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# On Target

Newsletter of the Institute of Certified Management Accountants

Aug/Sep 09 Volume 13 Issue 2

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**What's On?**

May 16-August 1 2009, Manila, The Phillipines 16 <sup>th</sup> CMA Program on Strategic Cost Management and Strategic Business Analysis Conducted by CMAPhilippines <a href="http://www.cmaphilippines.com">www.cmaphilippines.com</a>	Training Centre Conducted by UNPAR University <a href="http://www.unpar.ac.id">www.unpar.ac.id</a>	on Strategic Cost Management and Strategic Business Analysis	December 7-9 and 14- 17, 2009, Kuala Lumpur, Malaysia CMA Program on Strategic Cost Management and Strategic Business Analysis Conducted by MultiMedia College <a href="http://mmc.tm.com.my/">http://mmc.tm.com.my/</a>
August 31 <sup>st</sup> – September 6 2009, Bandung, Indonesia 1 <sup>st</sup> in-house CMA Program at Telekom Indonesia	16-23 August, 2009, Mumbai, India CMA Program on Strategic Cost Management and Strategic Business Analysis Conducted by CMAIndia <a href="http://www.cmaindia.net/">http://www.cmaindia.net/</a>	November 11-17, 2009, Dubai, U.A.E. 5 <sup>th</sup> CMA Program on Strategic Cost Management and Strategic Business Analysis Conducted by Wisdom Institute <a href="http://www.cmadubai.org/">http://www.cmadubai.org/</a>	
	Oct 18-24, 2009, Istanbul, Turkey Proposed 1 <sup>st</sup> CMA Program		

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## Professional Accounting Qualifications Global Brands vs. Local Protectionism

An interesting case is going on in Canada, which would be of interest to our Canadian CMA members residing in Ontario, and perhaps to those in other countries as well.

In Canada, Mr. Hin Leong was charged for improperly using the designations "FCCA" (Fellow Chartered Certified Accountant of UK) and "CA (M)" (Chartered Accountant of Malaysia). By way of background, the trials were the result of charges laid against Mr. Leong by the Institute of Chartered Accountants of Ontario (ICAO) under The Chartered Accountants Act, 1956 (Ontario). The charges alleged that Mr. Leong had breached various sections of this Act because he used the designations "CA (M)" and "FCCA" in a letter he wrote to the president of ICAO and in another letter to ACCA members which was available on the ACCA web site.

The case has had two trials, an appeal and three years to determine. The ruling at the initial trial went against Mr. Hin, and this was appealed. The judge ordered a new trial in the lower court which took place on February 25<sup>th</sup> 2009. A written judgment was received on April 17<sup>th</sup> 2009 in which Mr. Leong was acquitted of all charges.

There are a number of positive results that come from this decision. For example, the mandate of ACCA Canada – the promotion of ACCA Canada, providing services to its members and students and lobbying to improve recognition of the ACCA designation - was found not to be within the scope of the prohibitions in the Act. This has implications for the promotional and membership servicing activities of ICMA Australia in Canada.

However, the decision is less clear when it comes to providing guidance on the continued use of the ACCA and FCCA designations by members; and by implication the use of the CMA

(Aust) designation by our members in residing in Ontario, Canada. Although Mr. Leong was acquitted of both "holding himself out" as a Chartered Accountant and "implying" he was a Chartered Accountant, it is believed there is still a need for respective members to exercise caution when using their CA (Aust), ACCA, FCMA, CMA (USA), CMA (Aust) and other overseas designations, particularly if they offer accounting services from an office in Ontario.

The reason for this is that Mr. Leong's acquittal for using "FCCA" and "CA (M)" was based on the finding that Mr. Leong did not reside in Ontario nor does he have an office in Ontario from which he provided accounting services (Hin Leong lives in Calgary). Thus, the Ontario Act did not apply to him.

Note that much of the judge's reasons for his decision focused on Mr. Leong's use of the designation "CA (M)". It is not clear whether the Judge would have found Mr. Leong's use of the designation "FCCA" to be a violation of the Act if he had been providing accounting services from an office in Ontario. The decision also makes no reference to the use of the "ACCA" designation in Ontario for accounting services. This is an important point as Canada has its own CA and CMA certifications, and not ACCA or FCCA.

One also has to keep in mind that these charges were brought against an individual, not the ACCA. This decision does not prevent ICAO or CA Institutes in other provinces, from laying similar charges against another ACCA member in the future.

