

Annex I

Sector: Professional, Technical and Specialized Services

Sub-Sector: Professional Services

Industry Classification: CPC 862 Auditing Services

Type of Reservation: National Treatment (Article 11.3)

Most-Favoured-Nation Treatment (Article 11.4)

Local Presence (Article 11.5)

Measures: *Bank Act*, S.C. 1991, c. 46

Insurance Companies Act, S.C. 1991, c. 47

Cooperative Credit Associations Act, S.C. 1991, c. 48

Trust and Loan Companies Act, S.C. 1991, c. 45

Description: Cross-Border Trade in Services

1. Banks are required to have a firm of accountants to be auditors of the bank. A firm of accountants must be qualified as set out in the *Bank Act*. Among the qualifications required: two or more members of the firm must be ordinarily resident in Canada, and the member of the firm jointly designated by the firm and the bank conducting the audit must be ordinarily resident in Canada.

2. An insurance company, a cooperative credit association, and a trust or loan company require an auditor who can be either a natural person or a firm of accountants. An auditor of the institution must be qualified as set out in the *Insurance Companies Act*, the *Cooperative Credit Associations Act* or the *Trust and Loan Companies Act*. If a natural person is appointed as the auditor of that financial institution, among the qualifications required is that the person must be ordinarily resident in Canada. If a firm of accountants is appointed to be the auditor of that financial institution, the member of the firm jointly designated by the firm and the financial institution to conduct the audit must be ordinarily resident in Canada.

Phase-Out: None