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Fostering head office growth in BC

A lesson from the high-tech sector



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Notes from the Chair

By David B. Hallinan, FCPA, FCMA

CPABC is enjoying a busy fall, undertaking many activities to engage with our members, government, and the business community. We also continued our search for CPABC's new president and CEO, recognizing that filling this critical role will position our organization well into the future.

CPABC's public affairs activities ramped up through September and October, showcasing CPABC's thought leadership to our various stakeholders. The *BC Check-Up* report was released in early September (see the cover story on page 18) and the *Business Outlook Survey* results were released in early October (a summary of the results is provided on pages 24-25). The *Business Outlook Survey* asks members for their thoughts on major economic trends at home and abroad, on the government's ability to create a positive economic climate, and on how the government can improve BC's regulatory environment. This year, 3,622 members participated in the survey process, and we hope this number continues to increase—we appreciate your expertise and know that the government pays attention to your opinions and recommendations.

These two public affairs initiatives provide the underlying research that feeds into our budget submission to the Select Standing Committee on Finance and Government Services each year. Richard Rees, FCPA, FCA, CPABC's president & CEO, and Heather Banham, FCPA, FCGA, first vice-chair of the CPABC board, presented to the Committee in September, and we submitted the recommendations for the BC budget in October (page 7).

Our commitment to providing leadership doesn't extend only to government. Our work with other business organizations also enables us to foster and build a dynamic province that values a strong economy, which underpins the social programs we all believe in. To that end, CPABC served as the presenting sponsor of the third annual WE FOR SHE Conference on October 14; the event was created to champion the next generation of women in business (page 12). In addition, we were an initiative sponsor of the Business Council of BC's 2016 BC Business Summit, held on November 1, which featured a keynote address by Stephen Poloz, governor of the Bank of Canada (see page 6 for more speaker details, and look to our next issue for highlights).

Our member engagement activities have also been in full swing, starting with The ONE National Conference in Vancouver (September 19-21), which was co-presented by CPA Canada and CPABC. We've received extremely positive feedback from members who attended the event, and you'll find a recap on pages 42-43.

We've also been working very closely with our chapters, which have once again hosted events for the Member Engagement Tour (MET). Since early October, members of CPABC's executive team have been travelling across the province to meet with members and hear your views on the state of the profession. For me, the tour has been an early highlight of my tenure as chair, and I'm looking forward to the remaining MET stops throughout November.

I'm also looking forward to the November 2016 Convocation ceremony in Vancouver, where we will recognize the final group of CPA, CGA students completing their legacy educational program. Yet another milestone event!

Lastly, as we head into the holiday season, I'd like to wish you all the best for the coming year. I'm sure 2017 will hold great things as we continue to build our profession! ■



David B. Hallinan, FCPA, FCMA
CPABC Chair

Sponsorships & Events

September and October featured a variety of events promoting the CPA profession, including The ONE National Conference, which brought CPAs together from across Canada. Co-hosted by CPA Canada and CPABC at the Vancouver Convention Centre (September 19-21), the Conference provided an outstanding opportunity for CPAs to further their professional development, learn from industry experts, and make new contacts (see pages 42-43).

In Kelowna, CPABC was a gold sponsor of the Government Finance Officers Association of Western Canada Conference (September 21-23), which gave local and provincial government finance officers a chance to meet for professional development and networking. In Vancouver, CPABC was the presenting sponsor of the third annual WE FOR SHE Conference (October 14), an event that aims to increase the economic impact of women in BC (see page 12). CPABC was also an initiative sponsor of the 2016 BC Business Summit (November 1), which featured keynote speakers Stephen Poloz, governor of the Bank of Canada; Kevin Lynch, PC, vice-chair of BMO Financial Group; and Dr. Santa Ono, president and vice-chancellor of the University of British Columbia (a recap will appear in our Jan/Feb 2017 issue).

CPABC's recruitment team has also been busy over the past two-and-a-half months, attending and hosting events throughout the province. These included Fraser Valley Firms Night on August 30, which gave local-area students a chance to network with public accounting firms hiring for entry-level positions. On September 6, the team attended the Business Council of BC's Aboriginal Economic Development and Prosperity Forum, at which First Nations leaders and BC Business Council members discussed economic issues, partnerships, and business ventures. To help students and firms connect, CPABC hosted Fall Recruit on September 7 and 9, its annual two-day recruiting event for mid-size and national public practice firms and CPABC-approved training offices (see pages 8-9). CPABC's recruitment team also attended and sponsored the Aboriginal Financial Officers Association of BC's 20th Anniversary Gala Dinner (September 15).

The recruitment team also promoted the CPA program at post-secondary career fairs and information sessions held at BCIT, Langara College, Okanagan College, SFU, Thompson Rivers University, UBC Okanagan, UBC, UNBC, and UVic. Information sessions were held in Kelowna, Prince George, Vancouver, and Victoria.

Upcoming fall and winter events to watch for include Fall Convocation (November 26), which will celebrate the hard-won achievements of CPA graduates, and the Greater Vancouver Board of Trade's 28th annual Economic Outlook Forum (January 20, 2017), of which CPABC is a proud supporting sponsor. For more information on CPABC's sponsorships and events, visit the News, Events & Publications section of **bccpa.ca**.

Events for Members Working in the Public Sector

CPABC members working in the public sector had the opportunity to attend two targeted events this past September: The Western Canada Government Finance Officers Association Conference and a meeting of the CPABC's Government Organizations' Accounting & Auditing Forum.



Stuart Newton, CPA, CA, BC's comptroller general, presents to CPABC's GOAA Forum.

Western Canada Government Finance Officers Association Conference

The Western Canada Government Finance Officers Association (GFOA) held its annual conference in Kelowna on September 21-23, 2016. The three-day event, which was jointly sponsored by CPA Canada and CPABC, attracted more than 250 attendees, many of whom were CPAs.

Two CPABC members were among the presenters: Bill Cox, FCPA, FCA, a partner at BDO LLP, and Esther Lee, CPA, CA, director of financial services for the City of Vancouver. Cox gave a thought-provoking presentation on property taxes (asking: "Are they too low?"). Lee participated in a panel discussion that explored how finance officers can help local councils better transition through economic change.

In addition, Michael Puskaric, CPA, CMA, a director with the Public Sector Accounting Board (PSAB), delivered several sessions on new PSAB standards and emerging projects.

Next year's GFOA conference will be held in Regina, Saskatchewan.

Government Organizations' Accounting & Auditing (GOAA) Forum meeting

The GOAA Forum meets twice a year to discuss key issues faced by public sector organizations. Its most recent meeting, held on September 28 in Victoria, featured three guest speakers: Carol Bellringer, FCPA, FCA, BC's auditor general; Stuart Newton, CPA, CA, BC's comptroller general; and Lenora Lee, CPA, CA, a partner with KPMG in Victoria. Bellringer and Newton provided updates on the work of their respective offices, and Lee provided an update on the Public Sector Accounting Board's recent activities and pronouncements.

CPABC Makes Recommendations to BC Government

On September 19, Richard Rees, FCPA, FCA, president & CEO of CPABC, and Heather Banham, FCPA, FCGA, first vice-chair of the CPABC board, presented recommendations to the province's Select Standing Committee on Finance and Government Services on behalf of the profession. CPABC's recommendations, which are designed to encourage business productivity in BC, focused on four policy areas: implementing input tax credits, increasing the skilled talent pool, increasing the number of head offices in BC, and encouraging small businesses to grow.

Implementing input tax credits

The reintroduction of the Provincial Sales Tax (PST) in 2013 has put BC at risk of falling further behind other western provinces and US states in terms of business productivity. According to a recent paper commissioned by the Business Council of British Columbia, the application of the PST at all points along the supply chain and in the final sales price has had a cascading effect—one that has led to a cost increase of approximately 10% compared to when the Harmonized Sales Tax was in place.[1]

CPABC recommendation:

- Implement input tax credits to stimulate business capital investment.

Increasing the skilled talent pool

In response to CPABC's latest *Business Outlook Survey* (see pages 24-25), 83.2% of BC CPAs identified the ability to attract and retain high-calibre employees as a "moderate" or "major" challenge to business success. And according to the *British Columbia 2025 Labour Market Outlook*, it is expected that more than three-quarters of the estimated 934,000 job openings between 2015 and 2025 will require some post-secondary education.[2]

CPABC recommendations:

- Work closely with the federal government, post-secondary educational institutions, and industry to better prepare post-secondary students for the workforce.
- Expand current initiatives that promote education and skills training, such as the Canada-BC Job Grant.

Increasing the number of head offices in BC

According to research conducted for the latest *BC Check-Up* report, head offices contribute to the growth of local small businesses and to the creation of industry clusters (see summary on pages 18-21). Currently, there is an emergence of high-tech corporate offices in Metro Vancouver, which is home to three of Canada's most notable tech companies: Slack, Hootsuite, and Avigilon. Vancouver is also home to international companies such as Microsoft, Sony Pictures Imageworks, and Amazon. This is a good start, but BC is still home to only 7.5% of all head offices in Canada.[3]

CPABC recommendation:

- Continue to support initiatives like HQ Vancouver (see page 20) to promote Metro Vancouver as an urban head-office city, and consider expanding HQ Vancouver into BC's other major urban centres and/or industrial hubs.

Encouraging small businesses to grow

Small businesses made up 98% of all businesses in BC in 2014.[4] The government has long recognized the importance of small businesses to the economy and has introduced various measures to support them, including a low corporate tax rate. However, while this low corporate tax rate minimizes the tax burden, it can also discourage entrepreneurs and small business owners from pursuing growth.[5]

CPABC recommendations:

- Review and implement new tax policies to modernize the current tax structure.
- Examine best practices from jurisdictions like the United Kingdom to identify policy measures that can encourage rather than discourage business growth.

Read more

To review CPABC's full budget submission, visit **bccpa.ca/news-events-publications/government-relations/budget-submission**.



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[1] Kevin Milligan for the Business Council of British Columbia, *Fiscal Options for Building a Prosperous British Columbia*, July 2016.

[2] Work BC, *British Columbia 2025 Labour Market Outlook,* June 2016.

[3] Statistics Canada, *Annual Head Office Survey*, October 2015.

[4] Ministry of Small Business and Red Tape Reduction, *Small Business Profile 2015*.

[5] Canadian Chamber of Commerce, *Extending Tax Relief for Small Business*.

