



British Columbia Securities Commission

By email

March 27, 2012

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Dear Mr. Rees, Mr. Bennett, and Mr. Ruth:

National Unification Framework and BC Provincial Merger Proposal

This letter is a response to your February 9, 2012 request for comments on the national Unification Framework and BC Provincial Merger Proposal. We appreciate the opportunity to comment on potential impacts of the merger on the capital markets. We offer comments on five public interest issues relating to the capital markets.

Oversight of licenses to sign audit reports

There must be appropriate oversight over granting and maintaining practice licenses to ensure that only those members with appropriate audit and accounting qualifications sign audit reports. The principles for the proposed merger appear to support this goal.

High quality code of conduct applicable to all audits

We support the goal of a single high quality code of conduct applicable to all audits of public companies in Canada. Currently, different accounting designations have different rules of professional conduct. Some of these rules are currently being reviewed and potentially strengthened in important areas such as auditor independence. If the merger proceeds, we recommend that the merged profession continue the work of the Independence Task Force of the CICA's Public Trust Committee in developing a code of conduct that incorporates high quality standards appropriate for Canada's capital markets.

Canadian input to the development of international standards

Canadian stakeholders must have the opportunity to provide meaningful input to the development of International Financial Reporting Standards (IFRS) and International Standards on Auditing because these standards are very important to our capital markets. One benefit cited for a merged profession in Canada is that a larger, more cohesive voice would ensure the Canadian accounting profession continues to effectively influence international standard setting bodies. We support the goal of effective stakeholder consultation and influence of the development of international standards. Specifically, we continue to hold the views expressed in a comment letter dated October 7, 2010 from the CSA Chief Accountants Committee on the Canadian Accounting Standards Board's Strategic Plan for 2011 – 2014, which included the following:

- a) "We strongly support the Board's plan to continue to support the application of IFRS as issued by the IASB for publicly accountable enterprises. We agree that the Board has a continuing responsibility to carry out due process before adopting any new standards, including facilitating the participation of Canadians in the standards development work of the IASB. We also agree with the Board's intention to cooperate with the IASB through staff-to-staff contacts and to closely monitor IASB initiatives for issues of particular concern to Canadians. We think the Board has a critical role in ensuring the input of Canadian stakeholder groups into the IASB standard-setting processes.
- b) "We commend the Board for creating the IFRS Discussion Group as a forum for identifying and discussing issues arising in the application of IFRS in Canada. We encourage the Board to continue this forum."

With regards to assurance standards, we agree with the assertion in the Canadian Auditing and Assurance Standards' Boards strategic plan for 2010 – 2013 that:
"A strong Canadian standard-setting capability is important in two particular contexts:
(a) to respond to the needs of Canadian stakeholders in the domestic environment; and
(b) to present a Canadian viewpoint at the international standard-setting table."

Regulation of the practice of accounting and transparency of qualifications

Securities legislation requirements for financial reporting impact many parties including preparers of financial statements, certifying officers, boards of directors, auditors, and investors. The national Unification Framework notes that accountants across Canada are subject to different qualification processes, codes of conduct, inspection and disciplinary regimes operated under 40 different government bodies. Effective regulation of the practice of accounting and transparency of qualifications help promote compliance with financial reporting requirements in securities legislation.

Richard Rees, Colin Bennett, and Gordon Ruth
Page 3
March 27, 2012

We support the proposals for:

- (a) a certification program that draws on the strengths of the existing programs and is at least as rigorous as all existing programs, and
- (b) a common code of conduct, regulations and the practice of public accountancy.

Proposal for using the new designation

We support the proposal for members to use their current designation in combination with the new designation (Chartered Professional Accountant or “CPA”) during a transition period. This approach may provide useful information to stakeholders during the transition period.

If you have any questions about this letter, please do not hesitate to contact us.

Yours truly,



Brenda M. Leong
Chair and CEO

cc: Marcus Gill, Acting ED, FCSP
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