

Cessation of Practice Guide

For the CPA's support network

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Role of the CPA's support network in the event of the death or incapacity of a CPA member

The first part of this guide is presented in text form (pages 3 to 7) and the second part as a checklist (page 8).

Why am I involved in the cessation of practice process?

Members of the Ordre des comptables professionnels agréés du Québec (the Quebec CPA Order or the Order) must comply with various laws and regulations related to their professional designation. These include the [Règlement sur la tenue des dossiers et des cabinets de consultation et sur la cessation d'exercice d'un membre de l'Ordre des comptables professionnels agréés du Québec](#) (in French only), hereinafter referred to as the "Règlement."

Following the death or incapacity of a CPA who has been offering services to third parties, the CPA's support network must close the CPA's firm and make the necessary arrangements provided for in the Règlement.

The Order is aware that there are many tasks and responsibilities, and that it can be difficult to keep track of them all, especially in difficult circumstances. It will guide you through the application of the Règlement, clarifying the responsibilities involved.

What is the purpose of the Règlement?

The purpose of the Règlement is to protect the interests of clients. To do so, the CPA's support network must:

- > inform the CPA's clients of the situation;
- > take measures to avoid any harm to clients;
- > ensure that the professional secrecy of the CPA who has ceased to practise is respected;
- > find a CPA member to act as transferee and transfer the files to them. If this is not possible, return the files to the Order;
- > close the firm of the CPA who has ceased to practise;
- > provide information to the Order.

What information does the Order require?

In the event of cessation of practice, you must provide the following information to the Order:

- 1) the name, address and telephone number of the CPA transferee to whom the files have been transferred;

- 2) written confirmation of receipt of the physical and/or electronic files from the CPA transferee to whom the files were transferred;
- 3) a copy of the letter sent to clients to inform them of the situation, or written confirmation of the method of communication used;
- 4) written confirmation that the estate or the CPA no longer has any physical or electronic files in their possession and that files, if any, have been destroyed confidentially.

Where to start

Here are the main preliminary steps to follow in responding to the Order's requests.

1) Contact the Order

It is essential to inform the Order of the situation as soon as possible. To do so, contact the **professional practice support** team by email at sep@cpaquebec.ca or by telephone at 514 288-3256 [2611] 1 800 363-4688.

The team will be able to answer any questions you may have about professional regulations and give you precise instructions to follow.

2) Notify clients of the situation

It is important to inform clients that the CPA will no longer be able to carry out their mandates and that they will have to find another CPA.

Here are some possible communication methods:

- > sending **emails** (individual or group, in which case addresses must be hidden for confidentiality);
- > **posting** on social media;
- > **using a newsletter**;
- > making telephone **calls**.

To manage the volume of client calls and requests, we suggest you:

- > set up an **out-of-office auto reply** for the CPA's telephone and email messages;
- > provide basic information to clients, such as:
 - the **delay** before you return calls or reply to emails;
 - the **order of priority** of requests;
 - where you are in the firm closing **process**;
 - the **contact information of one or more CPAs** who have shown an interest in taking over the client base.

3) Locate and secure files

Be sure to locate all of the CPA's files, whether in paper or electronic format, including those hosted in the cloud.

These files can be found:

- > **Paper**: in the office, at home, in a warehouse, etc.;
- > **Electronic**: on a desktop or laptop computer, on an external hard drive, on a USB key, in a cloud (virtual storage space), etc.

Passwords may be required to access electronic files. Find out about their existence, and contact software and data hosting providers if necessary.

You are responsible for protecting confidential client information:

- > store the information in a **safe place**;
- > **lock** it up;
- > **restrict** access.

4) Prioritize client requests

To manage client requests and expectations effectively, draw up a list of priorities. Here are some ideas of relevant criteria to help you determine an order of priority:

File status

- > **Late** files
- > **Ongoing** files
- > **Recurring** files
- > **Completed** files

Types of mandate and individual deadlines

Type of mandate	Deadline
Personal taxation (personal income tax returns)	<ul style="list-style-type: none"> • April 30 for salaried employees. • June 15 for self-employed workers.
Corporate taxation (corporate income tax returns)	<ul style="list-style-type: none"> • Six (6) months following the end of the company's fiscal year. A company's fiscal year is usually determined at the time of incorporation and corresponds to its financial year. It often falls on December 31. • Example: If the tax year ends on December 31, the deadline for filing the tax return will be June 30.
Financial statements accompanied by a compilation, review or audit engagement report (public accountancy)	<ul style="list-style-type: none"> • Depending on the client's needs. For the sake of efficiency, they are often prepared at the same time as the company's income tax return.
Set of financial statements	

5) Exercise caution when handing over documents or files to clients

CPAs are required to keep their files for a minimum of five years, and may **only transfer them to other CPA members or to the Order**. It is now up to you to make sure this obligation is met.

When clients ask for documents, caution must be exercised:

- > You may not **give any file to an individual who is not a member of the Quebec CPA Order.**

To determine whether a person is a member of the CPA Order, you can search for their name on the “**Find a CPA**” page (<https://cpaquebec.ca/en/find-a-cpa/>) or consult the roll of the Order at 514 288-3256 [2612] / 1 800 363-4688.

