CPABC

INFOCUS

5 Notes from the Leadership
26 Demystifying Blockchain
28 MET Explores CPA Future
30 Law
34 Public Affairs
36 Tax
40 Ongoing Learning
46 Kudos
50 Snapshot

JANUARY/FEBRUARY 2020

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Contents

Cover Story



16 **It's Not You, It's Blockchain**
Disruptive technologies are inherently confusing, but there's hope for professionals who want to learn more

28
CPABC's 2019 MET: Exploring the Future of the Profession



Recurring Columns

30 Law
CPAs can help companies adapt to new beneficial ownership rules, experts say

34 Public Affairs
Protecting the public: Why professions matter

36 Tax
Tax-deferred rollovers under the *Income Tax Act*: A tax advisor's best friend

7 PP re-entry requirements
8 Dues reduction news
9 New compilation standard
10 Volunteer tax services

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In Focus

5 Notes from the Leadership

6 Notes & News

26 This and That
Demystifying blockchain

40 Ongoing Learning
- PD experts: Clear, concise, consistent – the three Cs of effective communication
- PD program highlights: New features of PD Nexus: Public Practice Insights, Executive Programs in spring 2020, video-on-demand, and more
- Events: "Face the Future" at the 2020 CPABC Pacific Summit

46 Members in Focus
- Announcements and accolades
- CPAs in the community

50 Snapshot
Wade Fallan, CPA, CGA
Tax manager, Cameron Izard Snell Chartered Professional Accountants



CPABC INFOCUS

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Embracing Diverse Perspectives



Ben Sander, FCPA, FCA
CPABC Chair

Happy New Year! It's hard to believe that another holiday season has come and gone, and we are already looking ahead to what 2020 has in store for us.

This past fall and winter have been incredibly productive, with the 2019 Member Engagement Tour (MET) being a definite highlight. To date, our chapters have hosted 16 events across the province, bringing members together with CPABC's executive team and senior staff. The MET is always a great draw and a marquee event for chapters—I was able to attend in my hometown of Dawson Creek, as well as in the Okanagan and on Vancouver Island.

By the time of this writing in early December, almost 1,200 members had come out to events to hear about the accounting-sector labour market survey, the CPA Canada Foresight project, and the profession's efforts to meet the needs of members to ensure that they are well prepared for a disruptive future. You'll find a brief recap of the tour thus far on pages 28-29.

The 2019 MET has been a valuable opportunity for me to meet members in different communities and hear their diverse perspectives. Recognizing our unique needs across the province is incredibly important, and one of the key findings of the labour market survey is that we need a regional lens for issues like talent recruitment. As our profession changes and the needs of employers, users of accounting services, and the labour market continue to evolve, a one-size-fits-all approach will not work.

Also valuable are the insights I gathered from many of my predecessors at the Past Chairs' Dinner in November. This wonderful event brings the profession's past chairs together with members of our board governance committee and executive management committee. Serving the profession is a privilege, and being able to compare notes with such auspicious company was humbling and invigorating—especially as I embark on the remainder of my term. ■

Engaging Conversations



Lori Mathison, FCPA, FCGA, LLB
CPABC President & CEO

CPABC's activities over the past two months reflect our organization's leading role in the events and conversations that shape our province.

As noted by Ben, CPABC was very busy this fall and winter. In October, we were the platinum sponsor for We For She (recapped in the November/December 2019 issue of this magazine), an event that gives young women and experienced business leaders a forum in which to discuss gender equality issues. In November, we were the presenting sponsor for the BC Business Summit, entitled "The New Business & Societal Paradox: If Things Are Going so Well, Why Am I so Anxious?" The event spoke to the dichotomy between BC's economic growth, abundant assets, resources, and talent, and the disruption, risk, uncertainty, and policies that are impeding success for both businesses and the public. It was an engaging and thought-provoking event. (A recap is provided on page 6.)

On December 5, CPABC signed a Memorandum of Understanding and Co-operation (MOUC) with the Aboriginal Financial Officers Association of BC. Our two organizations have agreed to work together to strengthen First Nations program and service delivery by enhancing the financial and management skills within Indigenous communities. We are incredibly proud of this initiative and will include more information about the MOUC in the March/April issue of the magazine.

Looking ahead, I would like to flag *Business in Vancouver*'s upcoming BC CFO Awards (page 7). Once again, CPABC will be a presenting sponsor of this premier event celebrating excellence in financial reporting. If you know a CPA who's an exceptional CFO, please consider putting their name forward. Nominations for the CFO Awards are now open, and the deadline is March 2, 2020.

We'll have another opportunity to celebrate outstanding CPAs at our annual Member Recognition Dinner. This year's event will be held on May 22, in conjunction with CPABC's 2020 Pacific Summit in Vancouver (see pages 7 and 44, respectively, for details about both events). We hope to see you there! ■

PREMIER EVENT SPONSORSHIP

BC Business Summit Examines New Business and Societal Paradoxes

CPABC was pleased to be the presenting sponsor of the Business Council of British Columbia's (BCBC) seventh annual BC Business Summit, which took place on November 20 at the Fairmont Hotel Vancouver.

Themed "The New Business and Societal Paradox: If Things Are Going so Well, Why Am I so Anxious?," the event featured more than 30 speakers who explored the challenges of succeeding in a business world where economic growth and abundance (assets, resources, and talent) are matched by disruption and uncertainty.

Highlights included an address from the Honourable John Horgan, BC's premier, who was introduced by Amy Lam, FCPA, FCA, CPABC's executive vice-president of corporate services and CFO. In her introductory remarks, Lam underscored the importance of ongoing education within the CPA profession and how this continued skills development supports businesses.

"The CPA program and the profession's continuous professional development requirements equip CPAs to meet the needs of businesses today and in the future, as all organizations deal with a skilled labour shortage, disruptive change, and increased competition," she said.

The event also included a conversation with the Honourable Janet Austin, BC's lieutenant governor, as well as several panel discussions. One panel discussion, "The NEXT Generation of Leaders in Conversation with Tamara Vrooman," featured four young leaders from the graphic arts, investment, Indigenous governance, and digital marketing fields, who provided their unique perspectives on challenges and opportunities in today's business environment.

Later in the day, during a panel discussion entitled "Building our Competitiveness in the 21st Century Economy," business leaders from the C.D. Howe Institute, the Council of Forest Industries, TransLink, and the Vancouver School of Economics at UBC shared their strategies on how businesses can generate prosperity amid slowing global growth.

Rounding out the summit were presentations from two keynote speakers: Al Monaco, president and CEO of the energy transportation company Enbridge, and Marcia Moffat, managing director of the global investment manager BlackRock Canada. Both speakers discussed strategies for future economic growth amid the current climate of disruption and risk.







Top: Amy Lam, FCPA, FCA, highlights the profession's commitment to ongoing skill development before introducing BC Premier John Horgan. Middle: Horgan addresses the crowd. Bottom: Tamara Vrooman (far left) chats with panellists (l to r) Salima Remtulla, vice-president of operations and corporate strategy for Leith Wheeler Investment Counsel; Ted Lau, CEO of Ballistic Arts and chair of the NEXT Leaders' Council; Chief Willie Sellars of the Williams Lake Indian Band; and Minh Ngo, founder and principal of The Visual Scribe. Photos by Jane Murdock Photography.

PUBLIC PRACTICE UPDATE

New Continuance and Re-Entry Requirements

CPABC licensing requirements for members who provide public accounting services, as defined in Bylaw Section 100, have been in place since 2015. CPABC has implemented the following requirements for continuance and re-entry effective January 1, 2020:

- Continuance requirements – Practitioners who are licensed in a particular category will have to meet continuance requirements if it has been more than five years since they have provided certain services within that category.
- Re-entry requirements – Members or practitioners who wish to apply for or transition to a category of licence for which they once qualified will have to meet re-entry requirements if it has been more than five years since they have provided certain services within that category.

The purpose of these continuance and re-entry requirements is twofold: 1) to mitigate the risk to the public of practitioners performing engagements in areas where their skill sets may not be current; and 2) to help members meet standards when they plan to perform engagements in areas where they have not practised in over five years.

When out of practice in a particular engagement area, a member may lose their practical application and fall behind in their technical knowledge—particularly if they haven't kept current with standards changes and professional development relevant to this area. Accordingly, the new continuance and re-entry requirements may include prescribed professional development. In addition, if the area in which the member has been out of practice is audit or review, they may be required to hire an Engagement Quality Control reviewer.

It is important to note that the continuance and re-entry requirements only apply if the member has met all of the licensing requirements for audit, review, or compilation. Any member who does not meet these licensing requirements will have to follow the bridging requirements.

Get more information

To learn more about the new requirements for continuance and re-entry, contact **publicpractice@bccpa.ca**.

MEMBER RECOGNITION

Member Recognition Dinner Moves to May 2020

This year's event will be held in conjunction with the Pacific Summit

Each year, CPABC recognizes BC CPAs who make outstanding contributions to the accounting profession and their local communities and hosts a special gala to recognize its honourees.

Traditionally held in February, CPABC's Member Recognition Dinner is moving this year to coincide with the timing of the 2020 Pacific Summit. The gala will be held on May 22 to provide a festive end to the conference and give delegates an opportunity to celebrate with those who are being honoured.

Everyone is invited to attend this gala dinner at the Vancouver Convention Centre West to celebrate with the profession, get to know the award recipients, and network. Family members, colleagues, and friends of the honourees are especially encouraged to join the celebrations. Event details are available at **bccpa.ca**.



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Nominate a CPA for a 2020 BC CFO Award!

For the tenth year in a row, *Business in Vancouver* and CPABC are partnering to recognize and celebrate the top CFOs in British Columbia at the BC CFO Awards. Honourees are chosen based on their performance relating to corporate growth through strategic decision-making, as well as overall performance and execution, sound business principles, and reporting.

Awards will be presented in the following categories:

- Large Public (revenues > $75 million)
- Small Public (revenues < $75 million)
- Large Private (revenues > $75 million)
- Small Private (revenues < $75 million)
- Publicly Accountable
- Non-Profit
- Transformation Agent

Visit **biv.com/bc-cfo-awards** to nominate a fellow CPA for a BC CFO Award. Nominations (including supporting materials) must be received by *Business in Vancouver* by noon on March 2, 2020.

BC CFO Awards

MEMBER DUES

Changes to CPABC's Member Dues Categories

AMENDMENTS EFFECTIVE APRIL 1, 2020

CPABC is making amendments to the member dues categories that will take effect April 1, 2020, for the 2020-2021 membership year. These changes will allow CPABC to provide greater financial assistance when needed and make CPA membership more financially accessible to members.

Highlights include the following:

- A new *Reduced Fee* category is being introduced that will replace the *Caring for Family*, *Return to Post-Secondary*, and *Humanitarian* fee reduction categories. The new *Reduced Fee* category is designed for any member whose *Active Income* (individual not family) for the previous calendar year falls below an indexed threshold. Eligible members will receive a 50% reduction of full resident member dues. *Active Income* is the only criterion needed to qualify for this reduction.
- Member dues will be fully waived for members in the *Retired* dues category.
- *Active Income*[1] for the *Reduced Fee* and *Retired* dues categories will be based on income from the preceding calendar year.
- Residency status as of April 1 (the first day of the membership year) will determine eligibility for the *Non-Resident* fee category for the entire membership year.

To seek a member dues reduction, members must declare, on an annual basis, that they meet the eligibility criteria. The online declaration form will be available on CPABC's Online Services site at **services.bccpa.ca** after the annual dues payment notice is issued.

The deadline to seek a member dues reduction remains the last day of the membership year (March 31). CPABC reserves the right to request proof of eligibility for a dues reduction.

CPABC recognizes that members may have circumstances that warrant special consideration by the Membership Committee. In such cases, members should write to the Membership Committee (c/o the CPABC Registrar) at 800-555 West Hastings Street, Vancouver, BC, V6B 4N6.

Need guidance?

Not sure if you're eligible for a member dues reduction? Contact us at **duesadjustments@bccpa.ca** or visit **bccpa.ca/2020-2021-dues-reduction** for more information.

Summary of CPABC Dues Reduction Categories for 2020–2021

CATEGORY	CRITERIA	DUES REDUCTION
Reduced Fee (replaces *Caring for Family*, *Return to Post-Secondary*, and *Humanitarian*)	• *Active Income*[1] for the 2019 calendar year is below $30,500.[2]	Full resident member dues reduced by 50%
Non-Resident BC (updated)	• Resides outside of BC on April 1, 2020.	Member dues reduced as per fee schedule available March 1, 2020
Retired (updated)	• Is retired; • Is age 55+ on April 1, 2020; and • *Active Income*[1] for the 2019 calendar year is below $30,500.[2]	Member dues waived
Financial Hardship (no change)	• *Income*[4] for the *Family Unit*[3] for the 2019 calendar year is below the threshold; and • *Net Liquid Equity*[5] of the *Family Unit*[3] as at April 1, 2020, is below the threshold.	Member dues waived ***Note:*** Each member is entitled to a lifetime maximum of two Financial Hardship waivers
Permanent Medical (no change)	• CPABC medical form completed by a physician indicating member is permanently not able to work.	Member dues waived
Long-Term Member (no change)	• Is age 70+ on April 1, 2020; or • Has 40+ years of membership on April 1, 2020.	Member dues waived

[1] Active Income *includes accounting and non-accounting income from employment, director's fees, and net income from self-employment.* Active Income *does not include Employment Insurance (EI), pension income, investment income, support payments, or disability income. All other sources of income shall be considered "active."*

[2] *Indexed annually.*

[3] Family Unit *includes the member, any persons who benefit from either the expenses incurred or income earned in the member's household, and any persons who contribute to such expenses or earnings.*

[4] *Income for the member's* Family Unit *is the aggregate income from all sources—including EI, pension income, investment income, support payments, and disability income—for all persons in the* Family Unit.

