

CARE  
Chartered Accountant  
Reciprocity Examination

The Institutes of Chartered Accountants in Canada and Bermuda



Information for Membership  
Candidates Seeking to Qualify  
as Chartered Accountants

## **Preface**

The information in this booklet is designed to assist membership candidates in preparing for and writing the Canadian Chartered Accountant Reciprocity Examination (CARE).

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# 1. The Objectives of the CARE

The CARE is the means by which the Institutes of Chartered Accountants (CA) in Canada and Bermuda measure the professional competence, in a Canadian context, of members of accounting bodies outside Canada that were assessed by the International Qualifications Appraisal Board as having education, examination and experience requirements substantially equivalent to the high standards of the Canadian CA qualification program.

The CARE examines membership candidates on their knowledge of Canadian accounting and assurance standards, the rules of professional conduct, Canadian taxation and Canadian business law.

The philosophy underlying the Institutes of CA in Canada and Bermuda's qualification processes is summarized as follows:

- (i) the public interest must be protected and the integrity of the CA designation maintained by ensuring that members of accounting bodies outside Canada who apply for the CA designation in one of the Institutes of CA in Canada and Bermuda embody the high standards of education, technical competence and professionalism associated with CAs in Canada and Bermuda;
- (ii) while the requirements to be completed by all those accepted by the Institutes of CA in Canada and Bermuda as membership candidates must be uniform, at the same time they must fully take into account the diverse academic and practical experience backgrounds of members of accounting bodies outside Canada; and
- (iii) the qualification processes and the regulations on which they are based must be administered equitably.

## **2. Eligibility to Write the CARE**

A membership candidate is a member of a designated accounting body outside Canada who meets the requirements set out in the bylaws and/or regulations of the Institutes of CA in Canada and Bermuda. The bylaws and/or regulations of each institute specify which accounting bodies outside of Canada are "designated". Individuals should contact the applicable Institute in Canada and Bermuda to determine their eligibility as a membership candidate.

An individual must be registered with one of the Institutes of CA in Canada and Bermuda in order to apply to write the CARE.

### 3. The Structure of the CARE

The Examinations Committee has the responsibility to:

- Set the CARE in accordance with the general guidelines included in this booklet and other directions;
- Mark the membership candidates' responses and recommend to the Institutes of CA in Canada and Bermuda the successful or unsuccessful standing that should be given to each membership candidate; and
- Report annually on the CARE to the Institutes of CA in Canada and Bermuda.

The CARE is offered annually in late October and consists of two three-hour papers written over two consecutive days. The examination tests knowledge, comprehension and limited application of knowledge but does not directly test analysis, synthesis, evaluation and similar higher-order skills.

The examination consists of a mix of multiple-choice and single-subject questions, problems and short simulation cases.

The CARE is a closed book examination, in that membership candidates are not permitted to bring any reference materials with them into the examination writing centre.

The structure of the examination is as follows:

Day 1			Day 2		
Subject	Mark Allocation	Time Allocation (minutes)	Subject	Mark Allocation	Time Allocation (minutes)
Accounting	45-55	80-100	Canadian Taxation	45-55	80-100
Auditing	45-55	80-100	Canadian Business Law	18-22	32-40
			Rules of Professional Conduct	27-33	49-60
Day 1 Total	100	180	Day 2 Total	100	180

The results of the CARE are reported as a successful or an unsuccessful attempt. The CARE passing standard is determined on the examination as a whole.

## 4. The Scope and Content of the CARE

The scope of the CARE is as follows:

### Accounting and Assurance

CICA Pronouncements to March 31, 2009

- *CICA Handbook - Accounting* (including Accounting Guidelines, Emerging Issues Committee Abstracts and Exposure Drafts of proposed revisions);
- *CICA Handbook - Assurance* (including Assurance Guidelines, EDP Guidelines and Exposure Drafts of proposed revisions);
- *Public Sector Accounting Handbook* (including Guidelines and Exposure Drafts of proposed revisions); and
- *Guidance of the Risk Management and Governance Board* (formerly known as the Criteria of Control Board) (Guidance on Control, November 1995 and Guidance on Assessing Controls, April 1999)

### Taxation

Federal Taxation Legislation enacted as of March 31, 2009

- You are responsible for federal taxation legislation, the *Federal Income Tax Act*, including the *Income Tax Application Rules* (ITARs) and *Regulations*, and the *Excise Tax Act*, enacted as of March 31, 2009. If, as of that date, there is proposed federal taxation legislation that, if enacted, would change certain provisions for which you are responsible, you may respond in accordance with either the enacted or the proposed provisions.

