

SUMMARY OF SANCTION AGREEMENT MNP LLP CHARTERED PROFESSIONAL ACCOUNTANTS

On September 19, 2022, the Complaints Inquiry Committee approved and accepted a sanction agreement pursuant to the provisions of s. 74 of the *Chartered Professional Accountants Act*.

MNP LLP Chartered Professional Accountants, admitted to the allegations of unprofessional conduct as set out in the September 21, 2021, motion referring the matter to a hearing, in that they:

1. Failed to establish, maintain and uphold appropriate policies and procedures designed to ensure that services for which it was responsible were performed in accordance with generally accepted standards of practice of the profession, in that MNP Ltd., a subsidiary of MNP LLP Chartered Professional Accountants:
 - a) In its role as the Court-appointed Trustee of the Trust, failed to plan for the deemed disposition of the Trust assets pursuant to s. 104(4) of the Income Tax Act, which required the disposition of the trust assets at year 21 of the Trust's existence, by not:
 - i. considering sufficiently the options available to the Trust;
 - ii. holding back Trust assets for the potential income tax liability; and
 - iii. consult with both the income and capital beneficiary in this regard;
2. Failed to establish, maintain and uphold appropriate policies and procedures designed to ensure that, in the conduct of MNP LLP Chartered Professional Accountants' practice, any employees comply with the requirement to sustain their professional competence and keep informed of and comply with developments in professional standards in all functions in which they practice or are relied on because of their calling, with respect to the role of MNP Ltd. as the Court-appointed Trustee of the Trust – specifically with respect to the services provided by JK in respect of that Trusteeship.

All of which is contrary to the provisions of the *Chartered Professional Accountants Act*, SA 2014, c. C-10.2, the *Regulated Accounting Profession Act*, RSA 2000, c. R-12, or the regulations, bylaws, Rules of Professional Conduct enacted pursuant thereto or standards of practice, constituting unprofessional conduct.

MNP LLP Chartered Professional Accountants and the Complaints Inquiry Committee agree that the sanctions to be imposed in consequence thereof will be:

1. Payment of a fine of \$15,000 for each of allegations #1 and #2 within 30 days of the statement of costs being served;
2. Payment of costs of the investigation, hearing and compliance with the orders, in accordance with bylaw 1601, within 30 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the CPA Act and bylaws 1550-1557;
4. If MNP LLP Chartered Professional Accountants fails to comply with the Tribunal's orders within the time specified, the registration of MNP LLP Chartered Professional Accountants will be cancelled.

Discipline Tribunal Secretary
September 2022