

# **BILL NO. 136**

**(as introduced)**



*2nd Session, 63rd General Assembly  
Nova Scotia  
68 Elizabeth II, 2019*

Government Bill

## **Financial Measures (2019) Act**

The Honourable Karen Casey  
Minister of Finance and Treasury Board

[First Reading](#): April 4, 2019

[\(Explanatory Notes\)](#)

Second Reading: April 5, 2019

[Third Reading](#): April 12, 2019 (LINK TO BILL AS PASSED)

### **Explanatory Notes**

[Clause 1](#) sets out the short title of the Act.

[Clause 2](#) amends the Chartered Professional Accountants Act to

- (a) add definitions of "practice of public accounting" and "Public Accountant Licensing Committee"; and
- (b) amend the definition of "protected designations" to include designations related to public accounting.

**Clause 3** changes the objects of the Chartered Professional Accountants of Nova Scotia (CPA Nova Scotia) from certifying members to engage in public accounting to licensing them to do so.

#### **Clause 4**

(a) adds the Public Accounting Licensing Committee as a committee of the Board of CPA Nova Scotia; and

(b) removes from Section 14 of the Act a power to prescribe educational qualifications for public accounting certification that will instead be in Section 34A of the Act.

**Clause 5** allows the Governor in Council to appoint two members of the Public Accounting Licensing Committee.

**Clause 6** allows individuals who were previously licensed as public accountants to maintain that status.

#### **Clause 7**

(a) allows CPA Nova Scotia to establish classes of public accounting licences and qualifications for such licences; and

(b) sets out the procedure for appealing licensing decisions.

**Clause 8** allows only individuals with a valid public accounting licence issued by CPA Nova Scotia to hold themselves out as public accountants.

**Clause 9** restricts the practice of public accounting to those who hold a public accounting licence.

**Clause 10** removes a list of specific publishing and notice requirements and instead requires notices to be in accordance with the by-laws.

**Clause 11** amends the penalties under the Act to include the possibility of imprisonment.

#### **Clauses 12 to 14**

(a) amend the Companies Act to require all share warrants to be converted to shares or stock within five years; and

(b) repeal references to share warrants.

#### **Clauses 15 to 21**

(a) amend the Corporations Registration Act to distinguish between corporations registered in other provinces and territories and those registered outside of Canada;

(b) add definitions of "Nova Scotia corporation" and "extra-provincial corporation"; and

(c) replace the term "Dominion corporation" with "federal corporation".

**Clause 22** amends the Equity Tax Credit Act to eliminate the Equity Tax Credit as of December 31, 2019, for investments in associations and corporations other than community economic-development corporations.

**Clause 23** allows the Governor in Council to prescribe additional penalties for failure to comply with the Act or the regulations.

**Clauses 24 and 25** repeal the Health Research Foundation Act and transfer the Nova Scotia Health Research Foundation's assets, obligations and liabilities to Her Majesty in right of the Province.

**Clauses 26 and 27** repeal the Law Reform Commission Act and transfer the Law Reform Commission's assets, obligations and liabilities to the Access to Justice and Law Reform Institute of Nova Scotia Limited.

Clause 28 clarifies that the purpose of a retail sales mark-up allocation under the Liquor Control Act is for the raising of a revenue for the Province.

Clauses 29 to 33 amend the Municipal Grants Act to replace the terms "equalization entitlement" and "equalization grant" with "municipal financial capacity grant entitlement" and "municipal financial capacity grant", respectively.

Clause 34 repeals the Public Accountants Act.

Clauses 35 to 39 provide that

(a) provisions amending the Chartered Professional Accountants Act and repealing the Public Accountants Act have effect on and after September 1, 2019;

(b) the repeal of a provision of the Companies Act respecting share warrants has effect on and after July 1, 2024;

(c) provisions amending the Corporations Registration Act have effect on and after August 1, 2019; and

(d) provisions respecting the Health Research Foundation and Law Reform Commission have effect retroactively on and after March 31, 2019.