Fall Recruit Recap

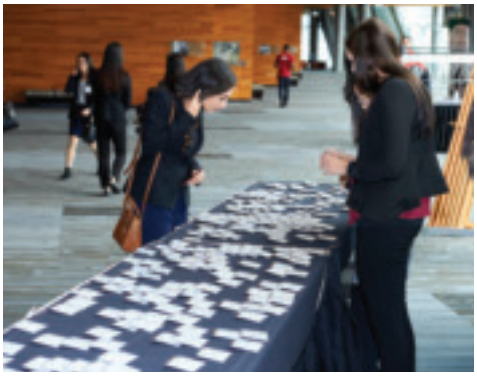
On September 7 and 9, 2016, more than 1,000 post-secondary students and recent graduates from across British Columbia flocked to the Fairmont Waterfront Hotel and Vancouver Convention Centre to attend the profession's annual Mid-Size Firms & Industry and National Firms recruiting events in the hopes of landing a CPA pre-approved position with one of the participating organizations.

The Mid-Size Firms & Industry Recruiting Event took place on September 7, and featured representatives from the Bowra Group, Crowe MacKay, D&H Group, Davidson & Company, DMCL, Manning Elliott, Mosaic Homes, the Office of the Auditor General of Canada, RHN, Smythe, and Wolrige Mahon. The National Firms Recruiting Event was held on September 9, and featured representatives from BDO, Deloitte, Ernst & Young, Grant Thornton, KPMG, MNP, and PwC.

Recruiting events were also held on Vancouver Island and in the BC Interior in mid-September, and these events were also well attended by both firms and students/graduates.

As is the case every year, the event days were followed by an application and interview period, and then a one-week offer period.

Our thanks to everyone who participated in the fall recruit sessions, and our congratulations to the individuals who received offers!







Students and graduates meet with potential employers at the National Firms Recruiting Event on September 9, 2016.



Photos by Erich Saide Photography. For more photos from this event, visit CPABC's Flickr page at **flickr.com/cpabc/sets**.



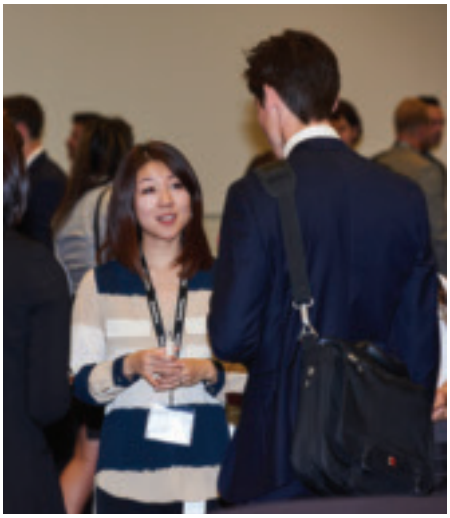












YPF Hosts Annual Monte Carlo Night

On September 21, CPABC's Young Professionals Forum (YPF) held its fourth annual Monte Carlo Night, in partnership with the Young Lawyers – Lower Mainland Section of the Canadian Bar Association BC Branch and CFA Society Vancouver.

The posh event, which was open to all members, was held at the Vancouver Club. More than 200 professionals from the accounting, legal, and financial communities attended the event. Guests enjoyed an evening of networking and had the chance to use "fun money" at the gaming tables to play roulette, baccarat, and poker. Net proceeds from admission costs and the purchase of fun money will be donated to a local charity.

This year's event was organized by Leon Hoffman, CPA, CA, and by Mirza Rahimani, CPA, CA, one of the event's original founders.

The YPF, Young Lawyers, and CFA Society are already planning their annual Holiday Pub Night Ugly Christmas Sweater Party for December 7. To receive invitations to this and future YPF social networking or career development events, please email your contact information to David Chiang, CPA, CA, CPABC's vice-president of member services, at **dchiang@bccpa.ca**.

About the YPF: The YPF organizes both free and paid events to give recently designated accountants a chance to network and talk about career development with other young professionals. All CPABC members who are 40 years of age or younger are welcome to participate in YPF events, and some events, such as Monte Carlo Night, are open to members of all ages.

To learn about upcoming events, visit the News, Events & Publications section of **bccpa.ca**.







Clockwise from left: Young professionals try their luck at the tables. YPF co-founder Mirza Rahimani, CPA, CA (far left), with organizers from the Young Lawyers and the CFA Society. YPF members Sunny Pranjivan, CPA, CGA, and Candice Hartwell, CPA, CMA. To find out more about CPABC's various member forums, visit us online at **bccpa.ca/members/connect/member-forums**.



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CPABC Taxation Forum Hosts CRA Consultation Session – Serving You Better

On October 6, CPABC's Taxation Forum hosted a consultation session with the Canada Revenue Agency in Vancouver. The event gave CPABC members a valuable opportunity to meet and share ideas with two senior CRA officials: Geoff Trueman, assistant commissioner for the legislative policy and regulatory affairs branch, and Maureen Phelan, assistant commissioner for the Pacific region.



L to R: Shane Onufrechuk, CPA, CA, chair of CPABC's Taxation Forum and a tax partner at KPMG in Vancouver, with Maureen Phelan and Geoff Trueman, assistant commissioners for the Canada Revenue Agency.



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During the consultation session, Trueman and Phelan reiterated the CRA's commitment to creating fair and helpful programs and services for owners of small and medium-sized businesses—programs and services that reduce costs and paperwork and provide business owners with more time to run their businesses. Phelan described the organization's "Serving You Better" initiative, which was launched to achieve said goals. As detailed online at **cra-arc.gc.ca/gncy/srvngbttr**, the CRA recently introduced the following improvements through this initiative:

1. A small change to tax administration that simplifies payroll remittance, enabling more than 50,000 small businesses to file their payroll taxes less often.
2. A "Business Tax Reminders" app that enables businesses to create custom reminders and alerts for dates related to instalment payments, returns, and remittances.
3. "My Business Account" – a self-serve tool that enables businesses to complete 50 different kinds of simplified transactions online with the CRA.
4. More freedom for business owners who want to manage their affairs online through My Business Account.
5. A dedicated team to consider the perspectives of small and medium business before changes are made to programs and policies.
6. The "My Business Account Enquiries Service," which enables businesses to ask tax questions related to their account online, and receive reliable information in writing.
7. The requirement that telephone service agents now are required to provide their AgentID to increase accountability and make it easier for taxpayers to give feedback on CRA services.
8. A "Business Number" that allows businesses to be identified by one number for several federal, provincial, and municipal government programs.
9. The "Liaison Officer Initiative," which is designed to help businesses meet their tax obligations and provides in-person support.
10. A commitment to consult with businesses every two years to ensure programs are aligned with the priorities of small and medium businesses.

To learn more about the Serving You Better initiative, visit the CRA website at **cra-arc.gc.ca/gncy/srvngbttr**. To obtain handouts from this session, contact David Chiang, CPA, CA, CPABC's vice-president of member services at **dchiang@bccpa.ca**.

To find out more about CPABC's various member forums, visit **bccpa.ca/members/connect/member-forums**.

International Education Standard (IES) 8

Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised)

The International Accounting Education Standards Body (IAESB) recently released a revised IES 8, which addresses the professional competence that a professional accountant is required to develop and maintain when performing the role of an engagement partner responsible for audits of financial statements.

The revised standard provides that these individuals should be required to demonstrate their professional competence through specific learning outcomes, including in the following competency areas: technical competence, professional skills and professional values, ethics, and attitudes. The revised standard also provides that these individuals should be required to undertake CPD that develops and maintains the professional competence required for this role.

The Canadian accounting profession is currently considering recommendations to address the implementation of the revised IES 8.

Stay tuned for more information.

Increased Transparency of Ethics Complaint Outcomes

In September 2016, the CPABC board approved changes to governing documentation that will increase the public transparency of CPABC's ethics complaint outcomes. The new policy, which will apply to all new ethics complaints received after April 1, 2017, requires that a redacted (or anonymous) summary of a completed determination and recommendation be posted on the publicly accessible section of the CPABC website, whereas such summaries are currently posted to a page that is only available to members.

Under part 11 of the CPABC bylaws, the Investigation Committee is empowered to resolve ethics complaints by way of a determination and recommendation (D&R). A D&R is an agreement made by CPABC and the respondent member of the complaint to resolve the disciplinary matter. A D&R includes a determination that there are grounds for disciplinary action for rule breaches and a recommendation(s) for the appropriate sanction(s) against the member.

By increasing transparency, the new policy will help strengthen public trust and instil increasing confidence in the profession's regulatory practices. It will also help educate the public about what to expect if they wish to lodge a complaint.

A positive perception of the effectiveness of CPABC regulation is fundamental to the long-term well-being of the profession; as such, it is important that CPABC's regulatory practices are perceived by stakeholders as being effective. The new policy is designed to find the balance between having, and being perceived as having, robust regulatory oversight while maintaining effective and efficient investigation and discipline processes that protect the public interest and are fair to members.

If you have questions about this notice, please contact the ethics department at **ethics@bccpa.ca**.



Supporting the Next Generation of Female Leaders

On October 14, 2016, CPABC attended the WE FOR SHE Conference organized by the BC government, the Greater Vancouver Board of Trade, and the WEB Alliance of Women's Business Networks. With a focus on advancing gender equality by bolstering the impact of women on BC's economy, the event provided audience members with the opportunity to hear from business leaders, advocates, and emerging talent.

WE FOR SHE also provided attendees with the chance to meet accomplished role models from a variety of backgrounds. Present at the event were former Olympic athlete Karina LeBlanc; Janet Kennedy, president of Microsoft Canada; young entrepreneur and Swave co-founder Emily Naing; Ritchie Bros. CEO and board director Ravi Saligram; and Sandra Stuart, president and CEO of HSBC Bank Canada.

The Conference opened with a session entitled "Championing the Next Generation," during which BC Premier Christy Clark addressed the need to support students and young women by helping them understand their career potential and employment options.

The event also featured business-focused educational sessions, which offered research updates on how women are influencing today's economy, and examined initiatives used by prominent companies to advance female employees. The Conference also offered interactive workshops and presentations hosted by employers from different fields, including finance, engineering, and technology.

CPABC was proud to be the presenting sponsor of this year's event. To learn more about the WE FOR SHE initiative, visit **weforshebc.ca**.







Top and left: High school students from across BC attended the WE FOR SHE Conference, where they had the opportunity to hear female business leaders from various sectors share their stories. Above: CPABC president & CEO Richard Rees, FCPA, FCA, introduces BC Premier Christy Clark. Photos by Sara Borck Photography.

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Transitional Public Practice Entry Requirements Cease in 2018

Transitional public practice entry requirements for legacy members have been in effect since the *CPA Act* was proclaimed on June 24, 2015.

If you wish now, or in the future, to practise public accounting (audit, review, or compilation) and have not met legacy public accounting entry requirements, you could meet the requirements under transitional bridging provisions until **September 1, 2018**.

