

RULE 217.1

Advertising and promotion

A member or firm may advertise or seek publicity for the member's or firm's services, achievements or products and may seek to obtain new engagements and clients by various means, but shall not do so, directly or indirectly, in any manner:

- (a) which the member or firm knows, or should know, is false or misleading or which includes a statement the contents of which the member or firm cannot substantiate;
- (b) which makes unfavourable reflections on the competence or integrity of the profession or any member or firm; or
- (c) which otherwise brings disrepute on the profession.

COUNCIL INTERPRETATION 217.1

ADVERTISING AND PROMOTION

217.1/1 It is in the public interest and in the interest of all members of the Institute that members and firms be allowed to advertise or otherwise promote services available and the basis of fees charged. Members should be able to receive publicity, identifying them as members of the Institute, in areas which reflect their competence and knowledge, in matters which are within the scope of activities of members of the Institute, and in matters of civic or public interest. Advertising and publicity should contribute to public respect for the profession and thus to the professional standing of all members. It is the responsibility of the member or firm to ensure that any promotional material produced by or under the control of the member or firm is factual, and that any commentary is not misleading.

217.1/2 As guidance to members and firms, the following outlines what is acceptable conduct in a number of areas. Unless specifically noted, this interpretation also applies to members otherwise engaged or employed, and to firms or corporations engaged in a related function business or practice. The objective is to ensure that advertising or other promotional communication is accurate and factual.

217.1/3 Members and firms that engage public relations, recruiting or other agents are responsible for ensuring that no activity for which the agent is engaged contravenes the rules. While there are matters in which the use of skilled assistance can be advantageous, it should be recognized that there is an inherent danger of contravention of the rules and that close control must be exercised to avoid breaches.

217.1/4 A member or firm may be the subject of, or may be referred to, in any bona fide news story (including interviews and commentaries) or may publish any work (including any professional paper, report, article, etc.) related to the member's or firm's professional services provided that the member or firm uses all best efforts to ensure that none of the contents of such news story or work violates the requirements of Rule 217.

FALSE OR MISLEADING ADVERTISING AND PROMOTION

217.1/5 It is not appropriate for members and firms to advertising or promotional communications or media, including electronic media, that bring disrepute on the profession.

217.1/6 Members and firms should ensure, at all times, that any public reference (in promotional material, websites, stationery, reports, etc.) to themselves or their services is accurate. The following are examples of false or misleading references:

- (a) any implication that the practising unit is larger than it is, such as by use of plural descriptions or other misleading use of words;
- (b) any implication that a person is a partner of a firm, when the person is not;
- (c) any implication that a person is entitled to practise as a public accountant, if the person is not registered;
- (d) any reference to representation or association which is not in conformity with the facts;
- (e) the use of obsolete or out of date information;
- (f) any reference to particular services of any person or firm where the person or firm is not currently able to provide those services;
- (g) any statement that the practice is restricted to one or more functions, if assignments are accepted in other practice functions;

- (h) any statement that may create false or unjustified expectations as to the results of an engagement;
- (i) the use in the letterhead of any member or practising office of the name of a non-member which is not clearly and separately identified.

217.1/7 Any reference to fees which is intended for the information of the public (including prospective clients) should not be misleading. The following are examples of false or misleading fee references:

- (a) fee information if service at the fee specified will not be available on an ongoing basis for a reasonable length of time;
- (b) a quotation of specific fee information if service at the fee specified is conditional upon the acceptance by the client of other services, unless such condition is disclosed;
- (c) a "rate per hour" or fee or fee range for specified services, which does not give a reasonable description of the services included;
- (d) fee information which quotes an unqualified "average rate," fee or fee range for services when a particular assignment might likely be billed at a significantly higher amount;
- (e) fee information, using terms such as "from \$X" where fees, rates or ranges are not sufficiently representative of those normally charged

217.1/8 Members and firms should ensure that any controllable public references to them, their services or accomplishments, whether written or oral, are not false or misleading.