[5] Net Liquid Equity *refers to cash, marketable securities, cash surrender value of insurance policies, and equivalents—less related borrowings—held by any person in the member's* Family Unit. *It includes investments in registered products such as RRSPs, RRIFs, and TFSAs.*

STANDARDS

New Compilation Engagement Standard Has Been Approved

The Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, has been approved by the Auditing and Assurance Standards Board. CSRS 4200 is effective for compiled financial information for periods ending on or after December 14, 2021. Earlier application is permitted.

CSRS 4200 is expected to be issued in the *CPA Canada Handbook – Assurance* update in February 2020. It will replace Section 9200, Compilation Engagements, and Assurance and Related Services Guideline 5, Compilation Engagements – Financial Statement Disclosures.

Further details will be provided in the March/April 2020 issue of *CPABC in Focus*. See page 43 for information on an upcoming PD seminar on this topic.

REMINDER: CPD REPORTING

2019 CPD Reporting Reminder

The deadline for members to report their 2019 continuing professional development (CPD) is January 31, 2020. To report your CPD activities, visit CPABC's Online Services site at **services.bccpa.ca**.

For more details about CPD requirements, visit **bccpa.ca/cpd** or email our CPD administrator at **cpd@bccpa.ca**.



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YOUR COMMUNICATIONS

Members: Customize the Emails You Receive from CPABC



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Did you know that you can customize the types of emails you receive from CPABC? You can select the following communication preferences for email:

- *eNews*
- Professional Development (including free PD)
- Chapter Communications
- CPABC Surveys
- Engagement Activities (including volunteer opportunities and member consultations)
- All Other (includes commercial electronic communications that do not fall into any of the preferences listed above)

Note that members *cannot* opt out of the *regulatory* communications CPABC is professionally and/or legally required to send out, such as the notice of the annual general meeting, continuing professional development reporting notices, and member dues renewal notices.

All members will be asked to confirm their communication preferences as part of the 2019-2020 online CPABC dues renewal process. To update your communication preferences at any other time of the year, sign into CPABC's Online Services site at **services.bccpa.ca**, choose the Profile tab, and then select the "Communication preference" option.

If you find that you aren't receiving emails related to the categories you've selected, it may be because, at some point, you chose to opt out of all non-regulatory email using the global unsubscribe link included at the bottom of all CPABC emails. Clicking on the global unsubscribe link will override your past and new email communication preference selections. If stopping all non-regulatory email was not, or is no longer, your intention, email **memberrecords@bccpa.ca** using the subject line "Communication preferences update" and indicate the categories you'd like to subscribe to so our member records department can correct this for you.

VOLUNTEER TAX SERVICES

Helping Others: Volunteer to Prepare Low-Income Tax Returns

Of the many CPAs in BC who are committed to giving back to their communities, several hundred volunteer each year to help low-income Canadians at volunteer tax clinics. In 2019, almost 300 of you (including our Snapshot CPA on page 50) volunteered in this capacity, preparing nearly 12,800 tax returns. This is a great source of pride for the CPA profession, and we'd like to extend a big thanks to all of you for your service.

By volunteering to prepare tax returns, you help ensure that seniors, newcomers to Canada, and low-income Canadians are able to access the various tax credits available to them. For Canadians on modest incomes, failing to file a tax return can mean not receiving much-needed financial aid—yet another reason your service is so important.

With a new tax season upon us, here are some reminders for those of you who are new or returning tax clinic volunteers.

CRA Community Volunteer Income Tax Program

CPA members can participate in the Canada Revenue Agency (CRA) Community Volunteer Income Tax Program (CVITP) by volunteering to prepare tax returns and/or by helping a community organization host a free tax return preparation clinic through the CVITP.

The CVITP helps community organizations across Canada host tax preparation clinics. Visit **canada.ca/guide-taxes-volunteer** for a list of the community organizations that are hosting tax clinics and seeking volunteers. Becoming one of these volunteers is a straightforward process: Simply submit a volunteer registration form on the CRA website, and a CRA co-ordinator will contact you to help you find a participating organization in your area. The online form has a checkbox for CPA members that will be used for statistical reporting, appreciation, and acknowledgement purposes.

Important reminders for filing volunteer tax returns

Volunteers can file returns electronically; however, it must be noted that members who already have an EFILE account *cannot* use this same account for the volunteer work they conduct through the CVITP—instead, they *must* get a new EFILE number to submit returns prepared on a voluntary basis.

Also, tax returns can be submitted using any tax software, but members should check off box 487 of the tax return, which indicates that the return was prepared by a volunteer. If a host organization does not have Internet access, members are permitted to save returns onto an encrypted USB key and EFILE these returns within 48 hours.

Exemption from licensing

Recognizing that the preparation of free tax returns at volunteer tax clinics serves the interests of the general public and encourages social responsibility, CPABC enables members whose primary occupation is not in public practice to apply for an exemption from the licensure process, so they can provide these tax services to the public on an incidental basis only.

Members who are not already licensed for public practice *must* apply for this exemption—this includes members who are employed in public practice but who are not personally licensed. Members who hold the "Other Regulated Services – Non-Reviewable" licence must also apply for the exemption, as this category does not permit them to prepare T1s.

Candidates[1] enrolled in the CPA Professional Education Program may *only* volunteer to prepare tax returns under the supervision of a CPA member who is licensed for public practice or has obtained the exemption from licensure. Candidates are not eligible to apply for the exemption themselves because they cannot be licensed for public practice.

How to apply for the licensure exemption

To apply for the exemption and register for insurance coverage, go to CPABC's Volunteer Resource Centre at **bccpa.ca/volunteer** (click on CPA Volunteer Opportunities in the right-hand navigation bar and choose Volunteer Tax Services). You'll find the instructions at the bottom of the page, and the online process takes only a couple of minutes to complete. Members who apply for the exemption will receive a free copy of the latest edition of *The Personal Tax Planner Guide* from CPA Canada while supplies last.

Professional liability insurance

Because members who are authorized to provide volunteer tax services assistance are exempt from licensure, they are not subject to professional liability insurance requirements. Therefore, to ensure the protection of the public, CPABC holds a blanket policy with CPA Professional Liability Plan Inc. that applies to authorized CPABC members *provided certain conditions are met*. These conditions are detailed in CPABC's Volunteer Resource Centre at **bccpa.ca/volunteer** (click on CPA Volunteer Opportunities in the right-hand navigation bar and choose Volunteer Tax Services).

[1] "Candidate" is the term used for a student in CPA PEP. In the *CPABC Bylaws*, candidates are referred to simply as students.



David Chiang, CPA, CA (centre), CPABC's VP of member advice and programs, accepts a certificate recognizing BC CPAs' participation in the CVITP in 2019 from CRA reps Carolyn Stanley, manager of the CVITP (Pacific region) and call centre & client services, and Arthur MacKenzie, CPA, CMA, assistant director of programs (Pacific region).

A word about professional competence

Volunteer work is regulated under the *CPABC Code of Professional Conduct*. Therefore, before undertaking the preparation of tax returns— even at a volunteer tax clinic—you must assess your professional competence. If, in doing so, you determine that you need additional training, consider taking online training offered by the CRA through the CVITP, a course held by one of the local CPABC chapters, or a tax update course offered through CPABC's professional development program (see page 43 for details).

Want more information?

If you are interested in volunteering with the CVITP or learning about other ways you can use your tax knowledge to help your community, we invite you to attend an information session in Vancouver on January 23, 2020, or in Victoria on January 27, 2020. Please email **professionaladvisory@bccpa.ca** for details.

For questions about applying for the licence exemption, please contact CPABC's advisory services department at 604-872-7222 or toll-free 1-800-663-2677. Alternatively, you can email the advisors at **professionaladvisory@bccpa.ca**.



RRSP & TAX TIPS

CPABC Expands Tax Tips Campaign to Include New Resources

As part of the profession's mandate to protect the public, CPABC launched its RRSP & Tax Tips Campaign in January—providing British Columbians with the latest tips to help them navigate their tax returns for the 2019 tax year. The tips—along with a number of newly revamped RRSP & Tax Tips resources, including editorials, infographics, and targeted content for specific demographics—are available at **rrspandtaxtips.com**. Members and their organizations are encouraged to promote the campaign and share the new tips and resources through their social media channels!

In addition to providing guidance during tax season, we'll be adding more content throughout the year—so be sure to check back often to find new resources you can share with your networks.

Thank you!

A big thanks to the CPABC Taxation Forum for their work in vetting and preparing the tax tips for this campaign.

OUTREACH

Reaching Out to New Canadians



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CPABC's student recruitment team was excited to meet many newcomers to Canada during the Tri-Cities Newcomer Employment Week this past November. Hosted by a range of organizations that included Vancity, SUCCESS, and the Immigrant Employment Council of BC, the weeklong event featured workplace tours across the Tri-Cities area and a one-day resource fair at the Coquitlam Public Library, where the student recruitment team had the chance to promote the CPA profession. The fair also gave the more than 100 newcomer participants in attendance a chance to take part in a resumé clinic, workshops, and networking sessions.

RESOURCES FOR EMPLOYERS & JOB SEEKERS

Hire the CPA Talent You Need for 2020

As an employer, you may be feeling the pressures of the current labour market and wondering how you can get connected to the current and future CPAs you need to hire to be successful in your business in 2020. CPABC has you covered with a suite of recruitment and career events designed to help you with your talent strategy. Here's a shortlist of upcoming events:



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Trendsetters in Tech

Wednesday, January 29, 2020
The BC Tech Hub (BC Tech Association) | Vancouver
6:00 p.m. – 8:00 p.m.

Trendsetters in Real Estate

Wednesday, March 25, 2020
Rogue Kitchen & Wetbar | Vancouver
6:00 p.m. – 8:00 p.m.



Employer Showcase

Monday, May 25, 2020
Vancouver Convention Centre East | Vancouver
2:00 p.m. – 6:00 p.m.



CareerConnect Panel

Thursday, February 27, 2020
Fairmont Waterfront Hotel | Vancouver
6:00 p.m. – 8:00 p.m.



Speed Interview Night Kelowna

Wednesday, February 19, 2020
Coast Capri Hotel | Kelowna
6:00 p.m. – 8:00 p.m.

Speed Interview Night Vancouver

Tuesday, March 3, 2020
Fairmont Waterfront Hotel | Vancouver
6:00 p.m. – 9:00 p.m.

Speed Interview Night Burnaby

Thursday, March 5, 2020
Element Vancouver Metrotown | Burnaby
6:00 p.m. – 9:00 p.m.

2019 event photos by Aaron Aubrey Photography.

CAMPUS AMBASSADORS

Meet CPABC's Newest Post-Secondary Campus Ambassadors!

Every year, CPABC recruits students at post-secondary institutions across the province to volunteer as campus ambassadors for the CPA profession. In addition to promoting the CPA career path at their schools, these ambassadors serve as valuable points of contact for other students who have questions about the accounting profession and the CPA Professional Education Program.

Meet our 2019-2020 campus ambassadors:

- Ericka Bidwell – Okanagan College
- Avleen Brar – University of the Fraser Valley
- Marina Caramelo – UBC Diploma in Accounting Program
- Savrit Chauhan – BCIT
- Yuri Choi – University of British Columbia
- Henry Chu – Langara College
- Fred Fang – Trinity Western University
- Kayla Jang – University of British Columbia
- Angela Jiang – Capilano University
- Alex Luu – Kwantlen Polytechnic University
- Arshveer Mahal – BCIT
- Sophia Ng – Camosun College
- Avery Nguyen – UBC Diploma in Accounting Program
- Victor Okarah – Vancouver Island University
- Rowena Rosales – Acsenda School of Management
- Jitesh Sachdeva – Douglas College
- Mohit Shah – Selkirk College
- Nicholas Yau – Simon Fraser University



CPABC's 2019-2020 campus ambassadors – back row (l to r): Alex Luu, Fred Fang, and Henry Chu. Middle row (l to r): Jitesh Sachdeva, Marina Caramelo, Sophia Ng, and Nicholas Yau; Front row (l to r): Angela Jiang and Avleen Brar. Not pictured: Ericka Bidwell, Savrit Chauhan, Yuri Choi, Kayla Jang, Arshveer Mahal, Avery Nguyen, Victor Okarah, Rowena Rosales, and Mohit Shah. Photo by Kent Kallberg Studios.

Know a student who wants to get involved?

If you know a student who is interested in becoming a campus ambassador, email CPABC at **ambassadors@bccpa.ca** for more information.