## **An Act Respecting Certain Financial Measures**

Be it enacted by the Governor and Assembly as follows:

**1** This Act may be cited as the Financial Measures (2019) Act.

### PART I

#### CHARTERED PROFESSIONAL ACCOUNTANTS ACT

**2** Section 2 of Chapter 30 of the Acts of 2015, the Chartered Professional Accountants Act, is amended by

(a) repealing clause (zm) and substituting the following clause:

(zm) "practice of public accounting" means

(i) an audit, a review and any other assurance engagement governed by the standard of professional practice of the Chartered Professional Accountants of Canada, as amended from time to time, or other Canadian standards published by the Chartered Professional Accountants of Canada, or corresponding standards established in a jurisdiction outside of Canada including

(A) an audit of historical financial information and all related opinions, declarations, consents or other reports,

(B) an assurance engagement other than an audit or review of historical financial information where an opinion, compliance or other attestation is provided, which may include reporting on controls, compliance with agreements and value-for-money audits in the public sector, and

(C) a review of historical financial information and all related opinions, consents, declarations or other reports, and

(ii) specified audit procedures and agreed-upon procedure engagements governed by the standards of professional practice of the Chartered Professional Accountants of Canada, as amended from time to time,

but does not include a compilation engagement as defined by the standards of professional practice of the Chartered Professional Accountants of Canada, as amended from time to time, or the business of public bookkeeping if none of the acts or functions included in subclause (i) or (ii) are performed;

(b) clause (zs) is amended by

(i) striking out "and" immediately after subclause (v),

(ii) striking out the semi-colon immediately after subclause (vi) and substituting a comma, and

(iii) adding immediately after subclause (vi) the following subclauses:

(vii) "Public Accountant",

(viii) "PA",

(ix) "Licensed Public Accountant", and

(x) "LPA";

and

(c) adding immediately after clause (zs) the following clause:

(zsa) "Public Accounting Licensing Committee" means the Public Accounting Licensing Committee appointed by the Board in accordance with the by-laws and by the Governor in Council;

**3** Subclause 5(c)(iii) of Chapter 30 is amended by striking out "certifying" in the first line and substituting "licensing".

**4** (1) Clause 14(1)(c) of Chapter 30 is amended by adding "Public Accounting Licensing Committee," immediately after "Committee" the second time it appears in the third line.

(2) Clause 14(1)(r) of Chapter 30 is repealed.

**5** Chapter 30 is further amended by adding immediately after Section 18 the following Section:

18A Notwithstanding clause 14(1)(c), the Governor in Council may appoint two members of the Public Accounting Licensing Committee of whom

(a) one must be an individual who holds a public accounting licence in the Province; and

(b) one must be a public representative.

**6** Chapter 30 is further amended by adding immediately after Section 23 the following Section:

23A Notwithstanding Section 23, the Chief Executive Officer shall issue a public accounting licence to any individual who

(a) was licensed as a public accountant by the Public Accountants Board of the Province of Nova Scotia immediately before the coming into force of this Section; and

(b) continues to meet the licensing renewal criteria applicable to a public accounting licence.

**7** Chapter 30 is further amended by adding immediately after Section 34 the following Sections:

34A CPA Nova Scotia may establish classes of public accounting licences and the educational qualification and practical experience required to obtain and maintain a licence of a particular class.

34B (1) An individual who has been denied a licence, disputes the conditions placed on a license or otherwise disagrees with a decision of the licensing committee, may appeal the decision by serving the licensing committee with a notice of appeal within 30 days of the date of the decision.

(2) CPA Nova Scotia shall establish a committee to hear appeals from the licensing committee, which shall conduct its own proceedings in accordance with the rules of natural justice, this Act, the by-laws and its own rules of procedure.

**8** Section 35 of Chapter 30 is amended by adding immediately after subsection (5) the following subsection:

(6) Only an individual holding a valid public accounting licence issued by CPA Nova Scotia may purport to be a "Public Accountant" or "Licensed Public Accountant".