The ICMA in Australia, like the ACCA in UK, believes that its members are entitled to use their rightly earned designations in a non-misleading way. Staff in the UK and in Canada, along with the legal advisors of ACCA, are working diligently to ensure that its members



not just the numbers

can use their designations without fear of capricious prosecution. But for now, ACCA believes that it would be prudent to advise members who provide accounting services from offices in Ontario to continue to avoid the use of the designations "ACCA" and "FCCA" until the situation can be clarified.

Other forms of reference to ACCA membership, such as spelling the designation in full (i.e., Fellow of the Association of Chartered Certified Accountants) or adding "UK" in parenthesis after their designation, have not been ruled on by a Court. However, it remains possible that ICAO could challenge these references in the future, so their continued use is not without risk. A similar advice is given to those using the CMA (Aust) post-nominal.

Since similar prohibitions exist in equivalent legislation in other provinces in Canada, ICMA Australia and ACCA members based outside of Ontario should also take the above into consideration when using their designations in their home provinces.

Nevertheless, an important opportunity to permanently resolve this unjust situation exists today. The Ontario government has recently introduced Bill 158, which contains proposed amendments to the legislation governing CAs, CGAs and CMAs in Ontario. These amendments would, amongst other things, significantly increase the penalties for violating the prohibitions on the use of the designation CA or CMA, or for wrongly implying oneself to be a CA or CMA or holding oneself out to be a CA or CMA. The staff of ACCA have been actively engaged in discussions with the office of the Ontario Attorney General, and ACCA has proposed amendments to the legislation that would expressly entitle ACCA members to use their designations in Ontario in a non-misleading way. ICMA Australia will also see if our members can use the CMA (Aust) designation in a non-misleading way. The ACCA proposals have been supported by the Ontario CGAs. Bill 158 is currently making its way through the Ontario legislature. The second reading of Bill 158 is scheduled for the fall sitting of the legislature when it resumes on September 14, 2009. As for the third Reading/Royal Assent, it will be dependant on the amount of second reading debate that is required on the Bill. *On Target* will keep you informed on the progress of our efforts and the form the legislation ultimately takes.

ICMA Australia continues to believe in the benefits of opening up the profession around the world in the interests of serving the needs of employers. We actively support our members to achieve the highest standards of performance. We will also continue to work directly with government and authorities around the world to promote the need for appropriate legislation and regulation which is in the public interest is equitable to professional accountants of equivalent standing and which promotes beneficial competition.

## Accountants with overseas qualifications & credentials in Canada face problems

When Mahes Wickramasinghe moved to Canada in 1989 to work for an accounting firm, he never considered concealing the credentials he had earned from Britain's Chartered Institute of Management Accountants.

But Mr. Wickramasinghe and other foreign-accredited accountants are now facing a crackdown on using the designations they earned abroad, in a raging battle that could only happen in the notoriously fractious world of accounting regulation in Ontario..

The bizarre dispute hinges on the use of a few letters. New legislation tabled in the province would prohibit accountants who have earned designations in foreign countries from displaying those letters after their names on business cards or letterhead if they include any portion of the initials CA (chartered accountant), CMA (certified management accountant) or CGA (certified general accountant).

The proposed Bill 158 has dismayed two British-based accounting organizations – the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Management Accountants (CIMA) – whose combined 3,500 members have long displayed their credentials when working in Canada. ICMA (Australia) has over 100 CMAs in Canada.

Mr. Wickramasinghe now works for a Barbados subsidiary of Canadian Imperial Bank of Commerce.

He also represents North America and the Caribbean on CIMA's council in Britain, says many of his group's members see the legislation as yet another hurdle that is making it more difficult for immigrants to get a toehold in Canada.

He said people feel a sense of betrayal when they have been chosen to come to Canada as skilled immigrants based on their qualifications, but then are told they can't use those credentials when they arrive.

"Once you come here, you hear, 'That qualification is not recognized, and, by legislation, you're even barred from using that,'" he said.

Ontario does not require accountants to be approved or licensed provincially unless they are providing auditing services. That status will not change under Bill 158, and foreign-trained accountants will still be able to work in the same sorts of finance and accounting roles as they currently hold.

But accountants say it is nonetheless a blow to be told they cannot even display designations they have earned elsewhere.