You can apply under these legacy requirements to "crystallize" acceptance of your education and practical experience for the purposes of licensing. Once you have met the entry requirements, you'll be able to enter public practice via the "re-entry path to public practice"—subject, possibly, to prescribed professional development to ensure currency of knowledge. After September 1, 2018, those who have not met legacy public accounting entry requirements will be required to meet the then applicable public practice entry requirements.

Go to the CPABC website at **bccpa.ca** for more information. Under the Members tab, choose "Public Practice" and then "Practitioners Licensing for Transitional Public Practice Entry Requirements" to see the key differences between the transitional and post-September 1, 2018 requirements.

New Tools Available for Public Practitioners

Like their counterparts in other sectors, CPABC members who work in public practice have access to a variety of resources, ranging from targeted professional development to advisory services to member benefits. Recently, two new services were added to this list of resources:

NEW RESOURCE: News & Views Knowledge Base

CPABC recently launched an online "News & Views Knowledge Base," which provides access to a wide range of free resources, including articles, guidance, webinars, and references and links to products available for sale. This knowledge base will continue to expand as more entries are added.

Articles have been compiled from CPABC's extensive library of News & Views publications, and are sorted by key practice categories, such as Accounting Standards, Assurance Standards, Practice Management, and Taxation. This curated collection of articles will provide practitioners with easy access to relevant articles on a wide variety of topics.

To access the News & Views Knowledge Base, go to **bccpa.ca/news-views-kb**.



NEW BENEFIT: TwoGreySuits.com

Available since June 2016, **TwoGreySuits.com** is a human resources website that features a variety of online resources, including tools and publications that cover employee recruitment, hiring, and administration; performance management and employee engagement; pay and benefits; and risk management. This services is targeted at individuals who are responsible for the HR functions at their organizations. CPABC members who work in an HR function can access this password-protected site by contacting CPABC's advisory services team at **professionaladvisory@bccpa.ca** and providing their name, firm name, and position.

Access to this site is being offered as part of CPABC's Member Benefits program.



More offerings online

There are many more resources and benefits available. For a full listing, visit the **bccpa.ca** website. Under the Members tab, you'll find links to both "Resources and Tools" and "Member Benefits."

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CPAEF Celebrates One-Year Anniversary

By David Chiang, CPA, CA

As detailed in in previous issues of this magazine, the Chartered Professional Accountants of BC Education Foundation (CPAEF) was officially constituted on November 27, 2015, to carry out the activities of the three legacy charitable educational entities.* The CPAEF's mission is to advance accounting education in BC by enhancing the quality and quantity of students entering the profession, sponsoring relevant and practical research, and furthering the ongoing educational experience of CPABC members, candidates, and students.

Shortly after this magazine reaches you, the CPAEF will celebrate its first anniversary. We wanted to recognize this milestone by providing a summary of the various activities that have been undertaken over the past 12 months:

- The amalgamation of the three legacy entities' assets and liabilities became effective April 1, 2016, and the process of combining the CPAEF's $3-million investment portfolio is underway.
- In the spring and summer, the student awards programs of the three legacy entities were consolidated and streamlined into a new CPAEF student awards program that includes scholarships for academic performance and bursaries based on financial need. Post-secondary students across BC who intend to become CPAs can access one of 63 awards totalling over $90,000 per year. There are also scholarships for BC students taking certain preparatory courses through the CPA Western School of Business, and as many as 26 bursaries are available to BC students enrolled in CPAWSB, totalling $50,000. The criteria for all of these awards are detailed on the CPAEF website at bccpa.ca/cpaef under the "Helping Students" tab.
- The CPAEF is currently supporting two CPA members enrolled in doctoral programs. Lara Greguric, CPA, CA, CPAWSB's EVP for learning development and outreach, is now in the final stages of her doctoral program. Chris He, CPA, CGA, was accepted into the CPAEF's doctoral support program in July, and has begun his PhD studies at Florida State University, one of the leading universities for accounting academics in the United States.
- Through its Speaker Series program, the CPAEF provides grants of $2,500 (up to two per year) to BC post-secondary institutions to help them subsidize the cost of faculty development and training. To date, over $57,000 has been awarded to 13 different schools. Trinity Western University and Simon Fraser University are the two most recent recipients of this funding, and both will be holding their Speaker Series sessions before the end of the year.
- On September 13, the CPAEF held it inaugural annual general meeting in conjunction with a strategic planning session and board of governors meeting, led by the Foundation's inaugural chair, Chris Burnley, CPA, CA, an accounting professor at Vancouver Island University (the full list of governors is provided on the CPAEF website). Many ideas were generated during the strategic planning session, and CPABC staff support members are currently researching and developing new program proposals for consideration by the board of governors.

* The three legacy charitable educational entities were the Chartered Accountants' Education Foundation of British Columbia, the Certified General Accountants of-BC Educational Foundation, and the Certified Management Accountants Society of BC Scholarship Fund.

We couldn't have done it without you!

All of these activities are made possible by the generous support of members. On behalf of the CPAEF's board of governors, thank-you to the 588 members who donated using the member fees payment process—you raised over $22,200! Thank you also to the individual members who donated major gifts. Each donation, whether large or small, makes a difference.

This past year, the CPAEF has also received several major gifts from members collectively through chapters and forums:

- Members of the CPABC Vancouver Technology Forum donated $15,000 to a general bursary fund, raising its balance to more than $50,000. This fund awards two $2,000-bursaries each year to help BC students enrolled in CPAWSB. Preference is given to students who need funding to purchase computer equipment.
- Members of the CPABC Surrey/Langley/North Delta Chapter donated over $15,000 to establish multi-year awards at the Beedie School of Business at Simon Fraser University and Kwantlen Polytechnic University.
- Members of the CPABC Okanagan Chapter established annual awards at Okanagan College and UBC Okanagan. Funds were raised from the Chapter's PD surplus and annual golf tournament registration fees. To date, the Chapter has raised almost $10,000 to support these awards.
- Members of the CPABC Vancouver Chapter donated $5,000 towards multi-year awards at BCIT and Langara College. Bruce Hurst, FCPA, FCGA, who is both the chair of the Langara College Foundation and a governor of the CPAEF, acknowledged the Chapter's donation at a donor appreciation event held at Langara College on September 15.
- Members of the CPABC Kamloops Chapter funded an annual award of $1,500 at Thompson Rivers University.

Again, to all members who've donated to the CPAEF, we extend our thanks and gratitude.

If you'd like to make a donation, please contact me at **dchiang@bccpa.ca**. As a registered charity, the Foundation issues tax receipts for any donation greater than $20.

David Chiang is CPABC's vice-president of member services and provides staff support to the CPAEF.





Above (l to r): Erica Graham, CPA, CGA, a member of the legacy CGA-EF; Lara Greguric, CPA, CA, a member of the CPAEF doctoral program; David Chiang, CPA, CA, a CPAEF staff support member; and Geoff Dodds, CPA, CA, a member of the CPAEF's board of governors and the CPABC board. Below (l to r): Bruce Hurst, FCPA, FCGA, a member of the CPAEF's board of governors and chair of the Langara College Foundation, with Christine Woodington, CPA, CGA, treasurer of the CPABC Vancouver Chapter, at Langara College's donor appreciation event on September 15.

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Fostering Head Office Growth in BC

A lesson from the high-tech sector

By Marlyn Chisholm



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Head offices are crucial contributors to an area's economy, stimulating the growth of local small businesses and allowing for the creation of industry clusters, which can, in turn, generate and/or attract *more* head offices.[1] Here in British Columbia, where small and mid-size businesses are still the norm, the economy only stands to benefit by attracting new head offices[2] to set up shop and by supporting the growth of those already established here.

The recent establishment of several high-tech head offices in Metro Vancouver highlights the fact that head offices can stimulate the local business environment. The presence of major tech brands such as Microsoft, Sony Pictures Imageworks, and Amazon in Vancouver has encouraged more start-up high-tech companies to set up shop in BC. In fact, BC is widely considered the start-up capital of Canada, and is attracting an increasing number of angel and venture capital investments.[3]

[1] Business Council of BC, "Canadian Head Office Survey: How Do Metro Vancouver and British Columbia Stack Up?" *Policy Perspectives*, Vol. 23: 1, January 2016.

[2] In this article, "head office" does not refer solely to national or global "legal" headquarters; it can be a corporate office that provides support and leadership to the various components of a business.

[3] Conversations for Responsible Economic Development, *Is BC poised to be the next tech hot spot? Exploring the role of advanced technology industries in BC's provincial economy*, February 2015 (**credbc.ca**).

BC accounts for only 7.5% of all head offices in Canada

As BC's fastest-growing industrial sector, the high-tech sector serves as a good case study on head office growth.[4] In the past decade, BC's high-tech sector has seen its GDP grow at a faster rate than the province's average industrial aggregate.[5] BC has three high-tech hubs, which are located in Metro Vancouver, Victoria, and Kelowna. Metro Vancouver is the largest of these hubs, home to three of Canada's four tech "unicorns" (start-ups valued at more than $1 billion): Slack, Hootsuite, and Avigilon.[6]

Still, despite being home to some well-known head offices, BC accounts for only 7.5% of all head offices in Canada.[7] To attract and foster more high-tech head offices, BC needs to offer the following: better access to capital, a supportive tax and regulatory environment, a good pool of talent, and a good quality of life.

Better access to capital

Start-up companies need early-stage venture capital to take timely advantage of market opportunities. Unfortunately, between 2010 and 2012, there was a significant decline in the total venture capital available to early-stage high-tech companies in BC—a drop from $51 million to $16 million.[8] While there has been strong growth in *late-stage* venture capital for BC's high-tech firms, the continuing decline in *early-stage* venture capital is an ongoing concern for industry experts like Bill Tam, president and CEO of the BC Tech Association.[9]

The federal and provincial governments have made commitments to support high-tech companies in the start-up and early-stage phases of development. For example, the BC government launched the $100-million BC Tech Fund at the end of 2015 to help companies that require early-stage funding.[10] Initiatives such as this, which are designed to increase the supply of early-stage venture capital in BC, will provide greater means to help start-ups seize and capitalize on opportunities, and will motivate them to stay in BC rather than relocating out of the country. This, in turn, will help create a critical mass of larger companies in the province.

[4] BC Stats, *Profile of the British Columbia High Technology Sector: 2014 Edition* (prepared for the Ministry of Technology, Innovation and Citizens' Services), June 2015. According to BC Stats, the high-tech sector includes manufacturers of pharmaceuticals/other chemicals, computers/other electronic products, aerospace products/parts, and medical equipment/supplies. It also includes service industries such as engineering, computer services, motion picture and video production, surveying and mapping, scientific and technical consulting, telecommunications, and research and development.

[5] Ibid. Note that BC Stats uses an industry-based approach to calculate the high-tech sector's contribution to the economy.