**9** Chapter 30 is further amended by adding immediately after Section 39 the following Section:

39A (1) No individual shall purport to be a public accountant unless the individual holds a valid public accounting licence issued by CPA Nova Scotia.

(2) No individual shall

(a) engage in the practice of public accounting in the Province unless the individual holds a valid public accounting licence issued by CPA Nova Scotia;

(b) engage in the practice of public accounting in the Province except in association with a registered firm;

(c) engage in the practice of public accounting in contravention of any condition or restriction on the individual's public accounting licence imposed under this Act or by agreement between the individual and CPA Nova Scotia; or

(d) knowingly furnish false or misleading information in an application under this Act or in any statement required to be furnished under this Act or the by-laws of CPA Nova Scotia.

**10** Section 103 of Chapter 30 is repealed and the following Section substituted:

103 The Chief Executive Officer shall provide notice of an order, determination, settlement agreement or other disposition of a complaint in accordance with the by-laws.

**11** Subsection 130(1) of Chapter 30 is amended by

(a) adding ", 39A" immediately after "39" in the first line;

(b) striking out "and" immediately after clause (a);

(c) striking out the period at the end of clause (b) and substituting "; and"; and

(d) adding immediately after clause (b) the following clause:

(c) to imprisonment for a term of not more than six months.

## PART II

### COMPANIES ACT

**12** Chapter 81 of the Revised Statutes, 1989, the Companies Act, is amended by adding immediately after Section 47 the following Section:

47A (1) Notwithstanding Section 47, no share warrants may be issued after July 1, 2019.

(2) Any share warrant issued prior to July 1, 2019, must be converted to shares or stock before July 1, 2024.

**13** Subsection 95(2) of Chapter 81 is repealed.

14 Table A of the First Schedule to Chapter 81, as amended by Orders in Council 1991-828, 1992-162, 1996-562 and 2004-138, Chapter 17 of the Acts of 2007, Chapter 30 of the Acts of 2015 and Chapter 4 of the Acts of 2017, is further amended by

- (a) striking out the heading immediately before Article 48, Articles 48 and 49 and subarticle 100(2);
- (b) striking out "or warrant" in the second line of Article 171; and
- (c) striking out Article 195.

### PART III

#### CORPORATIONS REGISTRATION ACT

**15** Section 2 of Chapter 101 of the Revised Statutes, 1989, the Corporations Registration Act, is amended by

(a) striking out clauses (c) to (e) and substituting the following clauses:

(c) "corporation" means a body corporate that is a Nova Scotia corporation, a federal corporation, an extra-provincial corporation or a foreign corporation;

(d) "extra-provincial corporation" means a body corporate that is incorporated under the authority of an Act of a province of Canada other than the Province and has gain for its purpose or object;

(e) "federal corporation" means a body corporate that is incorporated by or under the authority of an Act of the Parliament of Canada and has gain for its purpose or object;

(b) striking out clause (g) and substituting the following clause:

(g) "foreign corporation" means a body corporate that is incorporated otherwise than by or under the authority of an Act of the Parliament of Canada or under the authority of an Act of a province of Canada and has gain for its purpose or object;

and

(c) adding immediately after clause (i) the following clause:

(ia) "Nova Scotia corporation" means a body corporate that is incorporated by or under the authority of an Act of the Legislature and has gain for its purpose or object;

**16** (1) Subsection 5(1) of Chapter 101 is repealed and the following subsection substituted:

(1) The Registrar shall, unless otherwise provided in this Act, issue a certificate of registration to

(a) any federal corporation, any extra-provincial corporation and any foreign corporation that files with the Registrar a statement as required by Section 8; and

(b) any Nova Scotia corporation that applies for the issue of a certificate of registration.

(2) Subsection 5(4) of Chapter 101, as enacted by Chapter 32 of the Acts of 2018, is amended by striking out "domestic" in the first line of clause (a) and substituting "Nova Scotia".

(3) Subsection 5(5) of Chapter 101, as enacted by Chapter 9 of the Acts of 2007 and amended by Chapter 32 of the Acts of 2018, is further amended by striking out "unlimited" in the first line.