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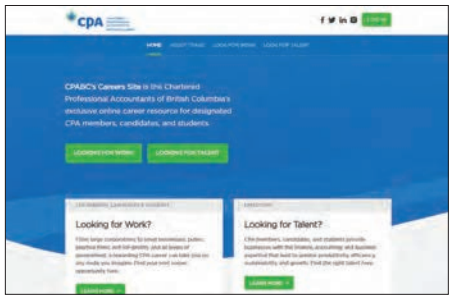
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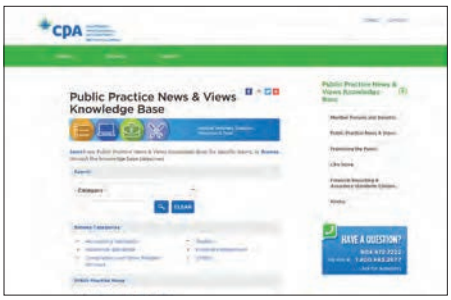
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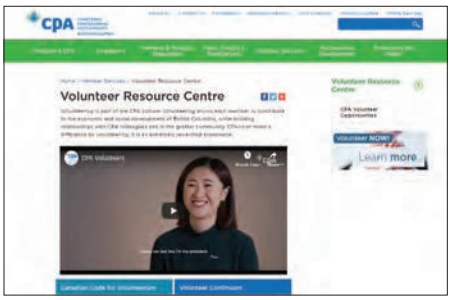
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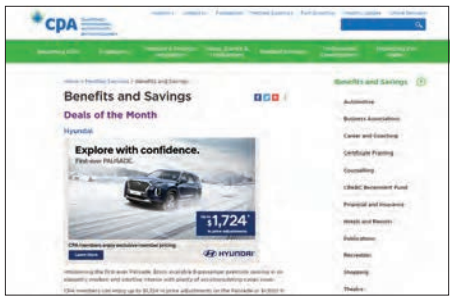
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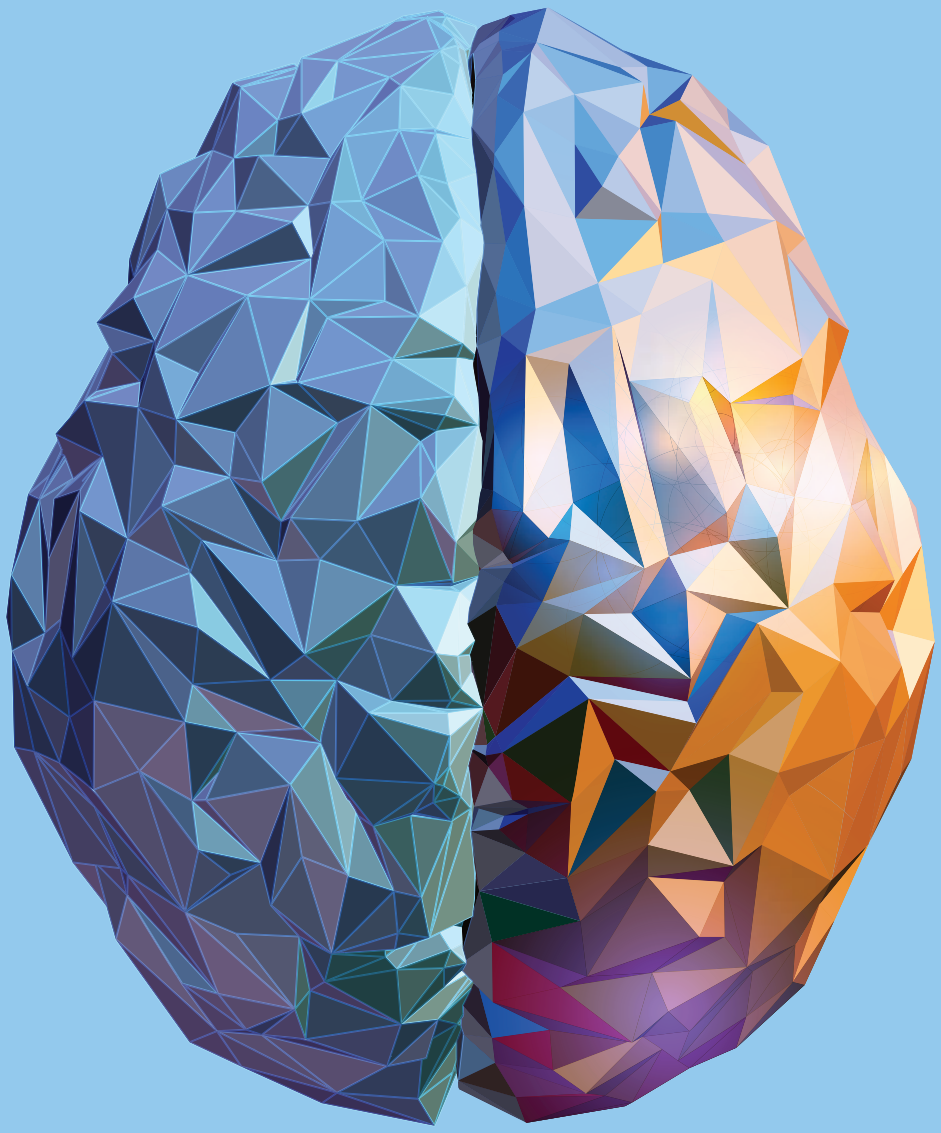
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It's Not You, It's Blockchain

Disruptive technologies are inherently confusing, but there's hope for professionals who want to learn more

By Chris Rowell, DSc. (Tech), and Tejinder Basi, CCSP, CMC

ABOUT THIS ARTICLE: Like other professionals, CPAs are constantly being told that blockchain and other emerging technologies are going to radically change the way they do business. Yet many lack the time and/or resources to get up to speed—never mind getting ahead of the curve. Recognizing this, CPABC recently supported a study conducted by the University of British Columbia and Cyberium Consulting, a Vancouver-based technology and innovation firm specializing in cybersecurity and risk management, to determine the best ways to educate professionals about disruptive technologies. Using blockchain as an example of an emerging technology with significant disruptive potential, researchers conducted a survey, focus groups, and interviews with a diverse group of CPABC members, including some CPA blockchain experts, to understand their current perceptions of blockchain, their motivations (or lack thereof) for learning about it, what they most want to know, and the barriers they encounter when seeking information. In this article, lead researchers Chris Rowell and Tejinder Basi describe the current landscape, share highlights from the study,[1] and discuss efforts to break down learning barriers.

Blockchain came onto the world stage as the technology underlying the creation and peer-to-peer transfer of digital currencies such as Bitcoin. The core breakthrough was that blockchain—as a digital ledger that is distributed across a wide network and protected by cryptography—provided a way for people to instantly verify their ownership of an asset and transfer this ownership to others without relying on third-party intermediaries, such as banks and other financial institutions.

While Bitcoin provided an interesting initial use case, it gave only a very small glimpse of blockchain's true potential. In reality, blockchains can record anything of value—from property to commodities to health-care data—and it's because of this broad spectrum of potential applications that executives, increasingly, are identifying this technology as a critical strategic priority.[2]

Unfortunately, as blockchain continues to grow in prominence (see page 21), it also continues to confound. The sheer volume of information available about blockchain can make it hard to pinpoint what it is, exactly, that makes the technology special, how it actually works, when and where we're going to see its impact, and why (or indeed, whether) we should care. To further complicate matters, blockchain is emerging not in isolation but, rather, in parallel with other technologies like artificial intelligence (AI), and these technologies are being combined to create fundamentally new products, services, and business models.

While we are still in the early stages, it's expected that blockchain will eventually affect a wide range of businesses and industries. CPAs who understand its basic features will be well positioned to know if, when, and how they should engage more with this technology. The question, then, is how to develop this foundational understanding. That's what we endeavoured to find out through our study.

[1] Chris Rowell, DSc. (Tech) and Varshitha Narahari, B.Eng., *Educating Professionals about Disruptive Technologies*, October 2019.

[2] Chamber of Digital Commerce Canada, *Canadian Blockchain Census 2019*, (October 2019), **digitalchamber.org/canada-blockchain-census**.

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Why CPAs want to learn about blockchain

More than half (61.5%) of the CPAs who participated in our study said they'd actively sought out educational materials on blockchain in the past year. We found several common motivators for learning. Many survey respondents said they wanted to learn about blockchain because of its current (11%) or impending (50%) relevance to their professional roles. And in interviews and focus group discussions, several CPAs said they wanted to be able to provide informed answers to their clients when asked about blockchain. As one individual put it: "As a CPA, people expect me to know the answers to questions about new technology."

Personal curiosity was another driver. During focus group discussions, we found the following personal motivations were the most common:

- A general interest in new technologies;
- A particular interest in blockchain sparked by stories in the media and/or firsthand experience with blockchain-based applications like cryptocurrency; and
- A desire to expand professional knowledge and skills with regard to the various technologies that could potentially affect the CPA profession over the coming years.

What CPAs want to know, and what gets in the way

In our survey, we asked respondents to rank various disruptive technologies in order of relevance to their current work. Blockchain was ranked fourth overall behind cloud computing (#1), big data analytics (#2), and AI (#3). It fared even worse in interviews and focus groups, with some participants saying blockchain was not at all relevant to their current roles. CPAs in this latter group were far more inclined to adopt a "wait-and-see" approach with regard to learning more about blockchain. Some said they believed the technology hadn't been proven yet; others cited a lack of clear standards, guidance, and regulation; and others said they didn't believe blockchain would affect small- and medium-sized businesses for some time.

Relevance came up consistently when we asked CPAs what they would most like to see addressed in educational materials. At the same time, uncertainty about relevance was identified as one of the biggest barriers to learning. With good reason—gauging the relevance of any emerging technology is tricky. Blockchain has been described as a "foundational technology," meaning that it has the potential to fundamentally change our economic and social systems,[3] but what does that mean for the average CPA? Focus group participants told us it was often difficult to connect the examples of blockchain they'd seen in the media to their specific roles. They said they wanted to know how blockchain will affect their actual work—and how soon.

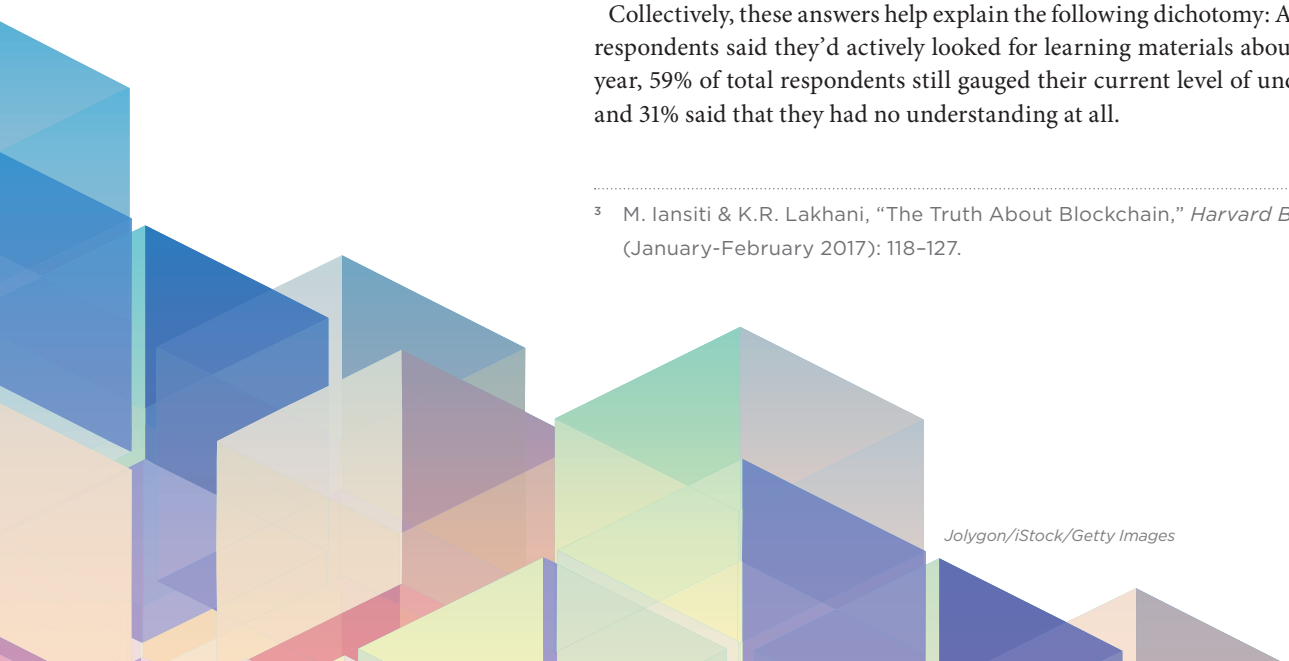
There are no easy answers. Blockchain will not affect all businesses (and, therefore, all CPAs) in the same way or at the same time. Currently, blockchains are being used by large enterprises for more incremental use cases, such as supply chain applications, since these address large pain points in a straightforward manner. More disruptive applications and blockchain integration by small and medium-sized enterprises could take longer to reach live production due to the upfront investment required, difficulties in building new networks and business models, and regulatory uncertainties.

Moreover, it takes time to build trust. Blockchain applications provide the most value when they allow businesses to securely access and share information with partners *beyond* their organizational boundaries, and this requires consensus building. Participants must come to understand the benefits of collaboration and reach an agreement on how the business network and the data on this network will be governed.

Focus group participants also cited blockchain's complexity as a major barrier to learning. This correlated to a desire for educational materials that would demystify blockchain's terminology and applications (see "Demystifying Blockchain" on pages 26-27). Several CPAs told us they felt inundated with information, including hype and negative media coverage, and reported that they'd encountered significant difficulties when trying to find useful and trustworthy information from legitimate sources. Similarly, two-thirds of our survey respondents said they did not know which resources to draw on to learn more about blockchain.

Collectively, these answers help explain the following dichotomy: Although 61.5% of survey respondents said they'd actively looked for learning materials about blockchain in the past year, 59% of total respondents still gauged their current level of understanding as "novice," and 31% said that they had no understanding at all.

[3] M. Iansiti & K.R. Lakhani, "The Truth About Blockchain," *Harvard Business Review* 95 (1) (January-February 2017): 118–127.



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Many participants in our focus group discussions said they wanted to understand blockchain's longer-term implications for the profession. Time will tell on this one, but we can hazard a guess based on past examples. Like other disruptive innovations in accounting, we expect blockchain to augment some functions to make them more economical, while at the same time making other functions more valuable. Consider, for example, the introduction of digital spreadsheets in 1979: This innovation dramatically reduced the cost of calculation while increasing the value of interpretation, judgment, and simulation.[4] Similarly, blockchain could significantly reduce the costs of recording, collecting, and verifying information, thereby freeing up time for CPAs to create value in other ways.

For many study participants, all of the aforementioned obstacles were exacerbated by time—specifically, the lack thereof. Participants in our focus groups and interviews routinely said their learning was hindered by the need to balance multiple, competing demands, and 36% of our survey respondents cited time constraints as a significant barrier to learning.

Overall, we found that CPAs are experiencing a range of drivers for and barriers to learning about blockchain. However, despite the many barriers identified, most expect blockchain to become relevant for them in future and, therefore, want to learn more about the technology. When asked what level of understanding they'd like to gain if all barriers to learning were removed, 30% of survey respondents said they wanted a general overview and 36% said they wanted a deep-level of understanding that would enable them to integrate blockchain into their work wherever appropriate.