UNFAVORABLE REFLECTIONS

217.1/9 Since any member or firm may be able to offer services similar to those offered by others, it is not appropriate for any member or firm to claim superiority with respect to the competence or integrity of any other member or firm.

USE OF THE TERM "SPECIALIST"

217.1/10 Individuals who have earned the designation "Chartered Accountant" have demonstrated a high level of education and professional experience. To hold oneself out as a specialist is to imply possession of particular skills, talents and experience.

217.1/11 Specialization must be distinguished from expertise. Expertise implies extraordinary knowledge about a specific subject - no matter how broad or how narrow. Specialization implies a concentration of professional skills developed and applied over a meaningful period of time. A person may be an expert without being a specialist.

217.1/12 Members designating themselves, their practising offices or related businesses or practices as specialists must be prepared to substantiate the claim. Failure to provide advice to a specialist standard after accepting an engagement to do so may have serious legal consequences.

217.1/13 A member seeking identification as a specialist should be designated as a specialist by the appropriate CICA Alliance For Excellence or Accredited Organization or should meet the following minimum criteria:

- a) the member should be recognized as such by peers, clients and business associates;
- b) a significant percentage of the member's time over a sustained period should have been spent in the specialty;
- c) the member should have attended courses and/or successfully completed examinations appropriate for the specialty;
- d) the member should continue professional development relevant to the specialty, consisting of attendance at courses, teaching or writing; and
- e) the member should continue to devote a significant percentage of time to the specialty.

217.1/14 Improperly claiming specialist status may violate one or more of the following rules:

- Rule 201.1, which requires members and firms to act in a manner that will maintain the good reputation of the profession;
- Rule 202, which requires members to perform their services with integrity and due care;
- Rule 203.1, which requires members to sustain their professional competence in all functions in which they practise;
- Rule 210, which requires members and firms to avoid conflicts of interest; and
- Rule 217.1(d), which requires members to refrain from making statements that cannot be substantiated.

RULE 217.3

Endorsements

A member or firm may advertise or endorse any product or service of another person or entity that the member or firm uses or otherwise has an association with, provided the member or firm has sufficient knowledge or expertise to make an informed and considered assessment of the product or service. However, in doing so:

- (a) the member or firm must act with integrity and due care;
- (b) the member or firm must be satisfied that the endorsement
 - (i) is not false or misleading or does not include a statement the contents of which the member or firm cannot substantiate;
 - (ii) does not make unfavourable reflections on the competence or integrity of the profession or any member or firm; and
 - (iii) does not otherwise bring disrepute on the profession; and
- (c) when associating the CA designation with an endorsement, the member or firm must conduct sufficient appropriate procedures to support the assertions made about the product or service.

COUNCIL INTERPRETATION 217.3

ENDORSEMENTS

217.3/1 "Endorsement" means

- (a) public promotion, support, sponsorship, recommendation, guarantee, sanction or validation of any product or service of another person or entity; or
- (b) public indication or implication that the member either
 - (i) uses a product or service of another person or entity, or
 - (ii) has an association with a product or service of another person or entitythat is of a nature that has enabled the member or firm to formulate an opinion or belief as to the quality of the product or service or the benefits to be derived by the purchasers or users of the product or service; or
- (c) consent, including by acquiescence, to the use of the member's or firm's name in connection with any of the activities described in (a) or (b).

Providing a WebTrust™ or other assurance service does not constitute an endorsement of the client's products or services.

217.3/2 When endorsing a product or service that the member or firm uses in business or professional practice, the member or firm should first make an appropriate investigation or assessment of the product or service so as to be able to express an opinion or state a belief about it.

217.3/3 When endorsing a personal product or service, the member or firm should have sufficient familiarity or acquaintance with the product or service to make an informed and considered decision about it.

217.3/4 When endorsing any product or service, a member or firm must take care to ensure that the endorsement does not or would not, in the view of a reasonable observer, impair independence with respect to an engagement that requires independence .