

Other Regulated Services FAQs

1.0 I am not sure if I am only doing record keeping for my clients?

1.1 The [CPA Nova Scotia By-Laws](#) (the By-Laws”) Section 1.1.40 define record keeping as follows.

“Record keeping” means the preparation or maintenance of an entity’s accounting records including the printing of a trial balance and financial statements produced directly from such source accounting records. Financial statements include the balance sheet and income statement only and exclude the statement of cash flows and statement of retained earnings.

1.2 The member may use an accounting program to maintain the financial records of its client(s) and produce a trial balance and related financial statements directly from the accounting software. However, any additional analysis and/or journal entry adjustments to the financial statements that require judgment and not provided by the client would be considered an accounting service involving summarization, analysis, advice, counsel, or interpretation in an expert capacity.

2.0 Can I dabble in Other Regulated Services without registering a firm with CPA Nova Scotia?

2.1 CPAs sometimes decide to earn some extra income by offering their services to a small number of people. The CPA may start out by offering these services to only their extended family and friends. However, that commitment may grow over time. You are required to register your firm with CPA Nova Scotia even if you dabble in Other Regulated Services. It does not matter whether you charge a fee for your services. Even if you provide services on a pro-bono basis or as a personal favors to someone else, you are offering Other Regulated Services to the public unless you qualify for an exemption from firm registration in accordance with By-Law Section 8.1.2.

3.0 I offer CFO for Hire services or Controller for Hire services to clients. Do I need to register a firm with CPA Nova Scotia?

3.1 Smaller companies and start-up ventures may not have the resources or need to employ a full-time CFO or controller. These companies may seek out the services of a CFO for hire or Controller for hire. If a CPA acts as a CFO or Controller for multiple clients (rather than for one client only) or advertises their services to the public, they are considered to be offering Other Regulated Services to the public. As such, the CPA will be required to register their firm with CPA Nova Scotia. Please contact CPA Nova Scotia at registrations@cpans.ca if you need any further clarification on your own personal situation.

4.0 I offer financial consulting services to my clients. Do I need to register?

4.1 Whether a financial consultant needs to register their firm with CPA Nova Scotia will depend on the nature of the consulting service provided and whether the service includes areas covered by the definition of Other Regulated Services. A financial consultant offering services to the public to provide accounting services involving summarization, analysis, advice, counsel, or interpretation in an expert capacity on financial information would qualify as Other Regulated Services. As such, they would be required to register a firm with CPA Nova Scotia. In contrast, a CPA who consults on matters unrelated to accounting (i.e., human resources) is not required to register their firm with CPA Nova Scotia. Please contact CPA Nova Scotia at registrations@cpans.ca if you need further clarification on your own personal situation.

5.0 What is considered to be a tax service involving analysis, advice, counsel or interpretation in an expert capacity?

5.1 There is a presumption that the public would seek the services of a chartered professional accountant due to their professional judgment and expert knowledge of the Income Tax Act. CPAs may then be asked to provide professional advice on tax related items such as personal tax, corporate tax, payroll withholding tax, commodity tax, transfer pricing, international tax, SR&ED, tax planning, and GST/HST and PST compliance. CPAs who offer these types of tax services to the public will be required to register their firm with CPA Nova Scotia.

6.0 Why is the preparation of tax returns and statutory filings included in the definition of Other Regulated Services?

6.1 Individuals and businesses may seek your advice and counselling that may require your professional judgment, tax expertise, and knowledge of the Income Tax Act. Because you are required to have an expert knowledge of the Income Tax Act, including tax deductions, filing deadlines, and tax instalment calculations to prepare corporate, trust and personal tax returns and statutory filings; the preparation of all tax returns and statutory filings are considered to be the provision of Other Regulated Services to the public. As such, you are required to register your firm with CPA Nova Scotia.

7.0 Can I prepare tax returns for my friends and family.

7.1 CPA Nova Scotia By-Laws define Close Family Member and Immediate Family Member as follows.

- a. “Close Family Member” means a parent, child, grandparent, grandchild or sibling who is not an immediate Family Member. (Section 11.1.13)
- b. “Immediate Family Member” means a spouse (or equivalent) or dependent. (Section 1.1.28)

7.2 When a CPA offers to provide Other Regulated Services (such as tax preparation) to individuals who are not a Close Family Member or an Immediate Family Member, they are effectively offering their services to the public, even if these services are offered free of charge. A CPA's friends and close associates are also members of the public. If a CPA wants to provide Other Regulated Services to anyone who is not a Close Family Member or an Immediate Family Member, they will be required to register a firm with CPA Nova Scotia.

8.0 *I am preparing statutory filings when providing record keeping services. Do I need to register a firm with CPA Nova Scotia?*

8.1 Although basic record keeping does not meet the definition of Other Regulated Services, clients often ask bookkeepers to prepare statutory filings, such as HST returns. Whenever "basic record keeping" involves the preparation of statutory filings on a client's behalf, you will be required to perform those services through a firm registered with CPA Nova Scotia.