### Rules of Professional Conduct

- The Members' Handbook of the respective Institutes of CA in Canada and Bermuda, containing the respective institute's rules of professional conduct and council (or equivalent) interpretations and guidelines.

### Business Law

- Fundamental principles of Canadian business law including the law of torts, contract law and laws relating to business organizations.

### You are not responsible for:

- Provincial tax legislation; or
- Accounting and auditing terminology, pronouncements and practices or tax law applicable only to specific industries;
- Changes relevant to CICA pronouncements and federal taxation legislation published, in printed or electronic media, after **March 31, 2009**.

## 5. Preparing for the CARE

A CARE Preparation Program (in English) is held in Toronto in August and in Vancouver in September, each year. The six-day course reviews Accounting, Assurance, and Rules of Professional conduct (3 days), Taxation (1 ½ days), and Business Law (½ day). On the last day, a three-hour practice exam and a seminar on exam writing techniques are offered.

Candidates who wish to have more information about the CARE Preparation Program should contact either:

- The Institute of Chartered Accountants of Ontario  
Telephone: (416) 962-1841 or 1-800-387-0735;  
[www.icaoo.on.ca](http://www.icaoo.on.ca); or
- The Institute of Chartered Accountants of British Columbia  
Telephone: (604) 681-3264 or 1-800-663-2677  
<http://www.ica.bc.ca>.

Membership candidates who cannot attend the CARE Preparation Program in person may order the materials portion of the course.

The fee for the CARE Preparation Program does not include the fee for the CARE, and is payable to the Institute delivering the course. The 2009 fee is \$1,050 (plus applicable taxes) for the in-class program and \$825 (plus applicable taxes) for materials only. Cost for shipping outside of Canada will be billed separately.

A list of reference materials that membership candidates might find useful in their preparation for the CARE is provided in the Appendices and on the Institute's website. Please note that this list is not intended to be all-inclusive.

The CARE is a disclosed examination. Copies of past examinations with approaches to solutions are available on the ICAO website ([www.icaoo.on.ca](http://www.icaoo.on.ca)) under Admissions, Membership Candidacy, CA Reciprocity Examination.

## 6. Applying to Take the CARE

An application form for the CARE is available on the website of each of the Institutes of CA in Canada and Bermuda. The fee for the CARE is payable to the Institute at the time the application form is submitted. Eligible membership candidates should contact their Institute of CA to confirm the dates of the CARE offerings and the locations of the examination centres.

The fee to take the CARE is set at \$800 (plus applicable taxes) for 2009, and is **not** included in the CARE Preparation Program fee.

## **7. Communicating Results to Membership Candidates**

The CARE results are communicated to membership candidates within seven to eight weeks of writing the CARE by the Institute of CA with which the membership candidate registered.

The results are reported as a successful or an unsuccessful attempt. No numerical grades are reported.

Unsuccessful membership candidates may request that a per-question charting of their position relative to the mean be provided.

## Appendix A – Useful Reference Materials

The following is a list of textbooks and other materials useful in preparing for the CARE. The list is not intended to be all-inclusive. Membership Candidates should ensure that the textbooks and other materials are current.

### Assurance, Accounting, and Rules of Professional Conduct

*CICA Handbook*, including the *Public Sector Accounting Handbook*

The Member's Handbook of your Institute of CA in Canada and Bermuda

Intermediate and Advanced Financial Accounting Textbooks:

- Kieso, Weygandt, Warfield, Young, Wiecek – *Intermediate Accounting*, Volume 1 and Volume 2, Wiley.
- Beechy, Conrod – *Intermediate Accounting*, Volume 1 and Volume 2, McGraw-Hill Ryerson.
- Spiceland, Sepe, Tomassini, Brooks – *Intermediate Accounting*, McGraw-Hill Ryerson.
  
- Hilton, Herauf – *Modern Advanced Accounting in Canada*, McGraw-Hill Ryerson.
- Byrd, Chen – *Canadian Advanced Accounting: International Convergence*, Pearson Education.
  
- Scott – *Financial Accounting Theory*, Pearson Education.
- Skinner, Milburn – *Accounting Standards in Evolution*, Pearson Education.

### Assurance Textbooks:

- Arens, Elder, Beasley, Spletstoesser-Hogeterp – *Auditing and Other Assurance Services*, Pearson Education.
- Smieliauskas, Bewley – *Auditing - An International Approach*, McGraw-Hill Ryerson.
- Messier, Emby – *Auditing and Assurance Services*, McGraw-Hill Ryerson.