[6] Vancouver Economic Commission, **vancouvereconomic.com/focus/technology**, accessed June 23, 2016.

[7] Statistics Canada, *Annual Head Office Survey*, October 2015. Stats Can defines a head office as one that provides support services to other operating entities within the same enterprise.

[8] KPMG, *British Columbia Technology Report Card, 2014 Edition—Bordering on the big play: taking our tech sector to the next level*.

[9] Danny Bradbury, "Canadian tech firms are getting funded, but gaps remain," *Financial Post*, February 8, 2015.

[10] BC Government – Technology, Innovation and Citizens' Services, "$100M fund to boost BC's tech sector and job creation," *BC Gov News* (**news.gov.bc.ca**), December 8, 2015.

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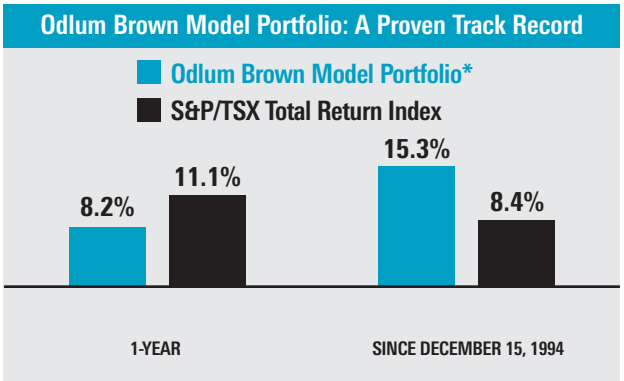
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A supportive tax and regulatory environment

Government policy plays an important role in attracting and retaining corporate head offices. For the high-tech sector, a desirable climate would have fewer regulatory hurdles, a competitive tax system, increased government spending on high-tech research and development, better business support, and increased investment in an education system that produces workers with the skills needed to meet the requirements of a rapidly changing work environment.

One recent initiative designed to attract more head offices is HQ Vancouver, an investment partnership created by the federal government, the provincial government, and the Business Council of British Columbia. The partnership was established with a mandate to promote Vancouver and BC as strategic locations for head offices. By June 2016, HQ Vancouver had successfully recruited seven companies, six of which are high-tech.[11]

Unfortunately, however, our current tax structure may be a hindrance to the positive efforts of HQ Vancouver. At 26.1%, Canada has one of the highest corporate income tax rates in the world, ranking 15th among all jurisdictions monitored by the Organisation for Economic Co-operation and Development.[12] And although the BC government offers an array of investment tax credits, our province has the second-highest marginal effective tax rate (METR) in Canada, making it expensive for businesses to invest in inputs, such as equipment. At 27.5%, BC's METR is lower than that of the US (35.4%), but it's still higher than those of most other countries, including high-tech jurisdictions like Germany and the United Kingdom.[13]

A good pool of talent

An ample supply of qualified talent is a requirement for any jurisdiction that wants to attract head offices. This is especially true in the high-tech sector, which relies on the creativity and unique skills of its workers.

The high-tech labour market is already experiencing a shortage of workers in fields that require education in science, technology, engineering, and math, and that shortage is expected to worsen over the next decade. It is expected that there will be 70,000 job openings in technology and science by 2024,[14] but research indicates that there won't be anywhere near enough graduates to fill these positions.[15]

[11] HQ Vancouver, personal communication, June 23, 2016.

[12] Tax Foundation, *OECD Corporate Income Tax Rates, 1981-2013*.

[13] Kevin Milligan, *Fiscal Options for Building a Prosperous British Columbia*, July 2016. Commissioned by the Business Council of British Columbia.

[14] The following areas are expected to account for almost half of these 70,000 job openings: computer systems design and related services; architectural, engineering, and related services, and telecommunications.

[15] Work BC, *British Columbia 2024 Labour Market Outlook*, October 2015. The Labour Market Outlook report defines technology and science occupations based on the definitions of Canada's National Occupational Classification and includes positions in the high-tech and resource sectors.



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Once young workers have honed their skills in BC, they often leave for larger labour markets with better opportunities

As of May 2016, there were only 28,915 post-secondary students studying engineering and applied science in British Columbia.[16]

One way in which BC's high-tech companies have sought to mitigate this labour shortage is by recruiting foreign workers whose skills match companies' specific requirements. Unfortunately, however, Canada's immigration process has delayed many such hires, frustrating the efforts of local high-tech companies that are competing against other countries for talent.[17] This process worsened when the Canadian government suspended the accelerated exemption for applicants with specialty occupations in the Temporary Foreign Worker Program (TFWP) in June 2014.[18] In a survey conducted by the Canadian Employee Relocation Council in 2015, six out of 10 employers said this change to the TFWP had hindered them in terms of both strategic planning and recruitment, and one in six said they'd outsourced instead.[19]

A good quality of life

Corporate headquarters are drawn to locations with a superior quality of life that will attract and retain international staff. In the past few decades, Vancouver's image has transformed from that of a placid West Coast municipality to a major Canadian industrial and cultural hub. This has created a strong draw, attracting between 20,000 and 30,000 new residents to Southwest BC annually over the past five years alone. However, the positive aspects of life in Southwest BC are being offset by the rising unaffordability of housing. When it comes to cost of living, Vancouver is now the third most expensive city in the world.[20] A significant increase in real estate prices over the past decade has driven skilled talent out of Vancouver and into more affordable jurisdictions in BC, like Kelowna and Victoria. On the positive side, this migration has helped stimulate the high-tech sector in both of these cities. In fact, according to a recent report by Small Business BC, Okanagan's technology workforce increased by 16% between 2013 and 2015.[21]

[16] Ministry of Advanced Education, *Post-Secondary Central Data Warehouse Standard Reports – Program Area*, May 2016, accessed June 2016.

[17] Sean Silcoff, "Canada's tech startup sector wants easier access to hire top foreign talent," *Globe and Mail*, March 27, 2016.

[18] Government of Canada, "Archived – Government of Canada Overhauls Temporary Foreign Worker Program Ensuring Canadians are first in line for available jobs," press release, June 20, 2014. Accessed August 8, 2016.

[19] Silcoff.

[20] Demographia, *12th Annual Demographia International Housing Affordability Survey: 2016* (**demographia.com**).

[21] Prepared for Accelerate Okanagan by Small Business BC, *Economic Impact of the Okanagan Tech Sector: 2015 Edition*, September 2016.

BC's high-tech sector has the potential to become a major global player

How BC can attract more head offices

While small compared to that of Silicon Valley, BC's high-tech sector has seen tremendous growth in recent years, and it has the potential to become a major global player. An essential step in achieving this status will be to attract more major corporate headquarters to BC, and to further develop the ones located here already. The industry could then develop the leadership and local network of businesses it needs to thrive, as well as creating spin-off opportunities in the legal, financial, leasing, and marketing industries.

On the global high-tech industry stage, BC may be constrained by its own modesty. While BC does have high-tech leaders, the industry itself is being eclipsed by developments and innovations in the US and Europe. The various players in BC's high-tech industry need to work together to make a strong case for its advantages: a high-quality talent pool, low business costs, a shared time zone with Silicon Valley, and a high quality of life. BC needs to create a brand based on these merits and market its high-tech sector to the world. Leadership and collaboration between industry and government will be a critical first step towards drawing more large companies here and achieving this goal. ■

Marlyn Chisholm is the principal of Chisholm Consulting and the lead economist on CPABC's annual BC Check-Up *and* Regional Check-Up *reports.*



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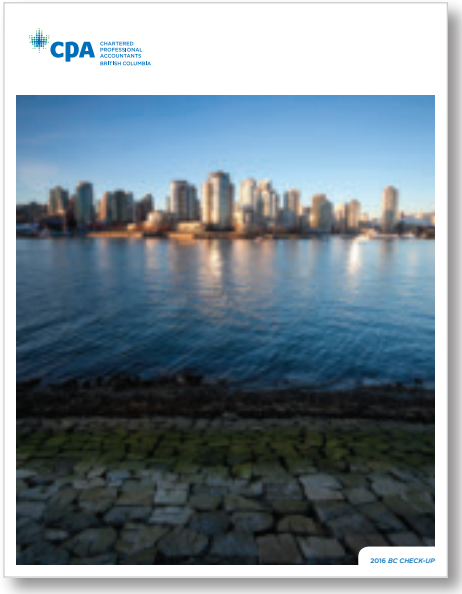
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BC Check-Up 2016

WORK

+ 27,800 jobs to 2.31m

2/3 of new jobs created in service sector

Unemployment **+0.1 ppt** to...

6.2%

...due to more workers

70.2% of labour force has at least some post-secondary education

+ 1.1% Labour compensation per employee to **$53,373**

INVEST

$3.97 billion

Private sector non-residential building investment + 2.8%

Value of international exports

$35.9 billion

Top 5 BC export commodities to international markets

- Wood
- Energy
- Machinery & Equipment
- Metallic Minerals
- Pulp & Paper

Government net debt as a percentage of GDP to 16.7%

+ 1.0 ppt

LIVE

+2.6%

Consumer debt per capita to **$60,043**

Driven largely by growth in mortgage debt

+4.5 ppt to 76.9%
in Greater Vancouver

Share of median income spent on housing

-0.2 ppt to 45.8%
in Victoria

Long-term unemployment rate unchanged at 0.7%

Percentage of labour force between ages 19 and 25 with less than a high school education **+0.7 ppt to 5.9%**

Infographic: *Blair Robertson/Blindfolio Design*

Positive Outlook for BC's Economy Tempered by High Housing Prices

CPABC 2016 *Business Outlook Survey* shows increased optimism for BC's economic performance versus the rest of Canada



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Each year, CPABC conducts the *Business Outlook Survey* to measure members' perceptions of the current and future economic climate in BC, in Canada, and internationally. Members are also asked to share their thoughts on: the challenges to business success, the performance of government in supporting BC businesses, and how to stimulate economic activity in the province and in their local communities. Responses are analyzed regionally and a year-to-year comparison is made. A summary of the 2016 survey results follows.

Perceptions of the economy – BC, Canada, and internationally

Consistent with results from the past two years, the 2016 survey results revealed considerable optimism about BC's economy, with 62% rating it as "good" or "excellent." This positive outlook also extends to the future, with one-quarter of respondents saying they expect BC's economic performance to improve within the next two years. Additionally, one-third of respondents indicated that they expect the Canadian, American, and Asian economies to improve within the same time period.

When comparing BC to the rest of Canada, 36% of respondents predicted that BC's economy will grow faster than the Canadian average over the next two years. This percentage is up from 2014 (29%) and 2015 (30%), indicating an increasingly positive outlook for the provincial economy among CPAs.