9.0 *I currently work for a wealth management firm and may offer taxation services that are incidental to my business. Do I need to register my firm?*

9.1 Per Rule 409 (b) in the [CPA Nova Scotia Code of Professional Conduct](#).

A member or firm shall not associate in any way with any corporation engaged in Canada or Bermuda in the practice of public accounting, except to the extent permitted in clauses (a), (b) (c) and (d) of this Rule:

b. a member, other than a member engaged in the practice of public accounting as defined, from time to time, in the Chartered Professional Accountants Act of Nova Scotia, may associate with a corporation which provides taxation services involving advice, counsel or interpretation provided such services are only a small part of the corporation's activities.

9.2 Rule 409 (b) exempts taxation advice provided on an incidental basis from the definition of Other Regulated Services, provided certain conditions are met. These conditions are primarily applicable to members working for larger financial institutions such as banks or investment dealers. Members who provide taxation services incidental to wealth management services, who meet the conditions set out in Rule 409, may not be considered to be providing accounting services to the public. As no two situations are identical, you are responsible to ensure that your own situation complies with the CPA Code of Professional Conduct. Please contact CPA Nova Scotia at registrations@cpans.ca if you need any further clarification.

10.0 I volunteer with a tax clinic at personal tax time. Do I need to register a firm with CPA Nova Scotia?

10.1 CPAs may provide voluntary tax preparation services through an organization approved by CPA Nova Scotia. CPA Nova Scotia recognizes the value that volunteers bring to the community and does not intend to regulate volunteers in this capacity. If you would like to see if your volunteer organization is approved by CPA Nova Scotia or have your organization approved for voluntary tax preparation services with CPA Nova Scotia, please contact registerations@cpans.ca.

11.0 I am a member in good standing and volunteer as the treasurer on a Board and as a member of an Audit Committee. Am I considered to be offering Other Regulated Services to the public?

11.1 When a CPA provides services as an officer or director in a volunteer capacity, they are not considered to be offering Other Regulated Services to the public. CPA Nova Scotia recognizes the value that volunteers bring to the community and does not intend to regulate volunteers in this capacity.

12.0 I currently work for a firm that offers forensic accounting, financial investigation, or financial litigation support services. My firm is not currently registered with CPA Nova Scotia, as my firm does not meet the legal and beneficial ownership requirements outlined in By-Laws Section 10.1.1 (d), 11.2.1 or 12.1.1. What does this mean for me?

12.1 By-Law Section 8.1.2 (d) provides an exemption to those members who worked at such a firm prior to October 27, 2023. The member may continue to work at this unregistered firm provided the member can demonstrate that their firm maintains comparable professional liability insurance as set out in By-Laws Section 20.4 and the [Professional Liability Insurance Requirements Policy](#). In accordance with By-Law 8.1.3, the member must submit an annual declaration regarding the eligibility for the exemption under By-Law Section 8.1.2 (d) as part of their member renewal.

13.0 I currently work for a government organization where I offer accounting and/or tax advice and provide accounting and/or tax services to clients.

13.1 Members working in the capacity as an accountant or auditor performing functions of their employment with a municipality in Nova Scotia, the Government of Nova Scotia, the Government of Canada, or a Crown Corporation are not considered to be offering services to the public as per By-Law Section 8.1.2 (e).

14.0 I currently perform Other Regulated Services for my employer. Do I need to register a firm with CPA Nova Scotia?

14.1 If you provide Other Regulated Services, such as taxation or accounting advice, to an organization or its related entities as an employee or as a subcontractor working

for one entity only, you do not need to register a firm. You are not providing those services to third party clients or the public.

15.0 If I register my firm with CPA Nova Scotia, do I need to get professional liability insurance?

15.1 CPA Nova Scotia is responsible for regulating firm registration in accordance with the [Chartered Professional Accountants Act of Nova Scotia](#) (the “Act”) and the By-Laws. Section 41 of the Act requires individual members (or a group of members) to register as a firm before providing public accounting services. By-Law Section 8.1.1 requires members to provide Other Regulated Services to the public through a registered firm. The firm registration requirements form part of the protection to the public we provide as regulators of the Chartered Professional Accountants profession in Nova Scotia. One of the most important public protections is professional liability insurance coverage, which is a requirement of firm registration with CPA Nova Scotia. The lack of professional liability insurance coverage is a significant risk if you make a mistake in your work and are sued for negligence. Without professional liability insurance coverage, any court awards against you will have to be borne by you at your own expense. Court awards can be financially ruinous for CPAs who do not have professional liability insurance coverage.

16.0 What if I am not sure if I need to register my firm with CPA Nova Scotia?

16.1 CPA Nova Scotia has knowledgeable staff who are here to help. You can contact us at registrations@cpans.ca with your inquiries and to obtain information regarding Other Regulated Services, firm registration, and professional liability insurance requirements.