**17** Section 6 of Chapter 101 is amended by striking out "Dominion corporation or" in the first line and substituting "federal corporation, an extra-provincial corporation or a".

**18** Section 8 of Chapter 101 is amended by

(a) striking out "Dominion" in the first line and substituting "federal corporation, every extra-provincial"; and

(b) striking out "Dominion" in the second line of clause (d) and substituting "federal".

19 Subsection 10(2) of Chapter 101 is amended by striking out "Dominion" in the second line and substituting "federal corporation, extra-provincial".

20 (1) Subsection 12(2A) of Chapter 101, as enacted by Chapter 3 of the Acts of 2004 and amended by Chapter 9 of the Acts of 2007, Chapter 2 of the Acts of 2008, Chapter 5 of the Acts of 2009, Chapter 8 of the Acts of 2011, Chapter 3 of the Acts of 2013 and Chapter 6 of the Acts of 2015, is further amended by striking out "domestic" in the first line and substituting "Nova Scotia".

(2) Subsection 12(2B) of Chapter 101 is repealed and the following subsections substituted:

(2B) In the case of an extra-provincial corporation, the amount of the fee shall be nil.

(2BA) In the case of a federal corporation, the amount of the fee shall be two hundred and seventy-four dollars and ten cents.

(2BB) In the case of a foreign corporation, the amount of the fee shall be two hundred and seventy-four dollars and ten cents.

(3) Subsection 12(4) of Chapter 101 is repealed and the following subsections substituted:

(4) Where any corporation other than an extra-provincial corporation defaults in paying any annual registration fee or the annual registration tax referred to in subsection (3A), that is due and payable by it as aforesaid, such corporation shall be liable to a penalty of double the amount of the annual registration fee or registration tax, as the case may be.

(5) Where an extra-provincial corporation defaults in filing an annual statement referred to in Section 10 that is due by it as aforesaid, such corporation shall be liable to a penalty in an amount equal to the annual registration fee payable by a federal corporation under subsection (2BA).

21 Subsection 13(2) of Chapter 101 is amended by striking out "Dominion" in the first line and substituting "federal".

#### PART IV

#### EQUITY TAX CREDIT ACT

22 Clause 2(g) of Chapter 3 of the Acts of 1993, the Equity Tax Credit Act, is repealed and the following clause substituted:

(g) "eligible business" means

(i) a community economic-development corporation that has been registered by the Minister pursuant to this Act, or

(ii) any other corporation or association that has been registered by the Minister pursuant to this Act before January 1, 2020;

23 Subsection 27(1) of Chapter 3, as amended by Chapter 2 of the Acts of 2006, is further amended by adding immediately after clause (da) the following clause:

(db) prescribing penalties, in addition to any penalty provided for under Section 26, for failure to comply with this Act or the regulations;

#### PART V

#### HEALTH RESEARCH FOUNDATION ACT

**24** (1) The Nova Scotia Health Research Foundation, established under the Health Research Foundation Act, is hereby dissolved.

(2) All right, title and interest of the Nova Scotia Health Research Foundation in any real or personal property is vested in Her Majesty in right of the Province.

(3) On the coming into force of this Section, all obligations and liabilities of the Nova Scotia Health Research Foundation become obligations and liabilities of Research Nova Scotia Corporation.

(4) In any document, including any lease or agreement, a reference to the Nova Scotia Health Research Foundation is deemed to be a reference to the Research Nova Scotia Corporation.

25 Chapter 14 of the Acts of 1998, the Health Research Foundation Act, is repealed.

## PART VI

### LAW REFORM COMMISSION ACT

**26** (1) The Law Reform Commission, established under the Law Reform Commission Act, is hereby dissolved.

(2) All right, title and interest of the Law Reform Commission in any real or personal property is vested in the Access to Justice and Law Reform Institute of Nova Scotia Limited.

