icao.on.ca](http://www.icao.on.ca)

The Institute of Chartered Accountants of Newfoundland  
and Labrador  
95 Bonaventure Avenue, Suite 501  
St. John's, NL A1B 2X5  
(709) 753-7566

The New Brunswick Institute of Chartered Accountants  
55 Union Street, Suite 250  
Mercantile Centre  
Saint John, NB E2L 5B7  
(506) 634-1588

The Institute of Chartered Accountants of the Yukon  
204 - 208A Main Street  
Whitehorse, Yukon Y1A 2A9  
Contact the Institute of Chartered Accountants of British  
Columbia  
[www.icayk.ca](http://www.icayk.ca)

The Institute of Chartered Accountants of Alberta  
580 Manulife Place, 10180-101 Street  
Edmonton, AB T5J 4R2  
(780) 424-7391; (800) 232-9406  
[www.icaa.ab.ca](http://www.icaa.ab.ca)

The Institute of Chartered Accountants of Manitoba  
500-161 Portage Avenue East  
Winnipeg, MB R3B 0Y4  
(204) 942-8248; (888) 942-8248  
[www.icam.mb.ca](http://www.icam.mb.ca)

Ordre des comptables agréés du Québec  
680, rue Sherbrooke Ouest, 18<sup>e</sup> étage  
Montréal, QC H3A 2S3  
(514) 288-3256; (800) 363-4688  
[www.ocaq.qc.ca](http://www.ocaq.qc.ca)

The Institute of Chartered Accountants of Prince Edward  
Island  
P.O. Box 301 – 56 Water Street  
Charlottetown, PE C1A 7K7  
(902) 894-4290  
[www.icapei.com](http://www.icapei.com)

The Institute of Chartered Accountants of Nova Scotia  
1791 Barrington Street, Suite 1410  
Halifax, NS B3J 3L1  
(902) 425-3291  
[www.icans.ns.ca](http://www.icans.ns.ca)

Institute of Chartered Accountants of Northwest Territories  
and Nunavut  
P.O. Box 2433  
Yellowknife, NT X1A 2P8  
Contact the Institute of Chartered Accountants of Alberta  
[www.icanwt.nt.ca](http://www.icanwt.nt.ca)