Challenges to business success

For the third year in a row, the ability to attract and retain high-calibre employees and/or skilled labour was ranked as the number one challenge to business success in BC, with 84% of survey respondents rating it as a "major" or "moderate" challenge. Other challenges identified were government red tape (72%), the ability to raise capital (68%), personal taxation (64%), and consumer confidence levels (59%).

This year's survey showed a significant increase in concern regarding housing prices, with 91% of respondents identifying the price of housing in BC as a "major" or "moderate" challenge compared to 78% of respondents in 2015. Commodity prices (74%), the value of the Canadian dollar versus the US dollar (71%), and transportation and infrastructure (73%) completed the list of the top four economic challenges to business success in BC.

91% of respondents identified the price of housing as a "major" or "moderate" challenge, up from 78% in 2015

Governments' support of business

As was the case last year, favourable opinions about governmental performance in creating a good climate for business and investment in BC were low. The provincial government rated the highest at 39% (rated "good" or "excellent"), followed by the federal government at 34%, and municipal government at 30%. Comparing results regionally, members in the Lower Mainland viewed the provincial government's performance less positively (37%) than those residing on Vancouver Island (45%) or living elsewhere in the province (46%).

When asked how the BC government could improve the provincial economy, respondents identified the following as top priorities: improving regional economic development, reducing government red tape, and increasing fiscal responsibility at the municipal level.

Almost two-thirds (64%) of respondents said they think BC's tax rates and incentives are competitive; however, half of all respondents also indicated that any increase in provincial tax rates would have a negative impact on business investment plans—whether for their company or their clients. Asked what would help stimulate BC's economy, a majority of respondents (74%) said that offering tax credits for investment in training and education would help small businesses scale up.

Slightly less than half (44%) of survey respondents said they expect their business performance to expand over the next two years. When asked if their organization had put investment plans on hold, one-quarter of respondents answered in the affirmative. Respondents working in smaller organizations with fewer than 20 employees were more likely (58%) to have put investment plans on hold. Economic concerns, along with permits and regulatory approvals, were the primary reasons for holding back on investment. ■

ABOUT THE CPABC *BUSINESS OUTLOOK SURVEY*

The CPABC *Business Outlook Survey* was conducted between August 22 and September 6, 2016, as a self-administered online survey. A total of 3,622 CPABC members completed the survey, resulting in a 17% response rate. The maximum margin of error was +/- 1.5%, 19 times out of 20. The survey was managed by NRG Research Group, an external market research supplier. Of those members who completed the survey, most reside in the Lower Mainland (73%), followed by Vancouver Island/Coast (13%) and Thompson/Okanagan (8%).

Nearly half of all survey respondents work in industry (49%), with government services (15%), finance and insurance (9%), manufacturing (8%), and construction (7%) being the most common business sectors. Nearly one-third (27%) work in public practice.

One-third of survey respondents hold senior or executive management roles within their organization, and over half (55%) work for an organization with more than 50 employees.

To learn more about this year's survey, download the 2016 CPABC *Business Outlook Survey* report online at **bccpa.ca**, under the News, Events & Publications tab.



Member Update: Professional Business Accountants

By Richard Rees, FCPA, FCA

In July 2016, the BC Supreme Court ruled that the *Chartered Professional Accountants Act* (CPA Act) does not prohibit use by non-members of the designation "Professional Business Accountant" or the initials "PBA" signifying that designation. This decision, which we are appealing, could have long-term implications for the regulation of the accounting profession in British Columbia.

The court's ruling was a narrow interpretation of the CPA Act that linked restriction of the use of the term "professional accountant" with the provision of regulated services identified under the CPA Act. If this decision stands, it is significant for two reasons: 1) it could erode the ability of the province to properly regulate the accounting profession; and 2) it could negate the protections implied in BC's CPA legislation and erode protection of the public interest.

Regulation of the profession

Under the Canadian constitution, provinces are responsible for establishing and regulating the professions, which includes accounting. CPA legislation in British Columbia provides a mandate for the Chartered Professional Accountants of British Columbia (CPABC) to set standards and regulate and educate our members on behalf of the provincial government.

BC, and all Canadian provinces, now have a single unified regulatory body for professional accountants. Whether they work in public practice, industry, government, or academia, they are held to the same rules, regulations, and ethical standards. However, unlike other professions, such as law, health, or engineering, unregulated individuals are able to provide unregulated accounting services and call themselves accountants.

For this reason, certain groups, which primarily sell education, are positioning themselves as direct competitors with CPA. However, their members are not held to the same standards, level of oversight, or provincial control as CPABC under the CPA Act, which is why protection of the term "professional accountant" is critical.

Should the PBA court decision stand, it will seriously compromise CPABC's ability to prevent non-members from implying, suggesting, or holding themselves out as professional accountants provided they do not use the specific term "professional accountant" or another designation specifically referenced in the CPA Act. This could significantly erode provincial sovereignty with respect to the regulation of the accounting profession.

In particular, some international bodies are pushing for market access for their designations, and would purport to remotely oversee their members' work without actually having any significant local infrastructure or any local regulatory authority over their members, such as the investigative powers given to CPABC under the CPA Act. These foreign bodies would also not be held accountable to the Province of British Columbia, negating the Province's protection of the public interest.

Protection of the public interest

Competition and consumer choice are important. Professional accountants compete against each other for work and jobs every day, and—most importantly—they all are held to the same rules and standards. This is one of the biggest wins out of unification and is very much in the public interest.

CPABC has hundreds of members who initially qualified overseas (including myself), and we have programs and support to help immigrants qualify and seek employment in Canada.

Why do we need to have any local requirements for professional accountants? As long as countries have different legal, tax, regulatory, and accounting standards, we must ensure that new Canadians properly understand the environment they are to work in. If we don't do this, we are not fulfilling our public interest mandate.

Government has acknowledged the importance of regulating the accounting profession by writing into law that certain terms and services are protected; therefore, it's critical that the spirit of the CPA Act is upheld.

Should the court decision stand, it will negate the protections specified in the CPA Act and put the public at risk. Anyone could call themselves some variation of professional accountant despite being unregulated, or regulated to a level that may not meet appropriate local standards.

Concluding thoughts

Currently, the vast majority of practitioners in BC who describe themselves as any variation of "professional accountant" are members of CPABC and are regulated by a BC-controlled body overseen by the province. A policy decision to move away from this is not in the public interest and represents an erosion of the sovereignty of the provincial government's legislation and mandate.

Once the courts have ruled on the appeal, we hope that the provincial government will continue to support CPABC in taking any steps that may be needed to prevent the circumvention of public protections included in the CPA Act.

Richard Rees is the president & CEO of CPABC.

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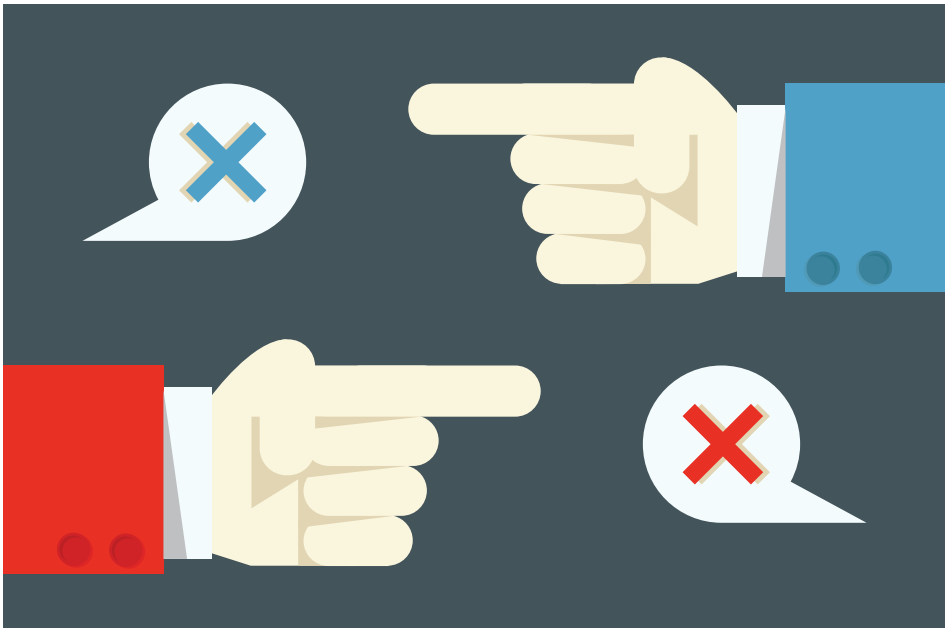


Jennifer Gervès-Keen
MA, PCC

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When Clients Feud

From CPABC's Ethics Department



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Well, I don't know why I came here tonight
I got the feeling that something ain't right
I'm so scared in case I fall off my chair,
And I'm wondering how I'll get down those stairs
Clowns to the left of me, jokers to the right,
Here I am, stuck in the middle with you.

– Stealers Wheel

When Gerry Rafferty co-wrote and sang these words from Stealers Wheel's hit song "Stuck in the Middle with You" in 1972, it's fair to assume that he wasn't referring to client relationships. But here at CPABC, we've witnessed a number of circumstances in which professionals have found themselves stuck in the middle of emotional and bitter disputes between business partners or family members who've devolved into warring parties as a result of changing circumstances.

The two fictionalized examples below are loosely based on actual complaints made to CPABC's Investigation Committee and to our legacy bodies. Names and circumstances have been changed to preserve anonymity.

Typical "in-the-middle" complaints

The most common in-the-middle situations involve family disputes. Where once there was togetherness, now there is discord. Here are two examples illustrating the types of challenges involved in these situations:

1. A CPA practitioner prepared the annual tax returns for a client. After this client married, the CPA practitioner began preparing the annual tax returns for both spouses. In time, the couple became equal shareholders of a company for which the CPA was engaged to provide accounting services.

   Unfortunately, the marriage broke down and acrimony ensued. Naturally, the shareholder relationship also deteriorated. The CPA decided to continue performing both the corporate and personal tax engagements, but failed to co-operate with numerous requests for financial information from one of the shareholders, even though the party had the right to this information. Eventually, the "neglected" shareholder complained to CPABC that the CPA had improperly withheld financial information and, in so doing, had acted unprofessionally.
2. A CPA practitioner provided tax and accounting services to a wealthy family, including its members who resided overseas. A dispute ultimately arose among the family as to whether the CPA had accurately allocated and reported declared dividends. The family members living overseas complained to CPABC that the CPA was not treating each person equitably and professionally, and favoured the family member who paid the CPA's fees.