How then, can we remove these barriers to learning? To answer this question, we first need to recognize that these barriers don't stem from CPAs' individual learning abilities or motivations—rather, they stem from the features of blockchain that are inherent in most disruptive technologies.

[4] Greg Ip, "We Survived Spreadsheets, and We'll Survive AI," *The Wall Street Journal*, updated August 2, 2017.

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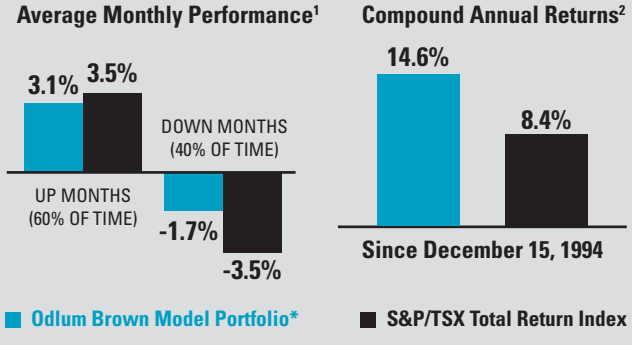
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Odlum Brown Model Portfolio: A Proven Track Record



[1]Performance measured mid-month from December 1994 - November 2019. [2]As of November 15, 2019. *The Odlum Brown Model Portfolio is an all-equity portfolio that was established by the Odlum Brown Equity Research Department on December 15, 1994 with a hypothetical investment of $250,000. It showcases how we believe individual security recommendations may be used within the context of a client portfolio. The Model also provides a basis with which to measure the quality of our advice and the effectiveness of our disciplined investment strategy. Trades are made using the closing price on the day a change is announced. Performance figures do not include any allowance for fees. Past performance is not indicative of future performance.

What makes disruptive technology so challenging—from the automobile to blockchain

Generally speaking, before they gain mass acceptance, disruptive technologies share three potentially problematic characteristics:

1. They're highly diverse, which can generate confusion;
2. They perform poorly along certain dimensions; and
3. They attract a wide range of viewpoints and criticisms.



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Let's look at each of these characteristics in turn by retracing the early days of the automobile and connecting its emergence to that of blockchain.

1. Variations galore

The huge variation in disruptive technology during its early stages can create confusion. When the automobile industry began to emerge towards the end of the 1800s, there was significant diversity in the range of cars produced and in their component technologies.[5] During the first two decades of the automobile industry, inventors were split on a wide range of design decisions, such as where to position the engine, how to steer, and how to stop. In addition, multiple competing means of propulsion were debated, with the only point of agreement being that the automobile could not be powered by animals.[6] Manufacturers couldn't even reach a consensus on what to call this new invention—among the early contenders were "autocycle," "motor wagon," and "horseless carriage."[7] The considerable variation across labels, technologies, and designs created significant confusion for innovators, investors, and consumers alike.[8]

[5] G.R. Carroll, L.S. Bigelow, M.L. Seidel, & L.B. Tsai. "The Fates of De Novo and De Alio Producers in the American Automobile Industry 1885-1981." *Strategic Management Journal* 17 (Summer Special Issue, 1996): 117–137.

[6] H. Rao, "The Social Constuction of Reputation: Certification Contests, Legitimation, and the Survival of Organizations in the American Automobile Industry: 1895-1912," *Strategic Management Journal* 15 (Winter 1994): 29–44.

[7] D.L. Cohn, *Combustion on Wheels: An Informal History of the Automobile Age,* (Boston: Houghton Mifflin Company 1944), 29.

[8] H. Rao, "Institutional Activism in the Early American Automobile Industry," *Journal of Business Venturing* 19 (2004): 359–384.

Blockchain investment trends that show it's not a passing fad

- According to its latest Worldwide Semiannual Blockchain Spending Guide, the International Data Corporation (IDC) expects worldwide spending on blockchain solutions to reach US$15.9 billion in 2023, at a five-year compound annual growth rate (CAGR) of 60.2% between 2018 and 2023. Canada is set to have the highest CAGR (73.3%).[1]
- Citing an earlier IDC report, the Chamber of Digital Commerce Canada (CDCC) noted that Canada's spending on blockchain is projected to increase from US$72 million in 2019 to US$644 million by 2023.[2]
- The CDCC also noted that venture capital and private investments in blockchain topped US$10 billion over the past five years.[3]
- In 2019, 53% of large organizations said blockchain was a critical priority, according to Accenture Research.[4]
- Citing a January 2019 report by the Bank for International Settlements, the World Economic Forum noted: "… at least 40 central banks around the world are currently, or soon will be, researching and experimenting with central bank digital currency, a commonly proposed distributed ledger technology, for a variety of use cases."[5]
- There were more than 200 blockchain-related initiatives in the public sector, spanning 45 countries, in 2018.[6]
- The total market capitalization of cryptocurrency platforms was ~US$197 billion as of December 6, 2019.[7]
- According to a 2019 study by the Cambridge Centre for Alternative Finance, one in five enterprise blockchain use cases in live production are supply chain applications.[8]

[1] Marie Huillet, "Blockchain Solution Spending to Hit $16 Billion by 2023: IDC Report," August 9, 2019, **cointelegraph.com**.

[2] Chamber of Digital Commerce Canada, *Canadian Blockchain Census 2019* (October 2019): 5.

[3] Ibid, 5.

[4] Ibid, 22.

[5] World Economic Forum, *Central Banks and Distributed Ledger Technology: How Are Central Banks Exploring Blockchain Today?* (white paper) (March 2019): 4.

[6] J. Berryhill, T. Bourgery, and A. Hanson, *Blockchains Unchained: Blockchain Technology and Its Use in the Public Sector*, OECD Working Papers on Public Governance No. 28 (Paris: OECD Publishing June 2018): 20. (**https://doi.org/10.1787/3c32c429-en**)

[7] **https://cryptolization.com**

[8] Michel Rauchs, Apolline Blandin, Keith Bear, Stephen McKeon, *2nd Global Enterprise Blockchain Benchmarking Study* (Cambridge Centre for Alternative Finance, 2019): 34.

This confusion is exacerbated by the strategic use of jargon by entrepreneurs who add labels like "blockchain," "token," and "crypto" to the names of their ventures and products in the hopes of attracting interest and investment. In December 2017, for example, a company called Long Island Iced Tea Corp. changed its name to "Long Blockchain Corp." and almost instantly saw an increase of more than 250% in its stock price.[9] If you're wondering what an iced tea producer has to do with blockchain, you're not alone.

2. Growing pains

Early applications of disruptive technology are often inferior along certain dimensions that customers value highly.[10] Early automobiles, for example, were often far slower and less reliable than alternate modes of transport already familiar to consumers. The story of the first-ever speeding ticket issued to a motorist makes this painfully clear: In 1896, a driver was seen "hurtling through the streets of Paddock Wood, Kent" at the breakneck speed of eight miles per hour—four times the legal speed limit at the time.[11] Given that this motorist was caught by a constable on a bicycle, it's easy to see why consumers questioned the value of automobile technology in its early days.

Similarly, even the most prolific applications of blockchain have attracted scorn for their woeful performance along several dimensions that we deem important, including ease of use, throughput and scalability, and energy efficiency. For example, despite the hype around Bitcoin as a digital currency, the Bitcoin blockchain can currently process only seven transactions per second.[12] Compare this with Visa, which averages around 1,700 transactions per second and claims to be able to handle over 24,000 per second.[13] At the same time, Bitcoin requires a huge level of data redundancy and substantial amounts of energy to function. Because we are prone to evaluate novel applications based on established criteria, we tend to focus on their drawbacks and disregard them accordingly.

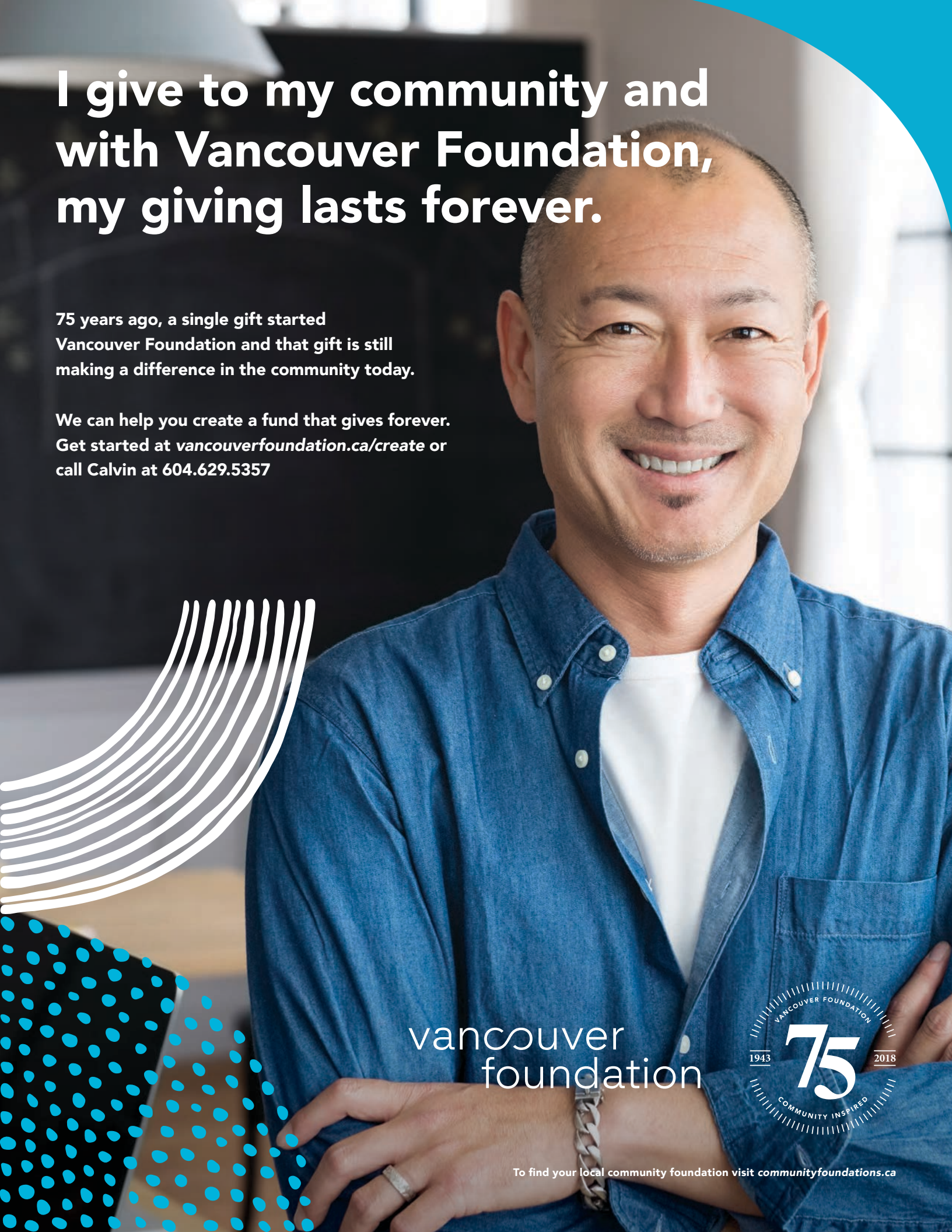
[9] S. Buhr, "Long Island Iced Tea Shares Went Gangbusters after Changing Its Name to Long Blockchain," 2017. Retrieved August 14, 2019, **techcrunch.com**.

[10] J.L. Bower & C.M. Christensen, "Disruptive Technologies: Catching the Wave," *Harvard Business Review* (February 1995): 43–54.

[11] Ben Judge, "28 January 1896: The World's First Speeding Ticket," *MoneyWeek*, January 28, 2015.

[12] K. Croman et al., "On Scaling Decentralized Blockchains," *Financial Cryptography and Data Security. FC 2016. Lecture Notes in Computer Science, vol 9604*. eds. J. Clark et al., (Berlin: Springer): 2016

[13] Visa, "Visa Acceptance for Retailers." Retrieved November 17, 2019, from **https://usa.visa.com/run-your-business/small-business-tools/retail.html.**


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3. Everyone's a critic

Given its ambiguous features and poor performance in certain areas, disruptive technology often attracts a wide range of viewpoints. Cars were so unreliable during the early years of the automobile industry that they became a source of derision. "All it needs is a horse" was a common barb,[14] and this wasn't idle criticism—early car models were often equipped with hitches for horses or mules, should they fail to run.[15] The shortcomings of automobiles compared to horse-drawn carriages were heightened by the absence of the social, legal, and physical infrastructures we now take for granted. For example, many roads were so underdeveloped and muddy that cars couldn't navigate them.[16]

Blockchain, too, has attracted an array of opinions and criticisms, mainly centering around cryptocurrency applications, which—as noted by the CPAs who participated in our study—can make it difficult for people to find credible and trustworthy information from unbiased sources. In short, just as the differing viewpoints about the merits of the automobile made it challenging for consumers to get a clear picture of its emergence back in the late 19th and early 20th centuries,[17] differing viewpoints are making it hard for professionals with limited experience in blockchain to gauge its merits today.

[14] Cohn, 30.

[15] J.J. Flink, *The Automobile Age* (Cambridge, MA: MIT Press, 1988).

[16] Cohn, 1944

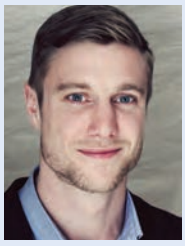
[17] Rao, 1994; Rao 2004.

In summary, many of the most pressing impediments to learning about blockchain are not down to the individual, but rather stem from the very nature of disruptive technology itself. While it may be disheartening to hear that all disruptive technologies are inherently confusing, this is actually good news. It means that if we can create an effective educational strategy for blockchain, we may be able to adapt this same strategy to *any* disruptive technology.