## Appendix A – Useful Reference Materials

(continued)

### Taxation

***Income Tax Act, Income Tax Application Rules, and Income Tax Regulations***

**Interpretation Bulletins**

**Taxation textbooks:**

- Beam, Laiken, Barnett – *Introduction to Federal Income Taxation in Canada*, CCH.
- Buckwold, Kitunen – *Canadian Income Taxation, Planning and Decision Making*, McGraw-Hill Ryerson.
- Byrd, Chen – *Canadian Tax Principles*, Pearson Education.

### Business Law

**Business law textbooks:**

- Smyth, Soberman, Easson – *The Law and Business Administration in Canada*, Pearson Education.
- Amirault, Archer – *Canadian Business Law*, Methuen Publications.
- Willes, Willes – *Contemporary/Fundamentals of Canadian Business Law*, McGraw-Hill Ryerson.

## Appendix B – Institutes of CA in Canada and Bermuda

The Institute of Chartered Accountants of British Columbia  
Suite 500, One Bentall Centre  
505 Burrard Street, Box 22  
Vancouver, BC V7X 1M4  
Phone: (604) 681-3264  
[www.ica.bc.ca](http://www.ica.bc.ca)

The Institute of Chartered Accountants of Saskatchewan  
3621 Pasqua Street  
Regina, SK S4S 6W8  
Phone: (306) 359-1010  
[www.icas.sk.ca](http://www.icas.sk.ca)

The Institute of Chartered Accountants of Ontario  
69 Bloor Street East  
Toronto, ON M4W 1B3  
Phone: (416) 962-1841  
[www.icao.on.ca](http://www.icao.on.ca)

The Institute of Chartered Accountants of Newfoundland  
95 Bonaventure Avenue, 5<sup>th</sup> Floor  
St. John's, NL A1B 2X5  
Phone: (709) 753-7566  
[www.ican.nfld.net](http://www.ican.nfld.net)

The New Brunswick Institute of Chartered Accountants  
55 Union Street, Suite 250  
Saint John, NB E2L 5B7  
Phone: (506) 634-1588  
[www.nbica.org](http://www.nbica.org)

The Institute of Chartered Accountants of the Yukon  
204 - 208A Main Street  
Whitehorse, Yukon Y1A 2A9  
Contact the Institute of Chartered Accountants of British  
Columbia  
[www.icayk.ca](http://www.icayk.ca)

The Institute of Chartered Accountants of Bermuda  
Boyle Building, 3<sup>rd</sup> Floor  
31 Queen Street  
Hamilton HM 11  
Bermuda  
Phone: (441) 292 7479  
[www.icab.bm](http://www.icab.bm)

The Institute of Chartered Accountants of Alberta  
580 Manulife Place, 10180-101 Street  
Edmonton, AB T5J 4R2  
Phone: (780) 424-7391  
[www.icaa.ab.ca](http://www.icaa.ab.ca)

The Institute of Chartered Accountants of Manitoba  
500-161 Portage Avenue East  
Winnipeg, MB R3B 0Y4  
Phone: (204) 942-8248  
[www.icam.mb.ca](http://www.icam.mb.ca)

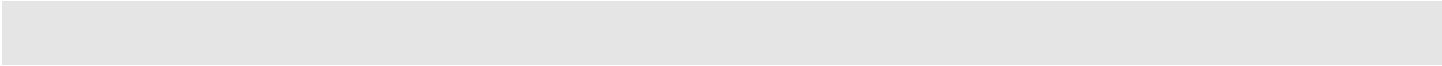
Ordre des comptables agréés du Québec  
680 Sherbrooke Street West, 18<sup>th</sup> floor  
Montréal, QC H3A 2S3  
Phone: (514) 288-3256  
[www.ocaq.qc.ca](http://www.ocaq.qc.ca)

The Institute of Chartered Accountants of Prince Edward  
Island  
P.O. Box 301 – 56 Water Street  
Charlottetown, PE C1A 7K7  
Phone: (902) 894-4290  
[www.icapei.com](http://www.icapei.com)

The Institute of Chartered Accountants of Nova Scotia  
1410-1791 Barrington Street  
Halifax, NS B3J 3L1  
Phone: (902) 425-3291  
[www.icans.ns.ca](http://www.icans.ns.ca)

Institute of Chartered Accountants of Northwest Territories  
and Nunavut  
P.O. Box 2433  
Yellowknife, NT X1A 2P8  
Contact the Institute of Chartered Accountants of Alberta  
[www.icanwt.nt.ca](http://www.icanwt.nt.ca)

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