(3) On the coming into force of this Section, all obligations and liabilities of the Law Reform Commission become obligations and liabilities of the Access to Justice and Law Reform Institute of Nova Scotia Limited.

(4) In any document, including any deed, lease, agreement, trust or debenture, a reference to the Law Reform Commission is deemed to be a reference to the Access to Justice and Law Reform Institute of Nova Scotia Limited.

27 Chapter 17 of the Acts of 1990, the Law Reform Commission Act, is repealed.

## PART VII

### LIQUOR CONTROL ACT

**28** Chapter 260 of the Revised Statutes, 1989, the Liquor Control Act, is amended by adding immediately after Section 50A the following Section:

50B Any retail sales mark-up allocation or similar charge, fee or levy paid to the Corporation in connection with the sale of liquor before or after the coming into force of this Section is deemed to be for the purpose of the raising of a revenue for the Province as authorized by subsection 92(9) of the Constitution Act, 1867.

## PART VIII

### MUNICIPAL GRANTS ACT

**29** (1) Subsection 8(1) of Chapter 302 of the Revised Statutes, 1989, the Municipal Grants Act, as enacted by Chapter 7 of the Acts of 1994-95 and amended by Chapter 5 of the Acts of 2002, is further amended by

(a) striking out "an equalization" in the first and second lines and substituting "a municipal financial capacity grant"; and

(b) striking out "an equalization" in the last line and substituting "a municipal financial capacity".

(2) Subsection 8(2) of Chapter 302, as enacted by Chapter 7 of the Acts of 1994-95, is amended by striking out "equalization" in the first line and substituting "municipal financial capacity".

30 Subsection 9(1) of Chapter 302, as enacted by Chapter 5 of the Acts of 2002 and amended by Chapter 9 of the Acts of 2003, is further amended by striking out "equalization" in the first line and substituting "municipal financial capacity grant".

31 Subsection 11(1) of Chapter 302, as amended by Chapter 9 of the Acts of 2003, is further amended by striking out "equalization" in the first and second lines and substituting "municipal financial capacity".

32 (1) Subsection 17(1) of Chapter 302, as enacted by Chapter 7 of the Acts of 1994-95 and amended by Chapter 9 of the Acts of 2003, is further amended by striking out "equalization" in the first line and substituting "municipal financial capacity grant".

(2) Subsection 17(2) of Chapter 302, as enacted by Chapter 7 of the Acts of 1994-95 and amended by Chapter 9 of the Acts of 2003, is further amended by striking out "equalization" in the first and in the second lines and substituting in each case "municipal financial capacity grant".

(3) Subsection 17(3) of Chapter 302, as enacted by Chapter 7 of the Acts of 1994-95 and amended by Chapter 9 of the Acts of 2003, is further amended by

(a) striking out "equalization" in the first line and substituting "municipal financial capacity";

(b) striking out "equalization" in the second and in the third lines and substituting in each case "municipal financial capacity grant"; and

(c) striking out "equalization" in the fourth line and substituting "municipal financial capacity".

(4) Subsection 17(4) of Chapter 302, as enacted by Chapter 5 of the Acts of 2002 and amended by Chapter 9 of the Acts of 2003, is further amended by striking out "equalization" in the third and in the fourth lines and substituting in each case "municipal financial capacity".

33 Section 19 of Chapter 302, as amended by Chapter 19 of the Acts of 1990, Chapter 7 of the Acts of 1994-95 and Chapter 9 of the Acts of 2003, is further amended by striking out "equalization" in the first line and substituting "municipal financial capacity".

## PART IX

### PUBLIC ACCOUNTANTS ACT

**34** Chapter 369 of the Revised Statutes, 1989, the Public Accountants Act, is repealed.

## PART X

### EFFECTIVE DATES

**35** Sections 2 to 11 have effect on and after September 1, 2019.

36 Section 13 has effect on and after July 1, 2024.

37 Sections 15 to 21 have effect on and after August 1, 2019.

38 Sections 24 and 26 have effect on and after March 31, 2019.

39 Section 34 has effect on and after September 1, 2019.

## More Information

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