Building a solid foundation

To help CPAs overcome the various learning challenges identified in this study, we collaborated with CPABC to create two professional development courses on blockchain basics for the fall 2019 PD program: "Blockchain Essentials for CPAs" and "Foundations of Blockchain." These courses examined how blockchain is being used today, how it might be applied in the future, and what this means for the profession. Plans are in the works to offer the courses again in 2020, as the desire for clarity hasn't waned.

Ultimately, amid all the uncertainty with regard to the exact impact of blockchain across different areas, what *is* certain is that CPAs who equip themselves with a foundational understanding of blockchain technology will be better able to cut through the hype; evaluate blockchain applications with greater clarity; determine if, how, and when it could become relevant for their business; and decide for themselves whether, when, and how they will learn more. ■



Chris Rowell is a postdoctoral research and teaching fellow at the UBC Sauder School of Business. He has a doctorate in science in the field of technology strategy and venturing from Aalto University in Helsinki. Chris researches strategy and innovation, with a particular focus on how blockchain and other new technologies affect how firms organize, create and capture value, and compete.



Tejinder Basi is the founder and CEO of Cyberium Consulting and an adjunct professor at the UBC Sauder School of Business. He advises public- and private-sector organizations on the effective and secure use of leading technology, and regularly speaks on these topics. Tejinder has over 30 years of experience in business leadership, IT consulting, audit, and cybersecurity across Europe and North America, and was formerly a partner with Deloitte in BC, leading the firm's cybersecurity, risk management, and data analytics services.

WANT MORE DATA?

Be sure to check out the January issue of *Pivot* magazine, which focuses on all things data—from the rise of alternative data to the role of CPAs in a data-heavy world.

MORE FROM CPABC: In addition to collaborating on research projects, such as the one described in this article, CPABC's ongoing efforts to help CPAs adapt to technological change include offering online and in-person professional development courses on topics ranging from cloud computing to cybersecurity. CPABC also regularly publishes disruption- and technology-related articles in this magazine and online. See, for example, "What Justifies the Cost of a Product? Blockchain Can Tell You," at **industryupdate.ca**. In the article, Chris Rowell (our cover story co-author here) uses two case studies to show blockchain in actual practice.

These efforts coincide with initiatives at the national level. In addition to updating the CPA competency map to include data analytics and examining the potential impact of emerging technology through the Foresight project (see our July/August 2019 cover story), CPA Canada continues to provide a variety of professional development offerings on disruptive technology, including a cybersecurity certificate program, a podcast series, and free online learning titles, such as: Managing cybersecurity risk: How to get started; Bringing artificial intelligence to financial audit; and Accounting for cryptocurrencies under IFRS.

Visit **pd.bccpa.ca** and **cpastore.ca** for details, and stay tuned for more content on disruptive technology in this magazine and online.

Demystifying Blockchain

You've heard of blockchain technology, but what exactly is it? Innovation researcher Chris Rowell, DSc. (Tech), co-author of our cover story on pages 16-25, breaks blockchain into its component parts and debunks some common myths.

WHAT IS A BLOCKCHAIN?

A digital ledger that is distributed across a wide network. "Blocks" in the chain are bits of digital information.

WHAT MAKES IT UNIQUE?

- It's virtually impossible to hack if implemented correctly (because of its distributed nature combined with its use of cryptography).
- It offers greater information transparency, security, and immutability.
- It provides more efficient ways to share information, including recordkeeping solutions.
- It may lead to the creation of new products, services, and business models.

WHAT KINDS OF BLOCKCHAIN ARE THERE?

Blockchains can be broadly separated into two categories:

Public

- Fully transparent
- Allow anyone to join, participate, and view the records on the ledger
- Common use cases: cryptocurrencies like Bitcoin

Permissioned

- More typical for enterprise applications
- Allow stakeholders to restrict who can join the network and what they can view on the ledger
- Common use cases: supply chains

PERMISSIONED BLOCKCHAINS: A USE CASE EXAMPLE

Imagine an aerospace company that keeps track of the servicing and maintenance of its airplanes (and their component parts) for operational and compliance reasons. The company relies on its large number of suppliers to keep their own records (mostly in paper format), and asks them to duplicate and share these records with others when needed. This approach can create huge challenges both in terms of transparency and information sharing, and these challenges can result in significiant inefficiencies.

Blockchain would enable the company to manage a shared ledger across all of its suppliers—one that could be updated in real time. The company could protect suppliers' privacy by customizing permissions for participants so that each could only view the parts of the ledger directly relevant to them. This process would make an airplane's life cycle fully visible in a way that is both secure and easily accessible; in doing so, it could greatly increase efficiencies and generate higher resale values for each aircraft.

COMMON MYTHS ABOUT BLOCKCHAIN DEBUNKED

MYTH: Blockchain is just about cryptocurrencies.

REALITY: Blockchain is the technology that enables cryptocurrencies to be used in peer-to-peer networks, and Bitcoin was its first application. However, blockchains can record anything of value—from property to carbon emissions, from commodities to votes, and from machine parts to health-care data. When you consider everything of value that could possibly be recorded using this technology, you realize that cryptocurrencies make up only a very small part of the blockchain equation.

MYTH: Cryptocurrencies are for fraudsters and criminals.

REALITY: There's no question that the early days of Bitcoin were rife with criminal activity, as users seized on the opportunity it provided to transfer money without the need of a trusted third party (such as a bank). However, we've come a long way since then, as evidenced by the fact that institutional investors now trade cryptocurrencies. Moreover, a large number of central banks and corporations are considering issuing their own digital currencies using blockchain technology.

Plans are in the works to offer Chris Rowell's two CPABC PD courses **"Blockchain Essentials for CPAs"** and **"Foundations of Blockchain"** again in 2020. Stay tuned.

MYTH: Blockchains consume large amounts of energy.

REALITY: This is only partly true. The Bitcoin blockchain does consume large amounts of energy (you can check exactly how much here: **https://digiconomist.net/bitcoin-energy-consumption**). This is due to the way in which the blockchain is updated by the network: a process called "proof of work," which currently requires substantial computational power and, hence, energy. However, most other blockchains (including enterprise blockchains) are updated according to different rules and are far more energy efficient.

MYTH: The Bitcoin blockchain has been hacked.

REALITY: This is false. The Bitcoin blockchain has never been hacked. There have been successful hacks of smaller, less distributed blockchains, but even these are rare. In fact, almost all cryptocurrency hacks are actually hacks of exchanges, not blockchains. These exchanges hold cryptocurrency in password-protected accounts (or "wallets") on blockchain networks. Because it's almost impossible to hack a blockchain network, most hackers will target the passwords (or "private keys") of an exchange instead. If successful, a hacker can then transfer cryptocurrency from the exchange's wallets to their own account.

Jolygon/iStock/Getty Images

CPABC's 2019 Member Engagement Tour:
Exploring the Future of the Profession

Each year, CPABC's Member Engagement Tour (MET) gives members, candidates, and students across BC a unique opportunity to connect face to face with CPABC's leadership and chapter executives. The 2019 MET launched in October in Dawson Creek, and by mid-December, chapters had hosted 16 MET events across the province, bringing together nearly 1,200 current and future CPAs. The tour will conclude with a final event in Victoria in January.

As mentioned in the November/December 2019 issue of this magazine, the 2019 MET featured a rotating roster of speakers from CPABC's board and senior staff. This year's presentation included a high-level overview of the 2019 labour market study, which was conducted by CPABC in partnership with the BC government to examine labour demand, the impact of technology on the accounting sector, and employers' changing expectations regarding required skills. The full report is expected to be released in the first half of 2020.

For those of you who were unable to attend the 2019 MET, here are two of the key findings from the labour market survey:

- There will be a high labour market demand in the accounting sector—particularly for CPAs; and
- There is still a low adoption rate for disruptive technologies. (This topic is covered in more detail in this issue's cover story on pages 16-25.)

In addition, an employer survey undertaken as part of the study highlighted the need for better data analytics and soft skills, such as communications, critical thinking, and leadership—a sentiment that was also echoed in the results of CPA Canada's Foresight project.

MET attendees received valuable updates on the Foresight project, including key findings from a phase-one project report that identifies the challenges ushered in by unprecedented levels of technological change and data production and collection. The report focused on the implications for the CPA profession, and what the profession must do to evolve as it tackles these challenges. MET speakers shared that CPAs must broaden their perspective on what constitutes performance beyond the financial aspects to consider operational metrics, environmental, social, and governance factors, and other dimensions that stakeholders want to review. They also noted that the profession's traditional mindset of looking back at what has already occurred must now shift to include a future focus.

Understanding that this is no small task, the profession is committed to helping members evolve. The MET enabled CPABC board and staff to inform attendees about updates to the CPA Competency Map (see the July/August 2019 issue of this magazine) and technology-focused additions to CPABC's Professional Development Program. Members were also informed about the new Compilation Engagement standard. A question and answer period followed each presentation.

The 2019 MET was also an excellent opportunity to celebrate the membership. By the end of the tour, more than 200 members will have been recognized by their peers during the member milestone ceremony at their local MET event.

Recaps from each MET stop, including photos and the names of the members recognized for their milestones, are available online at **bccpa.ca/member-services/chapters.** ■

If you attained a membership milestone (10, 25, 50, or 60 years) in 2019, but were not able to attend your local MET stop, please contact the member services team at **memberservices@bccpa.ca** so you can be recognized during next year's tour.





















1-3. Attendees at the MET in Kelowna. 4. L to R: Sheila Nelson, CPA, CA, CPABC board treasurer; Arbeny Flint, CPA, CPABC Okanagan Chapter recruitment chair; Ben Sander, FCPA, FCA, CPABC board chair; and Jan Sampson, FCPA, FCA, EVP of member and student engagement, attend the MET event in Kelowna. 5. Celebrating 50 years of membership (l to r): Terrence MacDermott, CPA, CA; Kenneth Almond, CPA, CA; Mervyn Scott, CPA, CA; and Bruce Klippenstein, CPA, CA. All Kelowna photos by Michael Hintringer Photography. 6. Jamie Midgley, FCPA, FCA, CPABC's EVP of regulation & registrar, delivers the MET presentation in Vancouver. 7. Jamie Midgley (back) and CPABC board member John Mackenzie, CPA, CA (far right), recognize 60-year member Richard Buxton, CPA, CA (second from right), and 50-year members (l to r) Derek Hamill, CPA, CA; Clifford Ruddell, CPA, CA; Wolf Bergelt, CPA, CA; Gary Weston, CPA, CMA; and Dennis Linfoot, CPA, CA. 8-10. Attendees catch up with their peers at the MET in Vancouver. All Vancouver photos by Bobo Zhao Photography.



Sophie Nicholls Jones is a Toronto-based digital producer who writes for CPA Canada's online news channel. With more than a decade of journalism experience, Sophie is a seasoned reporter, writer, and editor, with a focus on the business and financial sectors.

CPAs Can Help Companies Adapt to New Beneficial Ownership Rules, Experts Say

By Sophie Nicholls Jones



Jacob Ammentorp Lund/iStock/Getty Images

Note to readers: The original version of this article appeared on CPA Canada's online news site at **cpacanada.ca/news** on October 29, 2019. It has been reprinted and updated with permission.

As Canada's private businesses adjust to new federal beneficial ownership requirements, CPAs can play a key role in the transition, experts say.

Under legislative changes to the *Canada Business Corporations Act* (CBCA), effective since mid-June 2019, the government aims to increase corporate transparency and counter the country's money laundering, terrorist financing, tax evasion, and aggressive tax avoidance issues. Although these changes will generally apply to federal private corporations, the provinces have agreed to enact similar rules provincially, with some already moving forward.

Obligated corporations, under the CBCA, are now required to track and record individuals who have significant control of the corporation in a register—such as a logbook, database, or spreadsheet. At least initially, this register must be on hand as opposed to reported to the government. Significant penalties—including fines of up to $200,000 and imprisonment of up to six months—can apply if a register is not created, kept up to date, and made available upon request.

Individuals with significant control (ISCs) are generally those who own, control, or direct a certain number of shares, or have substantial influence over the corporation without owning any shares. The CBCA now defines the level of share ownership that is the threshold for significant control as either 25% or more of shares with voting rights or 25% or more of all the shares based on their fair market value. For each ISC, the register must include their name, date of birth, address, country (where they are a resident for tax purposes), the dates control started and ended (i.e., when shares were bought and sold), and a description of the ISC's control.

Although a step in the right direction in terms of helping position Canada as a safe and stable place to invest and do business, the impact—logistical and financial—on businesses is significant, says Ken Griffin, CPA, CA, a partner with PwC in Toronto. "This is another regulatory burden for business owners to comply with," he says.

Corporate legislation improving transparency—introduced to help counter money laundering—puts pressure on Canadian businesses to voice who owns what

How CPAs can help

CPAs can play a role by guiding companies through the new requirements as the legislation settles in and expands across provinces and territories, eventually evolving into anticipated countrywide requirements, adds Michele Wood-Tweel, FCPA, FCA, CPA Canada's vice-president of regulatory affairs.

"[Many] positions (controller, CFO, owner, director, chair, committee or board member) are held by CPAs, and they have different responsibilities attached to them," she says. "And those individuals, as CPAs in various roles, will now have new responsibilities to consider as affected companies are required to comply with these new requirements under the CBCA."

Here are three key challenges businesses can expect to face and how CPAs can assist:

1) Build awareness

As the beneficial ownership requirements passed into federal law in December 2018 and came into effect in 2019, the pressure mounts for companies to prepare, respond, and comply with the new requirements, says Wood-Tweel.

"It happened rather quickly … that obviously can be very good in terms of strengthening the regime that aims to combat money laundering and terrorist financing, but it also means the rubber is hitting the road as affected companies have the responsibility to comply," she says.

Limited direction on how to comply with the legislation and accurately extract the information needed also presents challenges, adds Griffin.

