

400 – ORGANIZATION AND CONDUCT OF A PROFESSIONAL PRACTICE

401 Practice names

A member or, where permitted, an incorporated professional, shall engage in the practice of public accounting, or in the public practice of any function not inconsistent therewith, only under a name or style which

- (a) is not misleading,
- (b) is not self-laudatory,
- (c) does not contravene professional good taste, and
- (d) has been approved in a manner specified by the Council.

402 Use of descriptive style

402.1 The practice of public accounting shall be carried on under the descriptive style of “Chartered Accountant(s)” unless it forms part of the firm name. Regardless of the functions actually performed, the use of “Chartered Accountants” as part of the firm name or as a descriptive style, in offering services to the public, shall be regarded as carrying on the practice of public accounting for the purposes of these Rules of Professional Conduct.

An exempt member who receives retirement income or proceeds from the sale of his or her public practice through an exempt professional corporation shall not be regarded to be carrying on the practice of public accounting simply because of the use of the words “Chartered Accountant(s)” as part of the name of the exempt professional corporation.

402.2 Notwithstanding rule 402.1, each office in Manitoba of any firm engaged in the practice of public accounting and composed of one or more members sharing proprietary interest with other public accountants who are not professional colleagues shall not practice under the style of “Chartered Accountants”.

403 Association with firms

A member shall not associate in any way with any firm practising as Chartered Accountants in Manitoba unless:

- (a) all partners or controlling shareholders resident in Manitoba are members,
- (b) at least one partner or controlling shareholder is a member, and
- (c) all the partners or controlling shareholders are professional colleagues* or professional corporations or incorporated professionals provided each such corporation or incorporated professional is recognized and approved for the practice of public accounting by the provincial Institute in the province concerned.

* *Members are referred to the bylaws definition of “professional colleague” as a member or a member of a provincial Institute.*

404 Operation of members' offices

- 404.1 Each office in Manitoba of any member or firm of members engaged in the practice of public accounting shall be under the personal charge and management of a member and who shall normally be accessible to meet the needs of clients during such times as the office is open to the public.
- 404.2 A member shall not operate a part-time office except in accordance with such terms and conditions established by Council.

405 Office by representation

A member engaged in the practice of public accounting shall not hold out or imply that the member has an office in any place where the member is in fact only represented by another public accountant or a firm of public accountants and, conversely, a member engaged in the practice of public accounting who only represents a public accountant or a firm of public accountants, shall not hold out or imply that the member maintains an office for such public accountant or such firm.

406 Member responsible for non-members

A member engaged in the practice of public accounting who is associated in such practice with a non-member shall be responsible to the Institute for any failure of such non-member, in respect of such practice, to abide by the Rules of Professional Conduct of the Institute, and in the application of this rule, the rules of professional conduct are deemed to apply as if such non-member were a member.

407 Related business or practice, and member responsible for non-member in such business or practice

- 407.1 The rules of professional conduct, except Rule 402.1, shall apply to a member carrying on a related business or practice as if it were the practice of public accounting.
- 407.2 A member engaged in a practice of public accounting to which another business or practice is related, or engaged in such related business or practice, shall be responsible to the Institute for any failure of a non-member who is associated with such related business or practice and who is under the member's management or supervision or with whom the member shares proprietary or other interest in such related business or practice to comply with the rules of professional conduct. In the application of this rule, the rules of professional conduct are deemed to apply as if such related business or practice were the practice of public accounting and such non-member were a member.
- 407.3 A member may associate with a related business or practice as a proprietor, as a partner, or as a director, officer or shareholder of a corporation and may associate with a non-member for this purpose.
- 407.4 A related business or practice shall not be designated "chartered accountant(s)" or "public accountant(s)".

408 **Association of member with non-member in public practice**

A member shall not associate in any way with a non-member in a practice of public accounting, or in a related business or practice, unless:

- (1) such association maintains the good reputation of the profession and its ability to serve the public interest; and
- (2) such business or practice establishes and maintains policies, procedures and arrangements suitable for ensuring:
 - (a) that every such non-member is knowledgeable of and complies with
 - (i) the Institute's governing legislation, bylaws, regulations and rules of professional conduct; and
 - (ii) the ethical and other regulations applicable to members of a recognized professional organization or regulated body of which the non-member is a member; and
 - (b) that no style or presentation or communication is used which implies that the non-member is a member.

409 **Practice of public accounting in corporate form**

A member shall not associate in any way with any corporation engaged in Canada or Bermuda in the practice of public accounting, except to the extent permitted in clauses (1), (2), and (3) of this rule:

- (1) A member or the member's public accounting firm may engage to provide to the corporation any of the services included in the definition of "practice of public accounting".
- (2) A member, other than a member engaged in the practice of public accounting, may associate with a corporation which provides taxation services involving advice, counsel or interpretation provided such services are only a small part of the corporation's activities.
- (3) A member may associate with a professional corporation or incorporated professional engaged in the practice of public accounting in a province other than Manitoba if the corporation is recognized and approved for such practice by the provincial Institute in the province concerned and the corporation or incorporated professional does not engage in the practice of public accounting in Manitoba.

Without limiting the generality of the foregoing, a corporation shall be deemed to be engaged in the practice of public accounting even though the corporation provides a service included in the definition of "practice of public accounting" only to another member or members engaged in the practice of public accounting ("or to a public accountant", as appropriate).

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