Situation	Steps to be taken
New CPA asking to retrieve a file for a client.	1. Confirm the identity of the CPA and the client.
	2. Obtain the client's consent before transferring the file to the new CPA.
	3. Transfer the file to the CPA.
	4. Obtain an acknowledgement of receipt from the CPA.
	5. Keep a list of transferred files (name of client and of the new CPA).
Client asking to retrieve a file concerning them .	1. Confirm the client's identity .
	2. Give the client a copy of the requested documents. <i>* For audit or review engagement files, give the client nothing other than a copy of the engagement report.</i>
	3. Keep a copy of the file , which will be transferred to a CPA transferee or to the Order.
Client asking to retrieve documents belonging to them . E.g.: invoices, cheques, T4 slips, pay stubs, minutes, bookkeeping documents.	1. Confirm the client's identity .
	2. Give the client their documents.

Whom to transfer files to

Files must be transferred to another **member of the Order**. If no CPA transferee is found, the files must be returned to **the Order**, which will then assume responsibility for their safekeeping. Transportation costs are borne by the estate or the person responsible for the transfer.

Transferee's role

The CPA transferee has numerous responsibilities, including:

- > **keeping files for a minimum of five years**, while respecting the retention periods required by other organizations (e.g., the government for tax return files);

- > **informing clients** that the files are now in their possession;
- > **remaining available** to provide documents concerning clients during the retention period.

Note that this person:

- > is **not required to take on the deceased member's clients**, that is, to continue to work with them in the future. The client is free to business with the professional of their choice;
- > is **not responsible for the member's acts** in these files in the event of legal action.

If the person responsible for transferring/sorting the files requests compensation, this must be negotiated directly with the support network. The Règlement has no provisions in this regard.

Retention and destruction of files

Files must be kept for a **minimum of five years**, in accordance with the Règlement. **This period may be extended if** required by other laws or regulations. For example, various levels of government require that personal tax files be kept for more than five years.

At the **end of the retention period**, files must be **securely destroyed**, guaranteeing the confidentiality of client information.

What is a public accountancy file?

Public accountancy is the activity reserved for CPAs. It involves audit engagements, review engagements and compilation engagements (formerly notices to readers).

To learn how to recognize public accountancy files, go to the [CPAs and financial statements](#) section of the Order's website.

Only CPAs can take on public accountancy files. However, all of the CPA's files, whether public accountancy or not, must be kept by a member of the Order or by the Order.

Questions?

Contact the Order's professional practice support team by email at sep@cpaquebec.ca or by telephone at 514 288-3256 [2611] 1 800 363-4688.

Step-by-step checklist

1. Contact the CPA Order

- ☐ Inform the Order of the situation (death or incapacity of the CPA) by email at sep@cpaquebec.ca or by telephone at 514 288-3256, ext. 2611.
- ☐ Provide the contact information for the person responsible for following up on the cessation of practice (estate or other).

2. Notify the CPA's clients

- ☐ Communicate with clients to inform them of the situation (email, phone call, social media, etc.).
- ☐ Ensure confidentiality when sending information (hidden addresses, etc.).
- ☐ Inform clients that they will need to find another CPA for their mandates.

3. Locate and secure all files

- ☐ Locate all files (paper and electronic):
 - ☐ Office
 - ☐ Home
 - ☐ Warehouse
 - ☐ External hard drives, USB keys, cloud computing, etc.
- ☐ Protect confidential client information (control access).
- ☐ Communicate with various hosting and software service providers if necessary.

4. Implement solutions to manage client requests

- ☐ Set up an out-of-office auto reply for the CPA's telephone and email messages.
- ☐ Prioritize client requests (late or ongoing files, type of mandate, deadline, etc.).
- ☐ Inform clients of the estimated return time.

5. Deliver documents and files to clients

- ☐ If a client asks to retrieve documents belonging to them (e.g., invoices, cheques, T4 slips, pay stubs, minutes, bookkeeping documents):
 - ☐ confirm their identity;
 - ☐ return the documents in question.
- ☐ If a client asks to retrieve a file concerning them:
 - ☐ confirm their identity;
 - ☐ give them a copy of the requested information.
For audit or review engagement files, give the client nothing other than a copy of the engagement report;

- ☐ keep a copy of the file, which will be transferred to a CPA transferee or to the Order.
- ☐ If a CPA asks to retrieve a file for a client:
 - ☐ confirm their identity and that of the client;
 - ☐ obtain the client's consent before transferring the file;
 - ☐ transfer the file to the CPA;
 - ☐ obtain an acknowledgement of receipt from the CPA;
 - ☐ keep a list of transferred files (name of client and of the new CPA).

6. Find a transferee

- ☐ Find a CPA member to act as transferee and take charge of file retention.
- ☐ Make sure the transferee is a member of the CPA Order ("[Find a CPA](#)" page).
- ☐ Clarify expectations with the CPA transferee. The CPA transferee:
 - ☐ is not required to take over clients;
 - ☐ must keep files for at least five years;
 - ☐ must be available during the file retention period.

7. Transfer files to a transferee

- ☐ If no CPA transferee is found, contact the Order to hand over the files.
- ☐ Transfer the files to the CPA transferee or to the Order.
- ☐ Obtain written confirmation of receipt from the CPA transferee.
- ☐ Inform clients that the CPA transferee has taken over retention of their files.
- ☐ Ensure the secure destruction of files when the end of the retention period is reached.

8. Provide the following documents/information to the Order

- ☐ Copy of the letter sent to clients to inform them of the situation, or confirmation of the method of communication used.
- ☐ If there is a CPA transferee:
 - ☐ Name, address and telephone number of the transferee;
 - ☐ Written confirmation from the transferee that the files have been received.
- ☐ Confirmation that all files have been transferred to the CPA transferee or the Order and/or confidentially destroyed.