CPAs, as business owners, senior financial employees, and/or service providers, will be at the forefront of this evolving issue, taking in any new communications from governments, both provincial and federal, and delivering and reacting to any necessary updates as required.

"CPAs have an important role to play in helping clients become aware of the rules," says Griffin. "It's a new requirement that isn't automatically on the radar screen."

2) Play the advisor

Deciphering exactly who owns what in a company, and at what value, could be straightforward or complex, depending on the organization's size and structure, says Wood-Tweel.

The many ways an individual can control or influence an organization, from owner to board member to shareholder, complicates the assessment process, says Griffin. Furthermore, ascertaining the amount of control one has—such as share value or number of votes—may be fluid, requiring ongoing updates.

"For many private corporations, there is no market value in the same way that public corporations have, so it's a new requirement that is, at least in theory, difficult to comply with properly because the information is not readily available," he says.

One common complication will be where a corporation has issued fixed-value shares. Although the corporation's value will fluctuate, the value of these shares may not.

Whether they are beneficial owners themselves or are helping businesses establish who is, CPAs are well equipped to determine beneficial ownership across an organization and assist in determining the ISCs.



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"[Practitioners] may quickly find out that they need to be able to provide advice or even assist with calculations, depending on the nature of their practice and the client services that they are involved in," says Wood-Tweel.

3) Share expertise

Regardless of a company's size or structure, a process should be in place to comply with the legislation, suggests Wood-Tweel. This, she says, requires determining what the system will need to include, such as what information will need to be gathered and from whom (shareholders, creditors, board members, etc.), and how the information obtained will be stored, updated, maintained, and accessed.

"Companies have a new process to run, they've got information to get that they may not already have on hand, and they may, as well, require assistance in pulling together the information because it may not be simple," she says.

Here CPAs can use their expertise and attention to detail to help companies establish a seamless, well-planned, and well-executed process that involves the right players and addresses the key issues, including keeping information on record accessible, accurate, and up to date as required by the CBCA.

"Clearly we have an important role in helping with the compliance and recognizing it's a new requirement that isn't, at the moment, automatically linked with services currently being provided in corporate financial statements or tax returns," adds Griffin.

A refresher

What does Canada's beneficial ownership legislation mean for the accounting profession? See Bruce Ball's article "What Ottawa's corporate reporting overhaul means for CPAs" in the January 2019 issue of *Pivot* magazine. ■

Steps forward

As Canada works to establish beneficial ownership requirements for all jurisdictions, companies should stay attuned to the developing landscape, says Michele Wood-Tweel, FCPA, FCA, CPA Canada's vice-president of regulatory affairs.

British Columbia, Manitoba, Saskatchewan, and Quebec have already taken steps forward. In May 2019, BC was the first province to enact its own legislation requiring registers of beneficial ownership information for provincially incorporated companies. **BC's rules will begin to apply on May 1, 2020**. Manitoba enacted its rules in October 2019, and the legislation will come into force on April 8, 2020, or earlier if a date is fixed by proclamation. Saskatchewan introduced amending legislation in the fall of 2019, but at the time of this update (December 6, 2019), it had not been passed into law. Additionally, Quebec released an online consultation paper on corporate transparency in October 2019, inviting organizations, companies, and citizens to offer insights in three categories: how businesses will obtain and report the information, how landowners will declare information, and how the register will be accessed. At the time of this update, the process was nearing completion.

"This isn't going to be a once-and-done story," says Wood-Tweel. "This is going to be a continuing theme because the anti-money laundering and anti-terrorist financing regime is being enhanced in Canada. The experience with this is going to evolve. Members are going to need to stay engaged and remain alert to developing information and new requirements."

As a CPA, watch out for these developments:

- Introduction of provincial and territorial legislation, and whether it aligns with other jurisdictions in Canada;
- How beneficial ownership information, presently held by organizations, will be requested, accessed, and used by authorities such as the Canada Revenue Agency, law enforcement, creditors, and so on;
- Creation of registries, external to the companies, that would store information and be accessible to authorities, and whether these registries become publicly accessible; and
- Additional requirements for businesses already affected or more businesses impacted by new legislation down the line.

"Consistency is clearly important … for advisors who need to assist businesses," says Ken Griffin, CPA, CA, a partner with PwC in Toronto. "Hopefully, we will have some time to learn the system and have some feedback from the government in terms of interpretation before there's a move to broaden in terms of an external registry concept."



Left to Right:
Andy Shaw, Rob Mackay, Kiu Ghanavizchian, Andrew Mackenzie, Gary Mynett,
Lucas Terpkosh, Vern Blair, Jeff Matthews, Farida Sukhia

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Lori Mathison is the president & CEO of CPABC.

Protecting the Public: Why Professions Matter

By Lori Mathison, FCPA, FCGA, LLB



Andranik Hakobyan/iStock/Getty Images

This op-ed will be published on LinkedIn in late January.

Why are professions regulated? Well, imagine trying to find a doctor if doctors weren't regulated. How would you verify that they have the right credentials and training? Would you feel confident that they were staying up to date with the latest knowledge in their field? How would you know that they are competent if there's no oversight of their practice?

Now imagine that you've sold a piece of property and are facing financial and tax implications, including a potential capital gain. If the accounting profession wasn't regulated, how would you know that the accountant you've hired is properly trained and qualified to offer expertise in this area?

Whether you're seeking critical services for your medical or financial health, you want to know that the person helping you has been trained to meet provincial standards and is required to keep their professional skills and knowledge up to date. You also want to know that there is oversight to ensure their competence.

In other words, you're looking for a *professional*. Professionals—such as doctors and designated accountants—are required to have extensive training and education and to conduct themselves in a manner that serves the public interest. They also have to ensure the ongoing development of their professional skills and knowledge to maintain qualification standards and competencies. In addition, they must adhere to a code of ethical conduct designed to protect the public and maintain the public's trust.

CPABC is the only regulator of the accounting profession in British Columbia. Only CPAs are able to call themselves professional accountants. Only CPAs are part of a regulated profession. This matters.

We recognize that many unregulated accountants play an important role in the province's economy. However, these individuals should not be marketing themselves as holding a designation of any kind or of being part of a regulated professional body. At best, this could lead to confusion; at worst, it could lead to harmful advice.

For this reason, CPABC works diligently to protect the public and provide clarity in the market. It does so by enforcing the *Chartered Professional Accountants Act* to prevent non-members from stating or implying that they are professional accountants.

CPABC is proud of the role we and our members play in supporting the province's stable and well-regulated financial system, which is the foundation of our competitive economy. When employers hire a CPA, they can rely on CPABC to ensure that the CPA is staying up to date with their professional knowledge, skills, and proficiencies in the practice of accounting.

Again, this matters. It matters to individuals, to organizations, and to BC's economy. It's safe to say that most major financial decisions are made with the consultation or involvement of a CPA. Financial markets depend on information being prepared, recorded, and presented consistently. There is simply no substitute for a professional accountant. ■

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Richard Wong is a tax manager in the technology and private company services practice at PwC's Vancouver office. He is also an instructor at BCIT, Douglas College, and Kwantlen Polytechnic University. Richard would like to thank Iain Morris, CPA, CA, (a partner at PwC Vancouver) for his advice, support, and guidance on this article.

Tax-Deferred Rollovers Under the *Income Tax Act*: A Tax Advisor's Best Friend

By Richard Wong, CPA



wichayada suwanachun/iStock/Getty Images

There are several provisions under Canada's *Income Tax Act* (ITA) that allow taxpayers to transfer property to a Canadian corporation without triggering immediate tax consequences. These transfers are known as rollovers. Under normal circumstances, dispositions of property will generally occur at fair market value (FMV), resulting in a potential capital gain to the taxpayer. However, with the use of rollovers, property dispositions can occur at cost, thus avoiding the immediate recognition of accrued capital gains.

This article reviews four of the most commonly used rollovers under the ITA and discusses their practical applications.

Section 85

Section 85 of the ITA allows for a tax-deferred rollover of "eligible property" between a "transferor" and a "transferee corporation." Under Section 85, eligible property available for a rollover includes depreciable property, non-depreciable capital property, and inventory, with specific exclusions for cash, prepaid expenses, and real property held as inventory or owned by non-residents. Under Section 85, a transferor can include an individual, trust, corporation, or partnership; the transferee, however, must be a taxable Canadian corporation.

This provision is versatile, and it's often used by:

- Individuals who want to incorporate their sole proprietorship and contribute their business assets to the new corporation;
- Business owners who want to sell their business for shares of an acquirer or pass the future growth of their company to a key family member or stakeholder (an estate freeze);
- Parent companies that want to transfer assets to a new Canadian subsidiary; and
- Business owners who want to transfer shares of an operating company to a holding company, whether to assist in the sale of a business or for limited liability protection.

For the rollover to occur, the transferor and the transferee must jointly assign a "transfer price" for each asset being transferred. Generally, the transfer price must be a value between the asset's tax basis—its undepreciated capital cost (UCC) or adjusted cost base (ACB)—and its FMV. As consideration, the transferor must receive at least one share of the transferee's capital stock. Although the transferor may also receive non-share consideration (known as boot), the transfer price cannot be lower than the FMV of any boot received, and any boot received that exceeds an asset's tax basis can result in adverse tax consequences.

Transferors will generally want to avoid transferring items expected to generate a capital loss (no tax to defer) and will want to ensure that the FMV of the consideration received is equal to the FMV of assets being transferred. The transfer price will determine the transferor's proceeds of disposition, the transferor's ACB of consideration received, and the transferee's ACB of properties acquired (with some exceptions). Tax can be deferred if a taxpayer elects for the asset transfer to occur at the asset's tax basis (UCC or ACB).

The parties may agree on a transfer price that is greater than an asset's tax basis to allow the transferor to use up expiring tax loss carryforwards or to trigger a gain that can be eliminated by an individual's lifetime capital gains exemption.





"It is important to remember that rollovers are a way to defer (rather than eliminate) tax—meaning that while tax is not due at the outset of the rollover, it may be due when the property is ultimately sold."

To undertake a Section 85 rollover, the transferor and the transferee must file a prescribed election (Form T2057/8) on the tax return due date of the transferor or transferee—whichever is earliest. Late elections are permitted up to three years after this due date, with payment of a penalty.

Section 86

Section 86 of the ITA allows for a tax-deferred, share-for-share exchange when reorganizing a company's capital. For example, using Section 86, a transferor could potentially exchange their common shares for preferred shares in the same company.

Section 86 is generally used by:

- Business owners who want to pass the future growth of their company to a key family member or stakeholder (an estate freeze); and
- Shareholders who want to bring in additional shareholders or restructure the voting rights of shareholders in a company.

For Section 86 to apply, the shares being given up must include all shares of a particular class held by the transferor (there is no requirement for other shareholders of a specific class to participate). The consideration received by the transferor must be shares of another class of the same corporation, and the articles of incorporation must be amended or altered as part of this process.

The transfer generally occurs at the ACB, which means that the ACB of the shares given up will usually equal that of the shares received. Boot may be received by the transferor; however, this will cause the ACB of the shares received to be drawn down by the FMV of the boot. Receiving boot could also trigger a capital gain. Section 86 may also give rise to a potential deemed dividend and capital gain.

No election form is required to undertake a Section 86 rollover.

Section 85.1

Section 85.1 of the ITA allows taxpayers (sellers) to exchange their shares for shares of a purchaser. This provision is often used by public companies that are looking to acquire shares of another corporation by issuing their own shares rather than paying for the acquired shares with cash.

For Section 85.1 to apply, the shares given up by the seller must be taxable Canadian property, the purchaser must be a taxable Canadian corporation, and the parties must be dealing at arm's length. Following the transfer, the seller must not control the purchaser or own more than 50% of the FMV of the purchaser's outstanding shares. As consideration, the seller must receive shares of a single class of the purchaser (no boot is permitted).

Taxpayers may not engage in a Section 85.1 rollover at any amount other than the ACB. As such, the ACB of the shares given up by the seller becomes the proceeds of disposition for the seller and the ACB of the shares acquired by the purchaser. The result is a tax-deferred exchange.

No election form is required to undertake a Section 85.1 rollover.

Section 51

Section 51 of the ITA allows transferors to defer tax when converting their debt to shares or exchanging their shares for new shares of a different class of the same company, provided that the transferor receives no consideration other than the new shares. Section 51 does not apply if Section 85 or Section 86 applies to the conversion.

For Section 51 to apply, the transferor must give up capital property by way of shares or debt. The ACB of these shares or debt then becomes the ACB of the new shares received. As the ITA does not consider a Section 51 rollover to be a disposition of property, no gain is triggered. If a gain is desired, Section 85 is a better choice. Like the other rollover provisions, adverse tax consequences can result if the FMV of property given up is not equal to the FMV of the new shares received.

No election form is required for a Section 51 rollover.

Final thoughts

The rollover provisions of the ITA allow for a tax-deferred transfer of property to a Canadian corporation in various circumstances. It is important to remember that rollovers are a way to defer (rather than eliminate) tax—meaning that while tax is not due at the outset of the rollover, it may be due when the property is ultimately sold. Taxpayers who are interested in pursuing a rollover should seek the advice of a lawyer and tax advisor as the rules are complex. Taxpayers should not undertake rollovers without first considering the implications of land transfer taxes, sales taxes, the tax on split income rules, attribution, paid-up capital reductions, non-resident transferors, non-arm's-length tax rules, and price adjustment clauses in cases where the FMV of assets is uncertain. ■

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PD EXPERTS

Clear, Concise, Consistent – The Three Cs of Effective Communication

By Corinne Impey



As founder of and director at Six Words Communication Corp., Corinne Impey provides strategic communication, change management, and marketing services to companies and organizations championing social and environmental change and innovation. Corinne holds degrees in journalism and professional communication, and specializes in helping others harness the power of communication to reach their goals. For free tips, check out her team's blog at **sixwordscommunication.com/blog**. Photo by Judith Laurel Photography.