In the real cases that formed the basis for these two examples, the Investigation Committee (or predecessor equivalent) found that there were grounds to support the complaints, and that a breach of the *CPABC Code of Professional Conduct* (the CPA Code) (or predecessor equivalent) had occurred. In addition to the inconvenience of having to participate in the investigation process, the members involved in these cases had to pay fines and investigation costs and accept a reprimand.

What are the rules breached in the two case examples?

Rule 202.1 (Integrity and Due Care) of the *CPABC Code of Professional Conduct* (CPA Code) states: "A registrant shall perform professional services with integrity and due care." Additionally, Rule 202.2 (Objectivity), which was recently amended, states: "A registrant shall not allow his or her professional or business judgment to be compromised by bias, conflict of interest or the undue influence of others." In matters involving assurance services, Rule 204 (Independence) must also be taken into consideration.

Moreover, as stipulated in the guidance to the CPA Code, objectivity and integrity are two of the five fundamental principles of ethics. All members require objectivity to exercise professional judgment and act with integrity whether they work in public practice or in any other field.

A third principle of ethics must also be considered: confidentiality. According to the CPA Code, CPAs must "protect confidential information acquired as a result of professional, employment and business relationships," and must not disclose such information without proper and specific authority. While this may sound obvious, CPABC and its legacy bodies have dealt with several cases in which professional accountants have disclosed confidential information to one party about another, without proper authority. In situations involving relationship breakups, it can be particularly difficult to determine what information each party is entitled to, as there are some grey areas.

Usually a "no-win" situation

Getting caught in the middle of a dispute often leads to defending against an ethics complaint—especially if one of the disputing parties wishes to apply pressure on the other(s)—and even the most diligent of CPAs, acting with the best of intentions, can get caught in the crossfire.

When one client splits into two, it can be a high-risk proposition to continue serving both parties, particularly if the issue that led to the split involves a family dispute. There is no rule that says a CPA practitioner cannot continue to serve both parties, but common sense would suggest that it would be challenging to maintain some of the key principles underlying professional behaviour—namely integrity and due care, objectivity, and confidentiality—in doing so.



Professionals should avoid acting for opposing parties when a relationship—whether familial or corporate—is unravelling. At such times, clients can act irrationally, and make complaints based more on emotion than on logic.

Communication is the key

There are situations in which a CPA can't avoid dealing with parties involved in a dispute, such as when a conflict arises between corporate shareholders. Even when there is confidential information that cannot be shared among all parties, it is crucial that all parties believe the CPA is acting objectively and fairly, with integrity and due care. In such circumstances, the CPA must take extra care in communicating with disputing parties—not only in terms of content, but also in terms of tone and frequency.

What are the potential consequences?

CPABC's bylaws provide the Investigation Committee with a range of sanctions for breaches of the CPA Code. Potential sanctions include a reprimand, fines, the cost of the investigation, and publication of the outcome. In serious cases, the Disciplinary Committee may also consider other remedies, including determining whether a CPA's continued membership in CPABC is appropriate.

Bottom line

If your clients split up, you must take great care if you plan to continue providing services to one or both of the parties. Recognize, however, that even if you take the utmost precautions, you can't guarantee that one party won't lodge a complaint with CPABC just to put pressure on the other party. ■

Need help?

CPABC has professional standards advisers who are here to help. You can call them for confidential guidance to ensure that you stay compliant with the CPA Code when navigating difficult situations. Stella Leung, CPA, CA, can be reached at 604-488-2609, and Brigitte Ilk, CPA, CGA, can be reached at 604-629-8363. Both can also be reached using our toll-free number at 1-800-663-2677.

You can review the CPA Code on our website at **bccpa.ca/members/regulatory/cpabc-act,-bylaws-rules**.

Comments or questions about this article?

Contact the ethics department at **ethics@bccpa.ca**.

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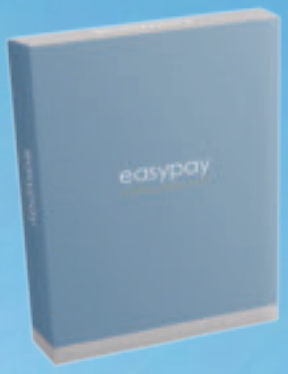
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Edmund Chow is a senior manager of the tax group at Smythe LLP in Vancouver, where he specializes in tax compliance and advisory services for owner-managed businesses.

New Legislation on the Small Business Deduction – Is This the End of Claiming Multiple SBD?

By Edmund Chow, CPA, CGA

The availability of the small business deduction (SBD) is one of the most favourable tax attributes for companies that qualify as Canadian-controlled private corporations (CCPCs). A CCPC that is earning "active business income" in Canada and is taxed in BC has its combined federal and provincial tax rate reduced from 26% to 13%, up to the $500,000 "business limit" shared with "associated corporations." Recognizing this favourable tax treatment, corporate taxpayers have been creative in implementing business structures to multiply their access to the SBD.

Changes designed to eliminate multiplication of the SBD were initially proposed in the March 22, 2016 federal budget. Draft legislation for these changes was later released for consultation by the Department of Finance on July 29, 2016. The proposed SBD rules would be effective for corporate taxation years beginning on or after March 22, 2016.

The purpose of this article is not to walk through the changes made to section 125 of the *Income Tax Act* (the Act), but to focus on how the proposed tax rules would affect two business structures commonly used to multiply the SBD.

1. Using a partnership and "service corporation"

One of the most common methods used to multiply SBD is to place a partnership at the core of a corporate group. Under the "specified partnership income" rules, corporate partners share the $500,000 business limit based on the pro-rata allocation (to said partners) of the partnership's income from an active business carried on in Canada.

Creative taxpayers have developed various structures so that the corporations they or their spouses own can receive income directly or indirectly derived from the partnership that is not considered specified partnership income. Typically, these non-partner corporations are called "service corporations" because they provide professional, administration, or management services—either to the incorporated partner or to the partnership itself. A service corporation is *associated* with the corporate partner, but it is not a *partner* of the partnership; as such, it potentially enables each partner to benefit from the full $500,000 business limit, rather than requiring partners to share the $500,000 business limit as a group.

These structures are set up for sound business reasons, and the Canada Revenue Agency has issued numerous rulings to confirm that they're permissible. Nevertheless, the definition of "specified partnership income" has been expanded in the draft legislation to eliminate this multiplication of the business limit. Under the proposed rules, a corporation that is a "designated member" would effectively have to share a portion of the business limit allocated by the partnership to a partner or corporate partner with which the designated member does not deal at arm's length.

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By definition, a "designated member" is a corporation that is not a member of the partnership, but either:

a) One of its shareholders holds a direct or indirect interest in the partnership; or
b) The corporation does not deal at arm's length with a person who has a direct or indirect interest in the partnership, and it is not the case that all or substantially all of the corporation's active business income for the year is derived from providing products or services to persons or other partnerships with which the corporation deals at arm's length.

In short, this expanded definition of specified partnership income could have a significant impact, as many partners with service corporations would be caught under the definition of "designated member."

2. Incorporating multiple CCPCs

Another way for business owners to multiply the business limit within a corporate group is to incorporate multiple corporations—that are CCPCs and intentionally not "associated"—to operate different aspects of the business. Properly structured, each corporation would be entitled to its own $500,000 business limit.

Consider a hypothetical corporation owned by a husband and wife involved in warehousing and trucking in BC. The corporation, Warehouse & Trucking Corp., has a contract with an arm's-length national shipping company and generates $700,000 in taxable income from active business earned in Canada. If the corporation is not associated with any other corporations and is taxed in BC, it would pay 13% income tax on the first $500,000 of taxable income (amounting to $65,000) and 26% income tax on the remaining $200,000 of taxable income ($52,000), which would add up to $117,000 in income tax.

Now imagine instead that the husband owns and operates Warehouse Corp., which earns $300,000 in taxable income from active business, and the wife owns and operates Trucking Corp., which earns $400,000 in income from active business by charging trucking fees to Warehouse Corp. In this scenario, each corporation would have its own $500,000 business limit, which means that Warehouse Corp. would pay $39,000 in income tax and Trucking Corp. would pay $52,000, for a total of $91,000; this represents tax savings of $26,000 compared to the previous scenario. (Note, however, that reducing income tax cannot be one of the main reasons for structuring the business in this way; otherwise subsection 256(2.1) of the Act would apply to negate the tax advantage.)

The proposed plan to eliminate the multiplication of the SBD using this method is to extend the SBD rules to fees earned between corporations. This would be accomplished by adding "specified corporate income" to the Act. By definition, "specified corporate income" is the sum of all the "active business income" earned in Canada by a particular corporation from the direct or indirect (in any manner) provision of services/property to a private corporation, if:

a) The particular corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders), holds a direct or indirect interest in the private corporation; and
b) It is not the case that the particular corporation earns all or substantially all of its active business income from persons (other than the private corporation) or partnerships with which it deals at arm's length.

If the conditions above are met, the specified corporate income of the particular corporation that would be eligible for the SBD is the lesser of:

a) The active business income earned by the particular corporation from the direct or indirect provision of services or property to the private corporation;
b) The portion of the $500,000 business limit assigned to the particular corporation by the private corporation; and
c) An amount determined by the Minister of National Revenue to be reasonable in the circumstances.

Using the latter of the two hypothetical scenarios described above, Trucking Corp. would be caught under this rule, as it would be the "particular corporation" providing services to Warehouse Corp., which is owned by the spouse of the shareholder of Trucking Corp.; in addition, Trucking Corp. does not provide services to third parties. Effectively, the fees earned by Trucking Corp. are producing taxable income that would not be eligible for the SBD unless Trucking Corp. was assigned a portion of the $500,000 business limit by Warehouse Corp.

Alternative arrangements

The proposed rules related to SBD are very broad and to some extent undefined (i.e. direct or indirect interest). However, there may still be opportunities for certain arrangements that are not captured by the draft legislation. For example: joint ventures and cost-sharing arrangements.

Joint ventures

Neither "partnership" nor "joint venture" is defined under the Act; however, a partnership is distinguished in the Act as it is considered a separate entity from its members. Income from a partnership is calculated at the partnership level, even though that income is allocated and taxed in the hands of its members. By contrast, a joint venture is not considered a separate entity for tax purposes, and its income is calculated and taxed via its members.

In theory, then, the proposed SBD rules should not affect the income earned from a joint venture, as it is not considered income allocated from a partnership or income earned from a private corporation. However, the difference between a joint venture and a partnership can be blurry, and taxpayers must be careful not to call an arrangement a joint venture when it is, in fact, acting as a partnership.

Cost-sharing arrangements

A cost-sharing arrangement is an agreement between participants to share common costs incurred in the operation of business—costs such as office rent, employee wages, and research and development expenses. Unlike a partnership or a joint venture, a cost-sharing arrangement has no element of profit to be allocated to its members. Since participants in such an arrangement do not carry on business in common, they should have their own revenue sources, and any revenue earned would not be shared among the participants. Therefore, the proposed SBD rules would not apply to them.

