



An Open Letter to CGAs in Québec and New Brunswick

July 2005

Dear Member,

We are pleased to provide you with this update on our challenge launched under the provisions of the *Agreement on Internal Trade*.

Earlier this month, in Québec City, a Panel convened under the *Agreement on Internal Trade (AIT)* considered the dispute initiated by CGA New Brunswick against the province of Québec's measures that restrict access to public accounting for its members.

Québec maintains measures, namely Section 24 of the *Chartered Accountants Act* and other legislation which restricts public accounting to Chartered Accountants. CGA NB's position is that these measures are inconsistent with the AIT. The agreement requires Québec to enable a public accountant from New Brunswick to practice public accounting in Québec based on competence not on the person's professional designation. CGA NB believes that the inconsistencies in Québec's laws are not justified since excluding competent public accountants from other provinces does not protect the public or meet any other legitimate objective.

Québec's position before the Panel is that CGA NB has failed to meet the requirements set out in the Agreement and the complaint is "timed-out" and the Panel should not consider it. Québec supports its position by providing documentation demonstrating that the inconsistent measures have been in place for more than 20 years and that CGAs in general should have known of these measures and the damage and denial of benefit that resulted from them.

In response, CGA NB lawyers argued that before the time-out period could begin, CGA NB had to have clear evidence of loss, damage or a denial of benefit – not just the potential for it and know what caused the loss, damage or denial of benefit and that this was covered by the AIT. CGA NB firmly believes that it has initiated proceeding well within the two year time-out period. We believe the Panel will agree with our position.

Québec did not deal with any of the substantive issues before them.

The Panel report will be released only to the parties to the dispute by mid-August.

Should you have any questions, please contact your CGA association.

Sincerely

[Original signed by:]

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