MORE FROM THE AUTHOR

In addition to presenting the seminar "Clear, Concise, Consistent – The Three Cs of Effective Communication" at the PD Nexus: Beyond Financial Reporting conference on October 23, 2019, Corinne Impey co-presented "Nimble Marketing Plans and Strategies for Busy CPA Firms" with Grant Smith, CPA, CA, at the PD Nexus: Public Practice Insights conference on November 26, 2019. The latter event was recorded, and you can watch the archived broadcast at:
pd.bccpa.ca/s/ppinsightsbroadcast

Communication is by far one of the most valuable skills in any professional's toolkit. Whether you're just starting your career or you're a seasoned vet, being an effective communicator at work is key to your success.

I believe there are three communication principles that will help anyone become a more effective and influential communicator in the workplace:

1. Strive for clarity

Identifying your key messages—the main ideas you want to embed in your audience's mind—is an important part of communicating clearly. Here are some tips to help you get started:

- Before you communicate, write down your central idea. What are the key messages you want your audience to hear and understand?
- Spend time thinking about your audience and the knowledge they may or may not have about the content you'll be sharing. When in doubt, be prepared to provide context and a quick recap to bridge any knowledge gaps.
- As you write out your key points, avoid jargon and other language that could confuse your audience or distract them from your central idea. Technical language or high levels of detail may seem important to you, but they can be a barrier to audience engagement.

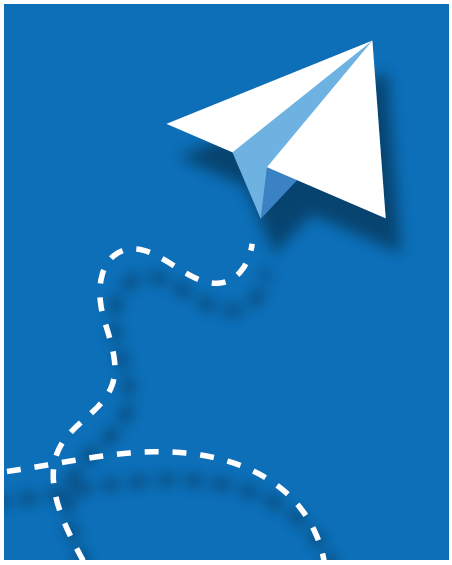
Developing key messages before you communicate will help you focus in on what you want to say and deliver your content with clarity.

2. Keep it concise

Aim for short, direct sentences. Saying less forces you to focus, and the more focused you are, the higher your chances of getting your message across. Be sure to define exactly what you want people to understand and what, if anything, you're asking them to do.

Saying less has another advantage. Whether you're communicating by email, over the phone, or in person, saying too much can hurt your efforts. Try these tips for concise communication:

- **Take out the filler.** Write down your message and then review it for conciseness. Is every bit needed to get your point across or have unnecessary words snuck in? In particular, watch for overuse of filler words like "very" and "really."
- **Keep it simple.** Close **thesaurus.com**. Fancy words will only confuse your audience—or worse, alienate them. Stick to language that is familiar and accessible.



calvindexter/DigitalVision Vectors/Getty Images

- **Formatting is your friend.** The longer the update, the more likely it is that important details will be lost. Use formatting in written communication (such as bullet points, headings, or bold emphasis) to highlight vital information. I like to bold important dates, calls to action, and key decisions so it's nearly impossible to miss them.

3. Be consistent

Consistency in communication usually means two things: repetition and frequency.

- Don't be afraid to repeat your key messages—it's hard for people to miss a point when they've seen or heard it multiple times.
- Make sure you communicate on a regular basis. Depending on the project or situation, this may involve creating a set communication schedule to provide updates. Or, it can simply mean being proactive and responsive in terms of how you communicate by email, over the phone, or in meetings.

You're ready!

Keep these three principles in mind, and you'll be able to effectively convey your ideas, connect with your audience, and communicate with confidence. ■

PD NEXUS

PD Nexus: Public Practice Insights Debuts New Features

This year, in addition to focusing on practice management and profitability, CPABC's popular PD Nexus Day for members in public practice offered attendees some exciting new features. PD Nexus: Public Practice Insights, which took place on November 26 in Vancouver, featured all-new sessions that offered tools and strategies to help practitioners maximize often-missed opportunities, identify risk areas where a specialist's help may be needed, and build on the value the CPA designation brings to clients. And for the first time, the event was livestreamed, making it accessible to those delegates not able to attend in person.

A variety of plenary and breakout sessions offered key learnings on business ethics, marketing plans for CPA firms, and habits for high achievers, as well as strategies for responding to commodity tax issues, protecting businesses and clients from cybercrime, and identifying and avoiding hidden tax risks.

Practitioners also had the chance to hear fresh perspectives from peers during a revamped Ideas Exchange session. Best practices for staffing issues, technology, practice growth, and client service were among the most popular topics of discussion.

A new networking reception and trade show rounded out the day. Geared specifically to members in public practice, it gave practitioners the chance to connect with peers and learn about a variety of services, products, and tools designed to help them maximize efficiency and profitability.











1. Leadership expert Kristin Hazzard shares insights on the habits of high achievers during one of the plenary sessions. 2-5. Delegates enjoy learning sessions, networking opportunities, and the trade show. Photos by Bobo Zhao Photography.

MISSED THE EVENT?

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April 20-22 | Vancouver
June 24-27 | Whistler

CFO's Operational Skills Program
June 14-17 | Whistler

DID YOU KNOW?

The BC Employer Training Grant program is designed to help employers provide new and current employees with training opportunities to develop new skills, earn certifications, upgrade existing skills due to automation, and enhance productivity.

Eligible employers can receive up to $300,000 in total government funding each fiscal year (April 1 – March 31).

Funding is awarded on a case-by-case basis. Find out if your PD training qualifies for the BC Employer Training Grant by visiting **workbc.ca**. Under the "Employer-Resources" tab, choose "B.C. Employer Training Grant."

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Why should you choose CPABC Executive Programs?


Devin Asselstine, CPA, CMA

Devin Asselstine, CPA, CMA, corporate controller and administrative manager at RKM Services Ltd. in Langley, has completed most of our CPABC Executive Programs. Here, Devin shares his thoughts on the value of these programs for both his organization and his own career aspirations.

Why did you consider CPABC's Executive Programs?
"I was looking for insight and skills to further my professional development so I could better perform in my current role and take on even greater responsibilities within my organization. I work in a small to medium-size business, and colleagues and I often find ourselves in new and challenging situations due to the growth and complexity in our sector. I felt that taking these programs would help expand my skill set and allow me to apply my designation more effectively within our organization, while also developing my potential for stronger earnings and career flexibility."

How have these programs enabled you to add value to your organization?
"The Enterprise Risk Management Fundamentals Program really helped me outline the challenges that my organization faced by not having a risk framework in place. While our estimators could manage the risk of budgeting, and our safety personnel knew the risks of incidents on site, our overall organization did not have a risk platform for how we managed our work, staff, or operational goals. I also feel that this program helped me highlight strategies to improve our operations, such as setting that tone from the top and focusing on our key success factors, thereby helping others know what our risk tolerance would be."

What would you say to other CPAs who are thinking about attending one or more of the CPABC Executive Programs?
"You need to be prepared to put in the effort to get what you want out of the program. If anything, be excited to ask questions and move past feeling embarrassed that you don't know everything. When you approach the programs with this attitude, you'll learn more from the people in your class and teachers than you could ever learn from a book alone. This is where the Executive Programs really shine—you get to discuss so many different scenarios from a variety of backgrounds. You'll find yourself growing as an accountant and a leader in your field."

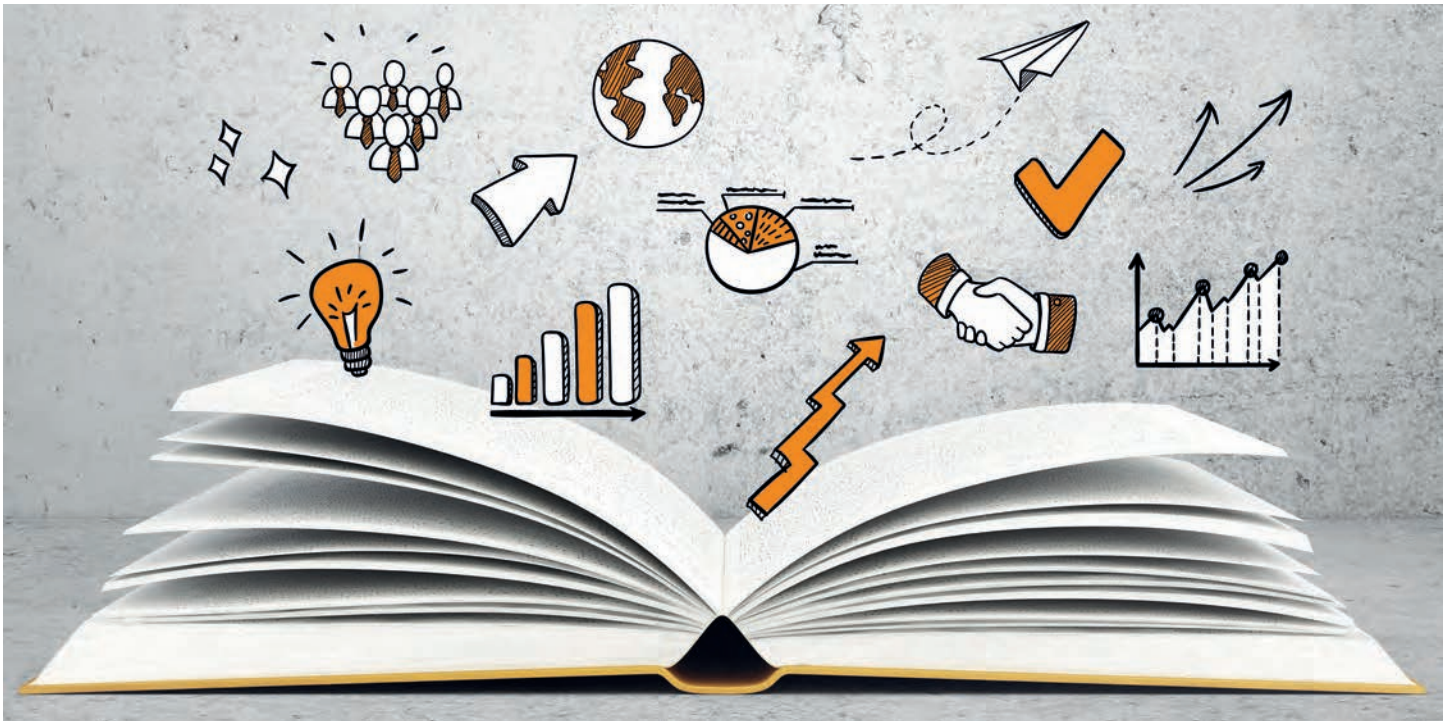


Image provided by CPA Canada

CPA Canada's Not-For Profit Forum 2020 Is Coming to the Vancouver Convention Centre in February!

In conjunction with the forum, which is taking place on February 10 & 11, CPABC is hosting two optional post-forum workshops on February 12: Emerging Areas of Focus and Practice for Boards in the Not-for-Profit Sector (morning session) and Under Pressure – A Primer in Crisis Communications and Issues Management for Not-for-Profit Organizations (afternoon session). Visit **cpacanada.ca/NFP2020** for details.

New Standard for Compiled Financial Information



As discussed on page 9, the Auditing and Assurance Standards Board has approved a new standard for compilation engagements. To help members transition to this standard, we will begin offering a new seminar—Compilation Engagements – Overview of the New Standard (CSRS 4200)—in the spring of 2020. Stay tuned for details.

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Income Tax Update 2019: Now Available Online

On December 11, 2019, CPABC livestreamed its Income Tax Update 2019 seminar. If you weren't able to catch this seminar in person, you can register to watch the online broadcast at **pd.bccpa.ca**. When using the "Search PD Offerings" tool, type "archive broadcast" in the keywords field.

Introducing Our New Video-on-Demand Courses

CPABC's PD Program offers some in-person offerings as online, on-demand videos. All video-on-demand courses include the corresponding course materials.

Choose from 17 new courses on the topics of audit & assurance, financial reporting, and taxation. Visit **pd.bccpa.ca** to view the full list of video-on-demand courses. When using the "Search PD Offerings" tool, type "video" in the keywords field.

EVENTS

Face the Future

at the 2020 CPABC Pacific Summit | May 20–22, Vancouver

Don't miss the only Pacific Summit in 2020!

Prepare to be engaged and inspired at CPABC's biggest and best Pacific Summit yet! We've doubled the size of the program, expanding it to encompass additional breakout sessions and a variety of new features, including specialized networking events and learning streams focused on young professionals, women's leadership, governance, and digital transformation. In addition, CPABC's Member Recognition Dinner will be held in conjunction with the summit this year, providing a celebratory end to the event on May 22, and giving delegates a chance to celebrate the honourees (see page 7).

Approximately 500 CPAs and other business professionals are expected to attend this year's summit. Themed "Face the Future," the summit's offerings will help attendees capitalize on new and emerging opportunities and address the major factors that are currently disrupting the accounting profession. Highlights will include presentations from the following keynote speakers:

- **Nick Bontis:** As the director of the Institute for Intellectual Capital Research, Nick is internationally recognized as a leading strategy and management guru. His keynote address "Leadershifting and Strategizing Towards Innovation and Growth" will use humour to empower individuals, teams, and organizations to build their brainpower for high performance and a sustainable competitive advantage.
- **Paul Krismer:** The chief happiness officer and founder of the Happiness Experts Company, Paul teaches the practical application of positive emotions to achieve corporate and personal excellence. His keynote address "#MeToo in a Man's World: A Discussion Like None Other about Workplace Respect!" will tackle the issue of gender discrimination through a conversation about personal and corporate momentum. Paul will also provide strategies that delegates and their organizations can use to help move *everyone* forward.
- **Tina Varughese:** Named one of Canada's 10 Notable Speakers by *Ignite* magazine in 2019, Tina is a professional speaker and trainer and the president of tWorks. Her keynote address "Gen Zen: Communicate, Collaborate, and Cooperate in the Changing Workplace" will help break down barriers to create a comfortable, inclusive, and fun environment in which delegates will be inspired to think, behave, and communicate with intention.