Several small corporations may be able to use a cost-sharing arrangement effectively. Bigger corporations, however—especially those operating across provinces—would find this arrangement impossible.

Time will tell...

Looking at the proposed legislation, it's clear that the government intends for the new rules to have the broadest application possible to limit each economic group to a single $500,000 "business limit." Arguably, the reach of the new rules could extend beyond this purview, as the draft legislation does not specify what percentage of ownership would constitute a "direct or indirect interest" in a corporation or partnership.

Effectively, entities that are completely dealing at arm's length may be forced to share a single business limit under the new regime. All attention is now focused on how the proposed legislation might be amended further before it becomes enacted. ■





Left to Right:
Farida Sukhia, Gary Mynett, Kiu Ghanavizchian, Rob Mackay, Cheryl Shearer,
Vern Blair, Andrew Mackenzie, Andy Shaw, Jeff Matthews, Jessica Jiang

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Andy Shaw:	604.697.5212	Jessica Jiang:	604.697.5283		

HIGHLIGHTS FROM THE FALL 2016 CPABC PD PROGRAM

There are many professional development opportunities available in November and December. In addition to hosting PD Weeks in Surrey, Vancouver, and Victoria, we're also presenting our popular Members in Business & Industry PD Day. Be sure to check our complete program at **pd.bccpa.ca**, and email us at **pdreg@bccpa.ca** with any questions.

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ACCOUNTING & ASSURANCE

Accounting Update for Private Enterprises and Not-for-Profit Organizations

This seminar will review recent revisions to parts II and III of the *CPA Canada Handbook*: Accounting Standards for Private Enterprises (ASPE) and Accounting Standards for Not-for-Profit Organizations, respectively. The update will focus primarily on changes to ASPE.

Nov 1, 9am-12:30pm, Kelowna
Nov 3, 9am-12:30pm, Richmond
Nov 8, 9am-12:30pm, Prince George
Nov 23, 9am-12:30pm, Abbotsford
Dec 14, 9am-12:30pm, Vancouver

ASPE: Basic

This seminar will provide participants with knowledge and understanding of the commonly used elements of ASPE, including the application of measurement standards, information required to be presented in statements for basic operations, and financial statement disclosures for basic statements.

Nov 1, 9am-5pm, Parksville
Nov 24, 9am-5pm, Surrey
Dec 12, 9am-5pm, Vancouver

UPCOMING PD WEEKS

Vancouver	Nov 14-19 | VCC West Dec 12-17 | VCC West
Surrey	Nov 21-25 | Sheraton
Victoria	Nov 28-Dec 2 | Victoria Conf. Centre

How to Research and Document the Conclusion of an Accounting Issue

A transaction occurs, and you are now struggling with how to record it. This workshop will walk you through the process of identifying, researching, and documenting an accounting issue. You will examine accounting issues where guidance exists, and where it does not.

Nov 3, 9am-12:30pm, Surrey
Nov 7, 9am-12:30pm, Prince George
Nov 15, 9am-12:30pm, Vancouver
Nov 28, 9am-12:30pm, Victoria

PSAB: Beyond the Basics

This seminar will provide an overview of the more complex areas of the Public Sector Accounting Board's accounting recommendations as they apply to financial reporting by entities in the government sector.

Dec 6, 9am-5pm, Victoria
Dec 12, 9am -5pm, Vancouver

PEOPLE MANAGEMENT & HUMAN RESOURCES

A Coach Approach to Problem-Solving & Conflict Management

Effective conflict resolution requires a coaching and mediation approach. In this session, you will learn how to design a "problem-solving coaching" conversation, identify the positive opportunities that conflict creates, and address workplace conflict more confidently.

Nov 3, 9am-5pm, Coquitlam
Nov 14, 9am-5pm, Victoria
Nov 16, 9am-5pm, Vancouver

Communicating under Pressure

This course will provide the knowledge and tools needed to communicate effectively in difficult and uncomfortable situations.

Nov 9, 9am-5pm, Victoria
Nov 15, 9am-5pm, Surrey
Dec 12, 9am-5pm, Vancouver

Excellence in Team Performance

This session will provide you with best-practice research on team development and real examples and tools to assess your team's performance. It will also help you craft a plan to address any barriers you identify.

Nov 22, 8am-10am, Vancouver

HR for Small Business

Whether you're struggling with knowing where to start, or you'd like to implement more effective HR, this session will provide you with a nuts-and-bolts foundation with regard to human resources.

Nov 23, 9am-12:30pm, Vancouver

TAXATION

GST/HST – The Basics

Participants will learn how to use the GST/HST place-of-supply rules for different types of supplies, and learn how to claim input tax credits to minimize common audit exposures.

Nov 15, 9am-5pm, Vancouver

GST/HST – Beyond the Basics

This seminar will review a selection of important GST/HST issues and identify some areas that are frequent sources of error and/or frequently trigger assessments.

Nov 7, 9am-5pm, Kamloops
Nov 8, 9am-5pm, Kelowna
Nov 23, 9am-5pm, Vancouver
Nov 28, 9am-5pm, Victoria

Tax for Controllers

This two-day course will help controllers of private companies stay current on a broad array of income tax, GST/HST, and related compliance issues. It will cover a range of topics at a general level, with specific examples, cases, and practical problems.

Nov 8-9, 9am-5pm, Kamloops
Nov 9-10, 9am-5pm, Abbotsford
Nov 17-18, 9am-5pm, Vancouver
Nov 21-22, 9am-5pm, Kelowna
Nov 30-Dec 1, 9am-5pm, Victoria
Dec 6-7, 9am-5pm, Surrey

CPA CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA



This new conference is designed specifically to help you develop your awareness and capabilities in aspects of your work that may be outside your core responsibilities—areas such as HR, IT, change, and communications. As always, we will provide tax and accounting updates and cover a variety of professional development topics that you may be managing "off the side of your desk."

January 25, 2017
Vancouver Convention Centre, West Building

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CPA CHARTERED PROFESSIONAL ACCOUNTANTS BRITISH COLUMBIA



This popular conference day is all about providing accountants and financial professionals with the most balanced mix of technical and practical information that is relevant and timely. Take some time to learn, gather, and share ideas that you can bring back to your organization.

December 8, 2016
Vancouver Convention Centre, West Building

VISIT pd.bccpa.ca/conferences
EMAIL pdreg@bccpa.ca

Kudos!



Jim Bauer, CPA, CMA, has taken on the role of chief financial officer with the City of Penticton. Previously, Jim served in various senior financial and information technology positions with the Government of Alberta.



A belated congratulations to **Terry Duggan, CPA, CGA**, who was promoted to the role of president and CEO of the British Columbia Maritime Employers Association (BCMEA) this summer. Terry has worked with the BCMEA since 1987, and most recently served as its VP of finance and acting CEO.



Tiffany Francois, CPA, CA, a senior manager at PricewaterhouseCoopers LLP, has joined the board of directors of the Boys and Girls Club of Victoria. Tiffany recently returned to her hometown of Victoria after working and living in Vancouver, and is eager to volunteer her financial expertise with an organization that models the values she hopes to instil in her three young boys.



Elio Luongo, FCPA, FCA, has been elected chief executive officer of KPMG Canada. His five-year term will commence October 1, 2016. Elio has served as Canadian managing partner in the tax practice at KPMG and is a former chair of the Vancouver Board of Trade. He is an active contributor to such organizations as Simon Fraser University's Beedie School of Business and the Canadian Tax Foundation.



Wisdom Ncube, CPA, CA, has been elected president of the Fraser Valley CPA Association (FVCPAA) for 2016/17. The FVCPAA fosters professional relationships among CPAs in the Fraser Valley through PD, public awareness, and student support.



John Pankratz, FCPA, FCGA, partner at Friesen Pankratz & Associates LLP, has been elected chair of the University of the Fraser Valley's (UFV) board of governors. An advocate for the university and its students, John is UFV's first alumnus to become board chair. He was also recently elected to the board of the Abbotsford Restorative Justice and Advocacy Association.



Cindy Sahlstrom, CPA, CA, of Sahlstrom & Associates, has been elected to the board of the Abbotsford Restorative Justice and Advocacy Association, which looks for innovative ways to impart restorative values and practices in the community.



Amanda Wright has been appointed to the board of directors of the United Way of the Central and South Okanagan Similkameen. A staff accountant with KPMG in Kelowna, Amanda is currently working towards her CPA designation.

KPMG is pleased to announce its newest partners in British Columbia. In the Kelowna office: **Debbie da Silva, CPA, CA** (audit). In the Vancouver office: **Nicole Inglis, CPA, CA** (tax); **Andrew James, CPA, CA** (audit); **Jodi Moss, CPA, CA** (tax); and **Rikki Senghera, CPA, CA** (audit). In the Victoria office: **Christine MacIntyre, CPA, CA** (audit).



Debbie da Silva



Nicole Inglis



Andrew James

In Memoriam


Bert Dartnell, FCPA, FCGA

We wish to send our condolences to the family, friends, and colleagues of **Bert Dartnell, FCPA, FCGA**, who passed away on September 7, 2016.

Bert worked tirelessly for many decades to advance the accounting profession, particularly through his continuous involvement in the CGA Program of Professional Studies. He taught at every level of the legacy program from 1966 to 2010, and had a positive impact on a tremendous number of students and members, particularly in teaching the courses related to the final certification examinations. He was also instrumental in the transition to online lecturing.

In addition to contributing to CGA-BC initiatives, Bert was a key resource for CGA-Canada, performing in-depth reviews of courses and serving as chair or a member of the exam review committees for several courses.

For his tireless contributions to the profession, Bert received the FCGA fellowship designation in 2000 and the President's Award for Education in 2002, and he was recognized as one of the "100 CGAs Who Have Made a Difference" in 2008. Most recently, he received a Life Membership Award in 2013.


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Jodi Moss


Rikki Senghera


Christine MacIntyre

Whitecaps Game Night

CPABC's Vancouver Chapter, in collaboration with CPABC, hosted a professional sports networking event at BC Place Stadium this past August.

More than 180 members and their guests attended the August 12 Whitecaps game at BC Place to watch Vancouver's home team take on the San Jose Earthquakes. Despite a valiant effort, the visiting team shook up the Caps, winning by 2 to 1.

The evening kicked off with a pre-game reception at the BC Sports Hall of Fame and Museum, during which attendees had a chance to explore the exhibit halls and view the various displays celebrating the achievements of many local athletes. In the Hall of Champions, members and guests enjoyed canapés and beverages, and had the opportunity to network and mingle.

