

## **Rule 510 of CGA Ontario's Code of Ethical Principles---Name of Firm**

### **Some Guidelines on Firm Names**

It is in the interest of all members of CGA Ontario that members and firms be allowed to conduct their practices under names which reflect their individual preferences and which are appropriate for their particular marketplaces. These guidelines provide guidance for members and firms in the selection of practice names.

2. CGA Ontario recommends that all members engaged in the practice of public accounting or the preparation of compilation engagements practise under the member's name(s).

However, if a member wishes to practise using a firm name other than his or her own name, the member shall practise only under a name or style which is not misleading, confusing or deceptive; is not self-laudatory; does not contravene professional good taste; has been approved by the Association; and is subject to the following guidelines.

3. CGAs should ensure that any information contained in their practice names about themselves, their firms or their services is accurate. The following are examples of practice names containing inappropriate information:

(a) any implication in the practice name that the practising unit is larger than it is, such as by use of plural descriptions or other misleading use of words. The use of "and Company" or similar wording in a practice name is permitted, where the member employs staff, or where the number of partners exceeds that named in the firm name, or where the member is practising with one or more professional colleagues who are not partners or employees;

(b) any implication in the practice name that a member is a partner or a former partner of a practice, when the member is not;

(c) any reference to representation or association which is not in conformity with the facts;

(d) any reference in the practice name to particular services provided where the practice is not currently able to provide those services;

(e) any statement in the practice name that may create false or unjustified expectations as to the results of a particular engagement;

(f) if in all the circumstances there was a real risk that the firm name could be confused with the name of another firm, even if the CGA could lay justifiable claim to the name.

4. When a member or firm participates in an organization whose members practise public accounting internationally, with professional engagements accepted and reports or opinions issued in the international name, the member or firm may refer to such international name on professional stationery and in name plates, directory listings, announcements and brochures by using the term "internationally", or "international firm". General references to "offices throughout the world" or "offices in principal cities throughout the world" imply broad coverage and should be used only where the international organization's members practise public accounting in many countries.

It would be misleading for a firm with very few offices to describe itself as 'international' merely on the grounds that one of them was overseas.

5. A member or firm may have an arrangement with another person or organization whereby one acts for the other in a particular location, and the assignment, by agreement, may be in the name of one of them. In such circumstances it is appropriate, if desired, for the member or firm to refer to the fact of such representation by a suitable reference to the location and the name and/or address and professional designation of the representative, with a description of the relationship as being "represented by". If representation arrangements exist in a number of locations it may not be possible to give full details of each, and in such case it would be appropriate, if desired, to refer to the fact of representation in the particular locations, specifying the locations individually.

Generally references such as "represented throughout the world", which may not be factual and may be misleading, should be avoided. In any public reference to representation, the representative must be a person or organization practising public accounting.

6. Members or firms may associate themselves with international organizations which do not practise public accounting but which consist of members who are practising public accounting and which exist primarily to provide their members with access to international public accounting services. In these cases it is

appropriate to make public reference on professional stationery and elsewhere to membership in a bona fide international organization by using a term such as "a member of (name), an international association of accounting firms".

Terms such as "internationally" or "international firm" should not be used.

General references such as "members throughout the world" should be used only where there are in fact members of the organization in many countries. References such as "represented throughout the world" should be avoided unless they are factual and not misleading.

7. Members or firms should ensure that their practice names or styles are not self-laudatory and do not claim superiority over any other member or firm.

Care should be taken in using the word "The" in the firm name so that it does not imply exclusivity.

Practice names that might tend to lower public respect for the profession should not be used. Care should also be exercised with respect to the use of acronyms.

8. In general, CGA Ontario will approve non-personal firm names unless they are misleading or contravene professional good taste. A firm name should be consistent with the dignity of the CGA profession in the sense that it should not project an image inconsistent with that of a professional practice bound to high ethical and technical standards.

However, there may be certain other considerations which will affect the approval decision. A practice name that is so similar to that of another firm registered in the same area as to cause confusion in the minds of the public may not be approved. Consideration will also be given to cultural sensitivities in deciding whether to approve a non-personal firm name.

9. The registrar, in his or her discretion, is permitted to be flexible in transitional situations. For example, a member engaged in the practice of public accounting as a sole proprietor or, a sole member professional corporation, may apply to the registrar for permission to practise for a specified period of time under both the member's approved name and, with the predecessor's written authorization, the name used by a predecessor sole proprietor or firm.

Other situations where transitional flexibility may be granted include those where a previously approved firm name becomes inappropriate. An example of such a situation would occur when, due to the departure of a partner, the firm name becomes misleading with respect to the size of the firm. In such cases, the member or firm may apply to the registrar for permission to continue to use the name for a specified period of time.

10. The firm name will be approved by staff.

If it is not so approved, the CGA has a right to have the decision reviewed by the Registrar.

If a CGA is not satisfied with the decision of the Registrar, he or she can appeal to the Professional Standards Competence and Capacity Committee and the appeal shall be held in writing.

The decision of this Committee is final.