



From the Office of the President & CEO

*An Open Letter to the Forum of Labour Market Ministers from the
Certified General Accountants*

May 25, 2009

Dear Ministers:

As you review a list of exceptions, with an eye to removing as many barriers as possible under the revised Chapter 7 of the *Agreement on Internal Trade (AIT)*, the 13 associations and regulatory bodies representing Certified General Accountants (CGAs) in Canada wish to bring a critical matter to your attention.

Late last year, at the urging of the Council of the Federation, you approved revisions to the labour mobility provisions of the *AIT*. The revised Chapter requires any person certified for an occupation by a regulatory authority of one province or territory be recognized as qualified for that occupation by all other provinces and territories without any additional training, experience, examinations or assessments as part of the certification procedure. CGAs strongly support these amendments. Combined with a strengthened dispute resolution mechanism, CGAs believe the *AIT* can become an effective and accessible agreement to promote interprovincial trade in Canada.

The revised Chapter also permits a province or territory to maintain a measure that might be inconsistent with the *AIT* if the purpose of the measure is to achieve a legitimate objective and the measure does not create a disguised restriction to labour mobility. We understand that you are currently considering endorsing exceptions.

We also understand that Ontario has indicated that it wishes to file an exception to maintain existing requirements for public accounting licensing. This is unacceptable.

Two panels constituted under the dispute resolution mechanism of the *AIT* rejected the claim that public accounting justified a legitimate objective. Specifically, in the October 2001 dispute between the Certified General Accountants Association of Manitoba and Ontario, the Panel rejected outright the argument that restrictions to public accounting in Ontario were required to protect the public and preserve Ontario's capital markets. The Panel noted there is no evidence that the public and/or capital markets have been endangered through the practice of public accounting by CGAs, under federal statutes or the statutes of other provinces.

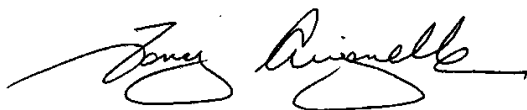
In the dispute between the Certified General Accountants Association of New Brunswick and Québec, reported in August 2005, the Panel concluded that the then restrictions to the practice of public accounting were unjustified. Subsequently, the National Assembly adopted legislation that, when fully enacted, will provide CGAs full access to public accounting in Québec.

Of particular relevance to this issue is a report published by the Competition Bureau of Canada. In its 2007 report, the Competition Bureau of Canada stated that “limiting who can perform public accounting effectively limits competition among accountants for this important service.” The Bureau added that some jurisdictions have been able to protect the public and still open the market to allow members of other designations to offer public accounting services. Moreover, the Bureau noted that the maintenance of high accounting standards does not require imposing one accounting body’s curriculum on others in a manner that raises the costs of entry and effectively excludes members of other designations from competing. Doing so, the Bureau concluded, would effectively limit competition from other designations.

Public accountants certified by CGA regulatory bodies must meet the same nationally accepted occupational standards as those who are licensed to practice public accounting in Ontario. While CGA qualification standards are not necessarily identical to those established for licensing in Ontario, we understand this is not a requirement of the revised Labour Mobility Chapter which operates on the principle that competence and abilities can be acquired through different combinations of training and experience.

Ministers, this issue is of primary importance to Certified General Accountants and to the many businesses and organizations that rely on our professional services. CGAs have long supported the *AIT* as an important tool of public policy. Eliminating barriers to the provision of public accounting services across Canada removes costly restrictions to business and is good for the economy. Permitting an exemption of a measure that has been found not to be justified by a legitimate objective compromises the principles of the revised Labour Mobility Chapter as well as the Council of the Federation’s objective of eliminating all barriers to mobility by August 2009. We ask that you critically review any barrier raised for public accounting and encourage all jurisdictions to ensure full mobility for public accountants in Canada.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Anthony Ariganello". The signature is fluid and cursive, with a large initial "A" and "A".

Anthony Ariganello, CPA (Delaware), FCGA
President and Chief Executive Officer
Certified General Accountants Association of Canada
On behalf of the CGA associations and regulatory bodies nation-wide