

FOREWORD

[excerpt]

Fundamental principles governing conduct

The rules of professional conduct, as a whole, flow from the special obligations embraced by the chartered accountant. The reliance of the public, generally, and the business community, in particular, on sound and fair financial reporting and competent advice on business affairs - and the economic importance of that reporting and advice - impose these special obligations on the profession. They also establish, firmly, the profession's social usefulness.

To protect the public and to maintain the reputation of the profession, the rules apply, as appropriate, to members of the profession and its students.

The rules of professional conduct are derived from five fundamental principles of ethics - statements of accepted conduct whose soundness is, for the most part, self-evident and are as follows:

Professional Behaviour

Members conduct themselves at all times in a manner which will maintain the good reputation of the profession and its ability to serve the public interest.

In doing so, members are expected to avoid any action that would discredit the profession.

While there are business considerations involved in the creation and development of a professional practice, a member's practice should be based primarily upon a reputation for professional excellence. A member is expected to act in relation to other professional colleagues with the courtesy and consideration he or she would expect to be accorded by them.

COUNCIL INTERPRETATION 217.1/14 Use of the term “Specialist”

- 14 Improperly claiming specialist status may violate one or more of the following rules:
- (a) Rule 201.1, which requires members and firms to act in a manner that will maintain the good reputation of the profession;
 - (b) Rule 202, which requires members to perform their services with integrity and due care;
 - (c) Rule 203.1, which requires members to sustain their professional competence in all functions in which they practise;
 - (d) Rule 210, which requires members and firms to avoid conflicts of interest; and
 - (e) Rule 217.1(a), which requires members to refrain from making statements that cannot be substantiated.

RULE 204.8 Disclosure of Impaired Independence

A member or firm engaged in the practice of public accounting or any related business or practice, who provides a service not subject to the requirements of Rules 204.1 to 204.7, shall disclose any activity, interest or relationship which, in respect of the engagement, would be seen by a reasonable observer to impair the member's or firm's independence such that the professional judgment or objectivity of the member, firm or member of the firm would appear to be impaired, and such disclosure shall be made in the member's or firm's written report or other written communication accompanying financial statements or financial or other information and the disclosure shall indicate the nature of the activity or relationship and the nature and extent of the interest.