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Newsletter of the Institute of Certified Management Accountants

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What's On?

December 7-9, 2009, Kuala Lumpur, Malaysia
CMA Program on Strategic Cost Management
Conducted by MultiMedia College
<http://mmc.tm.com.my/>

December 10, 2009, Colombo, Sri Lanka
GMA Conversion Program Introductory Seminar
Conducted by ICBS.
<http://www.cmasrilanka.com/>

December 14-17, 2009, Kuala Lumpur, Malaysia
CMA Program on Strategic Business Analysis
Conducted by MultiMedia College
<http://mmc.tm.com.my/>

December 18, 2009, Melbourne, Australia
ICMA Executive Seasonal Function

January 2010, Colombo, Sri Lanka
GMA Conversion Program Commencement
Conducted by ICBS.
<http://www.cmasrilanka.com/>

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Recognising International Credentials

Should Australia follow Canada's lead?

The Canadian Federal Government and Canada's Provinces have unveiled a major agreement to help foreign-trained professionals get their credentials recognised in Canada.

Studies have estimated the failure to recognize international credentials of potential workers costs the Canadian economy \$2.4 billion to \$15 billion a year.

By December 2010, they will have a system in place to start recognizing international credentials in eight occupations, including architects, registered nurses, engineers, financial auditors and accountants, medical laboratory technologists, occupational therapists, pharmacists and physiotherapists.

Adding to the problem is the fact that all provinces have their own systems for professional recognition, including the onerous Bill 158, which protects unfairly Ontario based Canadian accounting professional bodies, which has had its first reading (see related story).

Within three years, another six occupations will be added to that list, including physicians, teachers of kindergarten to Grade 12, dentists, engineering technicians, licensed practical nurses and medical radiation technologists.

Statistics Canada has estimated that six in 10 newcomers end up working in different fields than the ones in which they worked abroad. The agreement is the result of a first ministers' meeting last January, when Canadian Prime Minister Stephen Harper and the premiers announced they would come forward by this fall with a plan for "concerted action to provide timely assessment and recognition of foreign qualifications." About \$50 million was set aside over two years by Ottawa in its 2009 budget to move that plan forward. Provinces will kick in to the plan as well.

The Canadian government is billing the pact as an important new step for improving the employment prospects of professionals educated abroad, who are forced to work in low-skill jobs because their training isn't recognized there. "We've long recognized the importance of this and we're pleased that the provinces have stepped up to get this agreement," said a Conservative government official, speaking on condition of anonymity.

This scenario is similar to that found in Australia, although not so onerous for professionally qualified accountants. However, Australia's migration policies favour (by giving more points) to applicants who possess Australian qualifications. Whilst this may be considered important for maintaining quality, there are many overseas qualified accountants who are equally qualified as Australian accountants and maintaining similar quality standards. Locking these people out would mean that valuable resources are lost to the country. Perhaps, in such cases Australia could follow Canada's lead.

It has been called the "doctors-driving-cabs problem" and one that has dogged the Canadian Conservative government and its Liberal predecessors. Immigrants, an increasingly important constituency, have been vocal in their frustration at the labyrinth of bureaucracy and rules they need to navigate to have their professional training recognized in Canada.



not just the numbers

The Low Down On Canada's Bill 158

On March 23, 2009, the Attorney General introduced the Accounting Professions Act, 2009, (Bill 158) into Ontario, Canada's legislature. The Act contains an entirely new Chartered Accountants Act and updates to the Certified Management Accountants Act as well as the Certified General Accountants Act. The highlight of the proposed new Act is that it hopes to establish a modern and transparent structure for governing and disciplining members of all three accounting bodies.

However, it is the sections in the Act that hopes to provide all three bodies with new powers to better protect consumers that are causing concern to overseas qualified professionals. For ICMA Australia specifically, the new Act contains strong language protecting the "right to title" for the CMA designation, and that this can be used by only CMA Ontario members.

The Canadian regulated bodies claim that while strengthened in the new Act, this right to title is not new and already exists within the regulated accounting profession in Ontario. The changes to the Act are intended to strengthen the ability of the three regulated bodies to protect Ontario's consumers from confusion. For example, CMA Ontario claims that if members of CIMA or ICMA advertise as CMAs, the public may assume they are regulated by CMA Ontario when they are not.

Members of overseas professional bodies living in Ontario (such as members of ICMA Australia) are therefore very concerned by the provincial government's proposed Bill 158, which will restrict their ability to practice there. The Bill was to have its second reading in November 2009. Under Bill 158, which has only been given first reading, ICMA members could, for instance, be prohibited from displaying their designation since it conflicts with that of CMA Ontario.

The Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Management Accountants (CIMA), both with world headquarters in London, England, and the ICMA with its headquarters in Melbourne, Australia are strongly opposed to a clause in Bill 158 which states no corporation can "take or use ... alone or in combination with other words or abbreviations" any names or lettering corresponding to the Institute of Chartered Accountants of Ontario (ICAO), Certified General Accountants of Ontario (CGA Ontario), or Certified Management Accountants of Ontario (CMA Ontario). The fine for violating this provision is up to \$10,000.

According to the Institute of Chartered Accountants of Ontario (ICAO), "the Act contains much-needed provisions to enhance the ICAO's regulatory authority. It also contains a 53 year old carry-over provision from the current CA Act that protects the CA designation from unauthorized use by accounting bodies that are not recognized in Ontario statutes".

The prohibition on the use of "Chartered Accountant" in Bill 158 is nothing new, says ICAO. It is contained in an existing Ontario law that is now more than half a century old (The Chartered Accountants Act, 1956).

However, the prohibition in the existing CA Act that is continued in Bill 158 now extends to those who use accounting designations may very indirectly indicate or imply that they are Chartered Accountants, or CAs. For example, those using the ACCA post-nominal will be prohibited from using such as part of it contain the CA letters. In the case of CIMA, as their members are ACMAs and FCMAs, this will violate the CMA post-nominal used by CMA Ontario members.

The Canadian regulated bodies claim that the right to title ensures confidence that individuals appearing to hold the CA, CGA or CMA designation have met their rigorous standards. CMA Ontario claims that to become a CMA, members are bound by a strict Code of Professional Conduct by CMA Ontario, and are subject to discipline, including expulsion, for failure to adhere to the rules and regulations imposed by CMA Ontario on its members.

However, ICMA Australia members in Canada counter-claim that their CMA qualification in fact extends the syllabus covered by the CMA Ontario qualification by providing a post-graduate-level program, and also that ICMA Australia requires more years of professional experience (5 years) before the Australian CMA is conferred. ICMA members are also bound by a strict Code of Professional Conduct by ICMA Australia, and are subject to discipline, including expulsion, for failure to adhere to these rules and regulations. It also has a strongly developed CPD program.



There is significant concern therefore that Bill 158 would negatively affect access to Ontario's job market for professional accountants. Bill 158 will have a major impact on the recruitment practices of any employers when it comes to hiring members of foreign professional accounting bodies, such as ACCA, CIMA and ICMA members, as those members cannot advertise their titles. Bill 158, if passed, will reduce access to jobs at the very time that Canada's immigration policies are encouraging overseas qualified professionals to take up residence there.

Bill 158 will therefore affect more than 2,000 ACCAs, 1,000 CIMA and over 150 ICMA Australia members who offer accounting services in Ontario and Canada. They will be severely restricted in doing so once Bill 158 is enacted.

The regulated bodies claim that there is no restriction in Bill 158 on ACCA, CIMA and ICMA members practising as professional accountants or providing services to the public, including accounting, taxation and financial advisory services, and therefore that this will ensure that there is competition for and unfettered access to professional accounting services in Ontario. But the reality is that if someone cannot display his/her qualifications on their shingles or business cards, then it will be almost impossible to offer any professional services.

If the issue is public protection, i.e. that Bill 158 ensures that accountants are properly

qualified, subject to enforceable oversight and disciplinary measures when required, have their practices regularly inspected and carry the requisite amount of professional indemnity insurance, then the Canadian public need not worry, as the overseas professional bodies have equal or more requirements and standards in all of the above areas.

Bill 158 assumes that the public expects proper professional regulation to come from the government, and that therefore only a body having regulatory authority over the 'accountant title' in the jurisdiction in which that person operates will provide this regulation and protection. This may be the case for the medical and legal professions. However, in the country where original accounting professions were born, i.e. the United Kingdom, the accounting profession remains 'self-regulated'. In Australia also, the accounting profession is self-regulated, especially the 'management accounting' profession. There are no 'management accounting bodies in the developed world (UK, USA, and Australia) except for that in Ontario, Canada that are regulated by government.


Protecting the use of Chartered Accountant and the designations CA, ACA and FCA, as provided under the current CA Act, 1956 and carried over in Bill 158. However, extending these post-nominals to cover all variations of these letters, e.g. ACCA and FCCA, assumes a very ignorant public. Further, protecting the CMA 'management accountants' title, especially when management accounting services are not covered by corporations law (unlike audit and taxation services) appears to be protectionism at its highest.

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