Paul Costello, spokesman for the ACCA in Canada, said his members are especially concerned because the Institute of Chartered Accountants of Ontario launched legal action in 2006 against an ACCA member, arguing he should not be able to use the ACCA designation "FCCA" after his name because it includes the letters "CA." (FCCA denotes a "fellow" of the ACCA.). See the main story in this issue of *On Target*.

Although the accountant won his case at a second trial after a first decision was overturned on appeal, Mr. Costello said there is a clear risk that others could face the same sort of legal challenge for simply displaying their credentials.

**Extracted from an Article by Janet Mcfarland in *The Globe and Mail* on Wednesday, July 1, 2009**

## CMA Foundation Member elected President of CPA Australia



Professor Richard Petty, CPA, CMA

**Professor Richard Petty**, a foundation member of ICMA Australia, was elected as president of CPA Australia in 2009. Richard is Professor and Associate Dean at the Macquarie Graduate School of Management where he teaches finance, accounting and economics.

Professor Petty is also President and Chairman of the Board of CPA Australia; Chairman of the judging panel for Hong Kong's Best Annual Reporting Awards, and *Chairman of an investment company that is headquartered in Hong Kong but has interests throughout South East Asia, North America and in Australia.* Richard also serves on several other Company Boards as well as on the Boards of several charitable foundations.

Richard has been a faculty member at the *University of New South Wales*, the *University of Sydney*, the *University of Hong Kong*, the *Australian Graduate School of Management* and the *Macquarie Graduate School of Management*. Richard is on the Management Board of the *Australian Accounting Review*, and on the Editorial Board of *The Accounting, Auditing and Accountability Journal*, *The International Journal of Accounting Literature* and *The Journal of Intellectual Capital*. *Richard has authored over 100 academic outputs and is a frequent keynote speaker on topics relating to the economy, the accounting profession, corporate governance, and financial management.* His academic work has appeared in *The Australian Accounting Review*, *The Journal of Management Accounting Research*, *The Journal of Intellectual Capital* and *The Accounting, Auditing and Accountability Journal*.

Richard has since 1993 developed a large number of corporate and executive education programs for leading companies throughout the world. He was the top ranked presenter for corporate and executive programs at the *Australian Graduate School of Management 2000-2003, the top ranked faculty in teaching at the University of Hong Kong 2001-2004, and is currently the top ranked teacher at the Macquarie Graduate School of Management.* He is the recipient of several awards for excellence in tertiary and corporate and executive education.

Richard commenced his career as an analyst in the late 1980's. Since then he has advised a broad range of multinational firms, and several governments, on financial and strategic issues. After spending some time at Ernst & Young (Sydney), Richard established and then sold several profitable companies. *Originally from Sydney, Richard has been based in Hong Kong for 12 years.*

Richard appears regularly in the media and has been interviewed and profiled by *CNBC*, *BBC*, *The Australian Financial Review*, *The Sydney Morning Herald*, *Business Review Weekly*, *CFO Magazine*, *The Australian*, *The South China Morning Post*, *Business Spectator*, *The Standard*, and many others.

Richard was awarded the University Medal for his undergraduate studies. He graduated with first class honors in Accounting and Finance (B. Bus, UWS). He holds a Masters degree (with honors) in Commerce from The University of New South Wales, and a Ph.D. from the Macquarie Graduate School of Management. Richard is a qualified CPA (Fellow), and also holds the CMA and MFP professional designations.

We congratulate Professor Petty on his magnificent achievements.

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## 2009- 2010 SUBSCRIPTIONS NOW OVERDUE

**Those members who have not paid their subscriptions by July 31<sup>st</sup> 2009 are reminded that their membership subscription fee is now overdue.** Please forward your 2008-2009 subscription to the Institute by **30<sup>th</sup> September 2009** for continuation of your membership status. Thank you.

The current membership fees are:

<b>Management Accounting Affiliate (MAA)</b>	<b>\$143.00</b>
<b>Registered Cost Accountant (RCA)</b>	<b>\$154.00</b>
<b>Registered Business Accountant (RBA)</b>	<b>\$154.00</b>
<b>Graduate Management Accountant (GMA)</b>	<b>\$165.00</b>
<b>Associate Management Accountant (AMA)</b>	<b>\$187.00</b>
<b>Certified Management Accountant (CMA)</b>	<b>\$209.00</b>

*Members are reminded that only current members are allowed to use the MAA/RCA/RBA/GMA/AMA/CMA membership designations. Failure to maintain membership status would also necessitate the return of their Membership Certificate.*

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