Bob Lenarduzzi, president of Whitecaps FC and former Whitecaps player, served as guest speaker at the event. While he acknowledged that the 2016 season had been a challenging one for the team, Lenarduzzi said the team remains strong, with many capable players and coaches. He also shared tips about what to watch for during the game, and concluded his remarks by thanking CPABC members in advance for their loud and enthusiastic support.

Mandeep Mann, CPA, CGA, chair of CPABC's Vancouver Chapter, also spoke at the reception. Mann introduced fellow Chapter board officers Matthew Wong, CPA, CGA, (vice-chair), and Christine Franz, CPA, CGA (secretary), and encouraged those present to attend future Chapter events, including local PD sessions, social networking events, and community activities.

Derek Johnson, CPA, CMA, chair of the Chapter's social committee, then helped distribute more than a dozen door prizes donated by the Vancouver Whitecaps, The Art of Productions and CPABC.

Members and students interested in watching future Whitecaps games can purchase specially priced tickets throughout the season. Visit the Member Benefits page at **bccpa.ca/members/member-benefits** and look under the "Recreation" category for details.


L to R: CPABC Vancouver Chapter members Matthew Wong, CPA, CGA (board vice-chair), and Derek Johnson, CPA, CMA (chair of the social committee), check out the BC Sports Hall of Fame at the Chapter's most recent sports networking event.

Community Events – Giving Back and Making a Difference

In September and October, CPABC members, candidates, and students gave back to the community by participating in three charitable events organized by local CPABC chapters:

- Surrey Food Bank – September 16. Ten individuals* from CPABC's Surrey/Langley/North Delta Chapter joined a similar number of local real estate agents from RE/MAX to help distribute food. The Surrey Food Bank provides over $30,000-worth of product to people in need each day, and more than 15,000 individuals in Surrey use this service each month. This event was organized by Connie Huang, CPA, CGA, the Chapter's community events director.
- Terry Fox Run – September 18. Across Canada, more than 8,000 community groups participated in this event to raise funds for the Terry Fox Foundation. CPABC's Tri-Cities/Ridge Meadows Chapter gathered a team of 10 volunteers to assist with the event in Coquitlam, which was held at Blue Mountain Park. The volunteers were organized by Chapter board member Craig Eckman, CPA, CA.

  CPA members also participated in the Terry Fox Run at Central Park in Burnaby. Tammie Mark, CPA, CMA, was among them, greeting participants at the registration centre along with her family.
- Thanksgiving Dinner – October 8-9. More than 24 members of the CPABC Vancouver Chapter volunteered to prepare, cook, and serve a full turkey dinner at the Jim Green Residence operated by the Lookout Emergency Aid Society. The Society offers housing and a range of services to 2,500 people each day. Members of the Vancouver Chapter's outreach committee—Jennifer Mui, CPA, CA; Stacey Lee, CPA, CA; Kevin Wan, CPA, CA; and Emily Chee, CPA, CMA—helped plan and recruit volunteers for this event.

Want to get involved?

Upcoming events include festive carolling on December 1 in Gastown to support hospice care for those in the Downtown Eastside and additional events to support local food banks. Be sure to check your local chapter website (**bccpa.ca/members/cpabc-chapters**) for updates.

And if you have a community event that you think CPABC members, candidates, and students might be interested in supporting, contact your local chapter leader online or email David Chiang, CPA, CA, CPABC's VP of member services, at **dchiang@bccpa.ca** for consideration.





Above (top): David Chiang, CPA, CA, CPABC's VP of member services (standing, second from right), joins members of the Surrey/Langley/North Delta Chapter to help distribute food for the Surrey Food Bank. Directly above: Behind the scenes at the Surrey Food Bank, which receives more than four million pounds of food each year. Below: The finish line for the Terry Fox Run at Blue Mountain Park in Coquitlam, where members of CPABC's Tri-Cities/Ridge Meadows Chapter took part.



* The maximum number of volunteer spaces is determined by the community organization. Most community events, subject to space limitations and/or safety restrictions, welcome children as participants, but stipulate that children must be accompanied by an adult at all times. Members should inquire with event organizers before registering to find out if children are welcome to participate.





Left: Tammie Mark, CPA, CMA, and her family greeted participants at the registration centre for the Terry Fox Run at Central Park in Burnaby. Right: The event in Burnaby gets underway.

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ONE National Conference Offers Countless Opportunities for CPAs

The more than 270 CPAs from across British Columbia who attended The ONE National Conference at the Vancouver Convention Centre from September 19 to 21 had a unique opportunity to connect with other CPAs and enhance their professional skills. Co-hosted by CPA Canada and CPABC, the conference offered members insightful keynote addresses from industry leaders and a range of skills-building educational sessions, as well as exceptional networking opportunities.

The conference's keynote speakers provided audience members with first-rate presentations on leadership, organizational evolution, and technological innovation. First to the stage was *New York Times* best-selling author Tommy Spaulding, who engaged more than 1,000 audience members with his session on how to be a successful guide and mentor. Up next was Gord Nelson, CPA, CA, CFO of Cineplex Entertainment and winner of Canada's CFO of the Year Award for 2016,* who drew on his extensive management and leadership experience to demonstrate how CFOs can help organizations adapt and grow during times of intense change.

The following day, tech and media expert Duncan Stewart explored emerging technological trends relevant to both consumers and organizations. As director of technology, media, and telecommunications research for Deloitte Canada, Stewart gave audience members a preview of what the future holds for tech innovation.

As the last keynote speaker of the conference, Sue Gardner, accomplished journalist and former executive director of the Wikimedia Foundation, gave a thought-provoking presentation on the evolution of the Internet. Gardner examined the different roles people can play in today's Internet environment, whether as creators or consumers.

A key opportunity for CPAs to gain and further their skills, The ONE National Conference offered CPAs a program of over 40 workshops and professional development sessions. These sessions were presented by 66 well-respected specialists and focused on four areas: 1) leadership, 2) taxation, 3) financial reporting and accounting, and 4) management accounting and finance. Designed to give CPAs a competitive edge in their field, this varied and interactive program ensured that there were sessions of interest and value for delegates at all career levels.

* Sponsored by Financial Executives International – Canada, PwC Canada, and Robert Half.

Opportunities to meet and learn from peers were also high draws at the conference. In particular, "The Best of BC" networking reception, which was held on day one, gave delegates the chance to establish new connections and exchange ideas. Five hundred attendees gathered to meet colleagues, engage in discussion, and sample some of BC's finest regional food. Also on offer was an accounting tradeshow that presented more than 50 of the most current industry-focused displays.

Our thanks to everyone who attended and helped make this such a successful event!



Above: The conference took place at the Vancouver Convention Centre on September 19-20, with optional post-conference workshops offered on September 21. Below: *New York Times* best-selling author Tommy Spaulding extols the benefits of creating a personal and professional leadership philosophy.



Photos by Jen Grant, Kent Kallberg Studios. For more conference photos, visit CPABC's Flickr page at **flickr.com/cpabc/sets**.















1. Gord Nelson, CPA, CA (Cineplex Entertainment), discusses how CFOs can help businesses manage change. 2. Time for tweets! 3. Duncan Stewart (Deloitte Canada) talks tech trends. 4. Journalist Sue Gardner asks delegates to consider how the Internet has evolved. 5, 8, 10: Professionals take part in workshops and PD sessions. 6. Kevin Leyton-Brown (UBC) describes how game theory can be used to improve decision-making in business. 7. Jocelyn Bérard (Optimum Talent) explains how CPAs can execute strategy through influential leadership. 9. CPA Canada president & CEO Joy Thomas, FCPA, FCMA, provides opening remarks. 11. Scott Powell, CPA, CA (MDA Training), explores the idea of building an ethical culture. 12. Moderator Rob Prowse (Sauder School of Business), kicks off a panel discussion for millennials in business. 13. Networking on the tradeshow floor. 14. CPABC president & CEO Richard Rees, FCPA, FCA, introduces a keynote speaker.















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Member Profile

Sepand Jazzi, CPA, CMA

Lecturer, Professor, Consultant, and CPA Mentor

Profile by Vivien Allen
Photo by Kent Kallberg Studios

Sepand Jazzi has spent most of his career as an educator, and he says one his most fulfilling roles is serving as a mentor to CPA students and helping them develop the competencies needed to succeed in the profession.

"As a mentor, I'm able to help aspiring CPAs, supporting them and providing them with insight that will be useful throughout their careers," explains Sepand. "In addition, I have the opportunity to guide future CPAs through the standards they're expected to uphold."

Sepand has been involved in education within the accounting profession for over a decade, having served as a lecturer with the Certified Management Accountants of British Columbia and as external program director for the CMABC Vancouver Chapter before signing on as a lecturer with CPA Canada in 2013. That same year, he began volunteering with the CPA Mentorship Program.

The CPA Mentorship Program is designed to help students gain practical experience and learn soft skills, such as professional and ethical behaviour, problem-solving and decision-making, communication, self-management, and teamwork and leadership.

"One of the most rewarding parts of being a mentor in this program is noticing the changes in the confidence and professionalism of my students," says Sepand. "It gives me great personal satisfaction to see people achieve their goals."

He describes his participation in the mentorship program as a way to support a profession that has given him a great deal.

"The connections I've made within the profession have had a positive effect on my career," he says, "resulting in opportunities I may have otherwise missed."

While the CPA Mentorship Program is aimed at helping students develop their practical and soft skills, Sepand points out that it is also beneficial for mentors, providing opportunities for personal and professional growth.

"My role as a mentor has taught me a great deal about how to interact with different personalities and experiences," he explains. "I believe that it's because of this program that I've become a more effective manager and communicator."

The program also gives both mentees and mentors a chance to build positive connections with their peers.

"As a CPA, networking is a part my ongoing professional development," says Sepand. "I like to think of mentorship as another form of networking—one that allows me to create positive connections with future CPAs, and to be part of their growth."

Networking has certainly benefitted Sepand professionally, as it was through industry events that he met the deans of several post-secondary institutions, which led to offers at Kwantlen Polytechnic University's School of Business in 2003 and at the University of British Columbia's Sauder School of Business in 2012. In addition to both of these roles, which are ongoing, Sepand runs his own consulting firm, Strategic Management Consulting, which he established in 2000. Through the years, he has also held positions as a guest lecturer at Columbia College and Thompson Rivers University, and as an instructor at Langara College.

Given his various roles, it's fair to say that Sepand is a busy guy. Yet, he still makes time to give back to the profession.

"When I think back to the mentors I had at the beginning of my career, I'm reminded of how much value they've added to my life," he explains. "I find it a great honour, now, to be a mentor to others, and to be a part of their professional development." ■

Sepand Jazzi, CPA, CMA (right) with mentee Nathan Evans, an accounting student at Kwantlen in Surrey.



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