



CGA Alberta's Response to Proposed National Instrument 31-103

April 17, 2007

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario

Anne- Marie Beaudoin, Directrice du Secretariat
Autorite des marches financiers – Tour de la Bourse
800, square Victoria
C.P.246, 22 etage
Montreal Quebec, H4Z 1G3

Dear Madame/Sir:

Re: Proposed Multilateral Instrument 31-103 Registration Requirements

As part of Canada's financial community, the Certified General Accountants Association of Alberta welcomes measures that enhance public confidence and increase accountability of financial information.

The proposed National Instrument 31-103 *Registration Requirements* and proposed Companion Policy include new individual categories (Ultimate Designated Person and Chief Compliance Officer).

We commend the Securities Commission on the development of this category as well as the rigor of the criteria for determining whether a person is suitable for registration including but not limited to proficiency requirements. However, the Commission has been shortsighted in the development of Section 4.11 within the Instrument as it fails to recognize all three accounting designations within Canada (CGA, CA, CMA).

In Alberta, the *Regulated Accounting Profession Act (RAPA)* governs the accounting profession rather than just the individual bodies within the profession. Each professional accounting body in Alberta is covered under this legislation, which replaced the *Certified General Accountants Act*, the *Chartered Accountants Act*, and the *Society of Management Accountants Act*. *RAPA* grants each accounting body the authority to regulate and discipline its members.

Unique to this regulatory environment in Alberta is the identification of restricted activities within *RAPA*. Only professionally designated accountants (CGA, CA, and CMA) are allowed to perform the functions of audit and review engagements.

In addition, *RAPA* grants the authority for all three designations to be approved as a Securities Regulatory Authority (SRA) Auditor. In Alberta, only those public accounting firms approved as an SRA auditor may perform an audit or review engagement for entities that are required to file financial statements or financial information with a securities regulatory authority. Notice #28 of the Alberta Securities Commission and *RAPA* has confirmed our role in regulating the work of CGAs who audit Alberta public companies.

CGAs have the same rights and opportunities to perform public company audits as do CAs and this proposed National Instrument 31-103 should not prohibit the role of a CGA as a compliance officer. As CGAs have the right to perform the external audit of public companies they should not be excluded from performing any other function with respect to a company under the securities commission purview.

Alberta Securities Commission Notice #28 is a separate process established for each of Alberta's three accounting bodies with respect to those auditors who wish to undertake the audit of public companies. Its scope is currently restricted only to the initial authorization of the auditor involved with respect to public company audit work. RAPA on the other hand establishes continuing compliance with education, experience and professional liability insurance requirements for the registration as an SRA auditor.

CGA Alberta recommends that *National Instrument 31-103 Section 4.11 Portfolio Manager – Chief Compliance Officer* be amended to include any professionally designated accountant (CGA, CA and CMA) to reflect the current regulatory and economic environment.

If you have additional questions or need more information, please feel free to contact me at jcarpenter@cga-alberta.org , or by phone at 403.299.1334.

Yours truly,



John Carpenter MBA, FCGA
Executive Director and Chief Executive Officer