Registration opens in late January. Visit **bccpa.ca/pacificsummit** for details.

Want to become an event exhibitor and/or sponsor?

Direct your inquiries to the CPABC events team at **events@bccpa.ca**.









Photos from the 2019 Spring Pacific Summit by Jon Benjamin Photography.

CPABC PACIFIC SUMMIT: STAY IN THE LOOP!

To ensure that you receive information and updates about the Pacific Summit and other CPABC events, check your CPABC email communication preferences (as described on page 9) and confirm that you've subscribed to receive professional development emails.

CPABC PACIFIC SUMMIT 2020

Face the Future

CPABC Pacific Summit 2020 | May 20-22, Vancouver

Experience an inspiring, innovative program that will equip you with skills to capitalize on new opportunities and thrive in an age of disruption.

Keynote Speakers



Nick Bontis
DIRECTOR
Institute for Intellectual Capital Research

Maximize your performance to achieve a sustainable competitive advantage. Nick will provide actions you can take immediately.



Tina Varughese
PROFESSIONAL SPEAKER & TRAINER
President, tWorks

Use differences and diversity in your workplace to create a successful future. Tina will share her impactful takeaways.



Paul Krismer
CHIEF HAPPINESS OFFICER
Founder, The Happiness Experts Company

Embrace and achieve gender equity, a key business success factor. Paul's keen insights will show you how.

NEW

AT THE 2020 PACIFIC SUMMIT

- More breakout sessions
- Program for young professionals
- Learning streams on governance, digital transformation, and wo+men's leadership
- Specialized networking events with other professional organizations
- Celebrate excellence in the profession at the Member Recognition Dinner

JOIN US FOR THE **SINGLE** PACIFIC SUMMIT IN 2020

Register at **bccpa.ca/pacificsummit**

CPA CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA

ANNOUNCEMENTS AND ACCOLADES

Kudos!



Shelley Brown, FCPA, FCA, CM, a corporate director, has been invested into the Order of Canada in recognition of her transformative leadership in the profession and dedicated service in her community. Shelley is a 2018 CPABC Lifetime Achievement Award recipient and holds the FCPA designation in Alberta, BC, Ontario, and Saskatchewan.



Archie Campbell, CPA, CA, CFO of Arrow Transportation Systems Inc. in Vancouver, recently completed his eighth "Drop Zone" fundraiser for Easter Seals BC & Yukon. To date, he has raised more than $150,000 for Easter Seals. Archie also recently earned the ICD.D designation from the Institute of Corporate Directors and served as valedictorian for his graduating class.



Robin Denton-Cardew, CPA, CGA, sole practitioner of Robin Cardew, CPA, Chartered Professional Accountant in Vernon, has been appointed to the board of directors of the Greater Vernon Chamber of Commerce (GVCC). Robin also serves on the board's 2020 GVCC Golf Committee and is chair of the Advocacy Committee.



Stephen Lee, FCPA, FCMA, CEO of Musqueam Capital Corporation in Vancouver, has been named to Langara College's "49 Langarans" list, which recognizes individuals who have had an impact on the college and in their communities. Stephen currently serves as a member of the Langara College Foundation Board of Directors.

Do you have an announcement you'd like to share in the magazine? Email us at: ***infocusmag@bccpa.ca***



Celeste Munger, CPA, CMA, controller for MEC Mechanical Inc. in Vancouver, has been appointed to the board of directors of Osteoporosis Canada in Toronto. Celeste also serves as co-chair of CPABC's Construction Sector Forum, a position she's held since 2017.



Richard Orazietti, CPA, CA, has been appointed CFO of Westport Fuel Systems Inc. in Vancouver. Richard previously held a number of senior leadership roles at Goldcorp Inc. in Vancouver, including senior vice-president and treasurer, and served as vice-president of finance for Bell Canada in Toronto.



Ali Pejman, FCPA, FCA, managing partner of Fort Capital Partners in Vancouver, has been appointed to the board of directors of Network Media Group Inc. in Vancouver. Ali also serves in governance roles with the Metro Vancouver Transit Police in New Westminster and the VGH & UBC Hospital Foundation in Vancouver.



Michael Stubbing, FCPA, FCA, a tax partner with Grant Thornton LLP's Victoria office, has been appointed to the board of governors of Camosun College in Victoria. Michael was elected to the CPABC fellowship in 2018 and recognized with an Early Achievement Award from his legacy accounting body in 2012.



Jill Tipping, CPA, CA, president and CEO of the BC Tech Association in Vancouver, has been named to *Vancouver* magazine's 2019 Power 50 list, recognizing her efforts to foster BC's tech ecosystem. Jill is also a member of the board of directors of Canada's Digital Technology Supercluster in Vancouver.



Jacqueline Winter, CPA, CMA, has been appointed CFO and vice-president of finance for ActiveState in Vancouver. Prior to this appointment, Jacqueline held senior leadership roles at Capcom Game Studio Vancouver in Burnaby for six years, most recently serving as the company's CFO.

Manning Elliott LLP would like to announce that three CPABC members have been named to its partnership. In the Abbotsford office, **Brandon Kelley, CPA, CA**, is now a private company and assurance partner. In the Surrey office, **Christina Kirchhofer, CPA, CA**, is now a private company and assurance partner. In the Vancouver office, **Andrea Armitage, CPA, CA**, is now a private company and NPO assurance partner.



Brandon Kelley



Christina Kirchhofer



Andrea Armitage

On March 6, *Business in Vancouver* will recognize two CPABC members with 2020 Influential Women in Business (IWIB) Awards. Congratulations to **Lori Mathison, FCPA, FCGA, LLB**, president and CEO of CPABC, and **Vivian Zalkow, FCPA, FCA**, CEO of Taymor Industries Ltd. in Delta. A recap of the IWIB Awards will appear in an upcoming issue of the magazine.



Lori Mathison



Vivian Zalkow

CPAS IN THE COMMUNITY

Giving Back: CPAs Making a Difference



Volunteers with the CPABC Surrey/Langley/North Delta Chapter get ready to plant trees with the City of Surrey's Releaf Tree Planting program.

CPABC members, candidates, and students participated in a number of recent charitable events to support causes in their communities:

- **Chilliwack Bowls of Hope Society** – In October, 15 volunteers from the CPABC Fraser Valley Chapter helped prepare hot lunches for students in the Chilliwack School District. Through its Feed the Children Program, the society delivers more than 17,000 bowls of soup to 850 children in need each month.
- **Releaf Tree Planting** – Also in October, 20 volunteers from the CPABC Surrey/Langley/North Delta Chapter participated in a tree-planting event hosted by the City of Surrey as part of its Releaf Tree Planting program. Since 1991, local volunteers have planted thousands of trees and shrubs in Surrey parks.
- **Quest Food Exchange** – In November, 20 volunteers from the CPABC Vancouver Chapter helped package and sort food items at Quest Food Exchange, a not-for-profit organization that helps people facing food security challenges by giving them access to affordable and healthy food options.
- **Greater Vancouver Food Bank** – In December, 24 volunteers from the CPABC Burnaby/New Westminster Chapter helped sort and package food items at the Greater Vancouver Food Bank's new warehouse in Burnaby. The food bank provides assistance to more than 28,000 people each week and distributes 4.2 million pounds of food each year.

Want to get involved in upcoming events?

If you'd like to participate in upcoming CPABC events, be sure to check your local chapter website (**bccpa.ca/member-services/chapters**) for community engagement opportunities. And if you have a community event you think CPABC members, candidates, and students may be interested in supporting, contact your local chapter leader online or email David Chiang, CPA, CA, CPABC's vice-president of member advice and programs, at **dchiang@bccpa.ca.**

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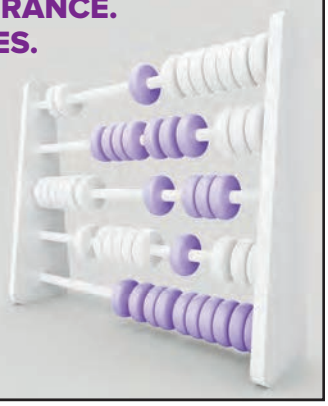
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SNAPSHOT:

Wade Fallan, CPA, CGA

The job: Tax manager with Cameron Izard Snell CPAs in Victoria.

Passionate about: Paying it forward. "Volunteering keeps me grounded and reminds me to appreciate the important things in life."

Volunteers with: The Canada Revenue Agency's Community Volunteer Income Tax Program (CVITP) and Operation Trackshoes.

On the CVITP: "I couldn't think of a more relevant use of my skills than to prepare tax returns for vulnerable members of my community."

Most remote CVITP gig: Sc'ianew First Nation near Sooke, BC. "Cell service was not available in the area and my GPS led me astray."

On Operation Trackshoes: "It's an amazing three-day sports festival for persons with developmental disabilities—whether they're just looking for a fun weekend or an opportunity to train for local competitions."

Ethos: "Your time is valuable, but it's important to share it and consider how you can use it to help others."

Keeping it in the family: "My wife and I show our kids that even small favours can make a big difference in another person's life."

Read the full interview at **bccpa.ca** under Become a CPA > CPA Careers.



Photo by Kent Kallberg Studios

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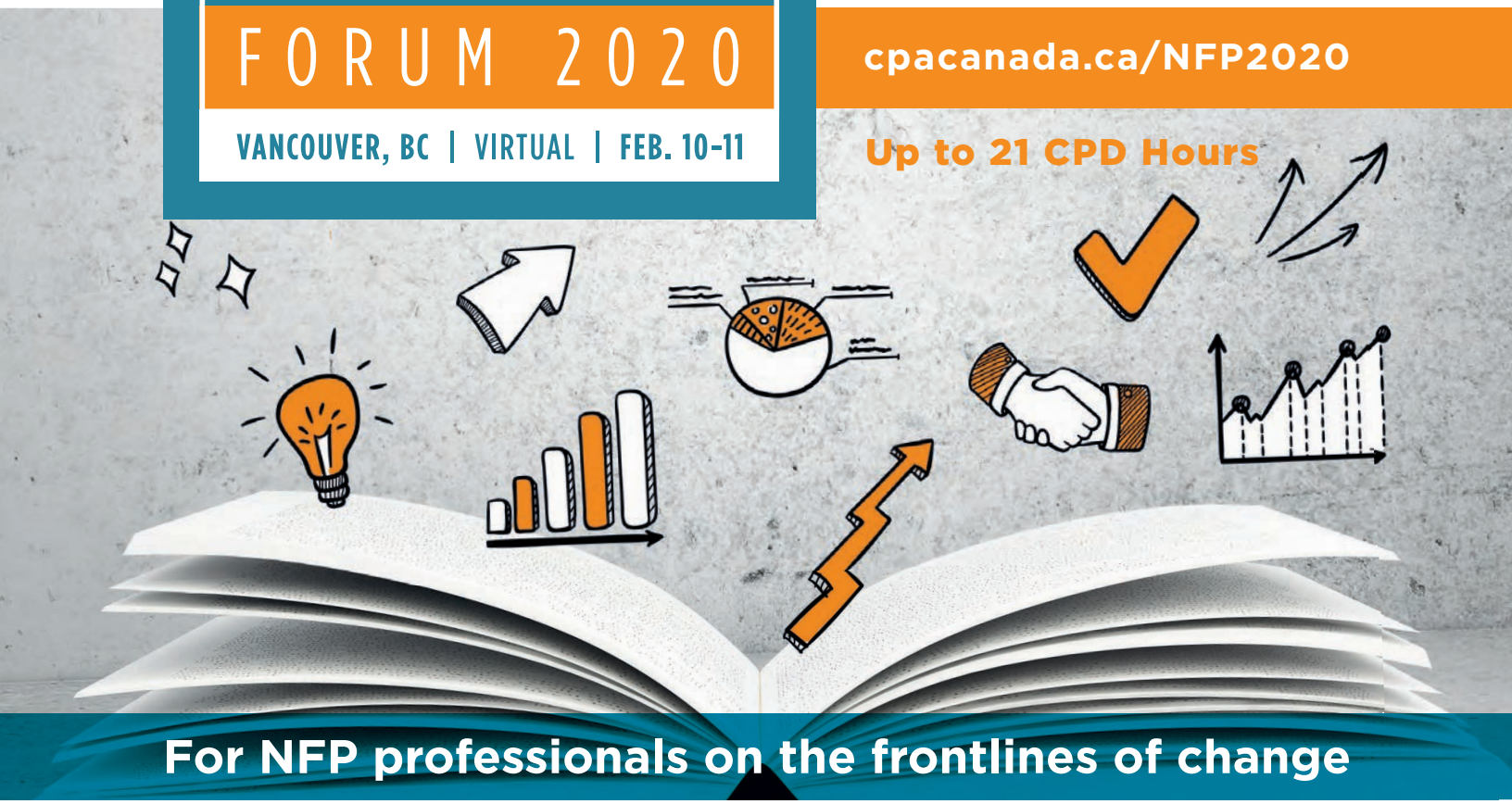
NOT-FOR PROFIT FORUM 2020

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KEYNOTE SPEAKERS:



Jonathan Gottschall

Professor & Author on the Intersection of Science, Art, and the Power of Storytelling



Simon Jackson

Movement Builder, Founder of the Spirit Bear Youth Coalition

OPTIONAL POST-FORUM WORKSHOPS | FEB. 12 | 7 CPD HOURS

(Offered in conjunction with CPABC)

Emerging Areas of Focus and Practice for Boards in the Not-for-Profit Sector
8:30am - 12:00pm

Under Pressure – A Primer in Crisis Communications and Issues Management for Not-for-Profit Organizations
1:00pm - 4:30pm