

Board of Directors Meeting Agenda

December 5, 2024 12:00 p.m. ET

[Online via Zoom](#)

ITEM	TOPIC	PAGE	ACTION
1. Introductory Matters/Call to Order/ Approval of Agenda/Conflicts of Interest (R. McHugh, Chair) – 12:00 p.m.			
1.1	Call to Order and Introductory Remarks	-	-
1.2	Conflicts of Interest Board members are to declare if they have any conflicts regarding matters on the agenda	-	-
1.3	Approval of Agenda Motion: Be it resolved that the December 5, 2024 Board of Directors Meeting Agenda is adopted.	-	For Approval
2. Consent Agenda (R. McHugh, Chair) – 12:10 p.m.			
2.1	Motion: Be it resolved that the Minutes of the November 7, 2024 Board meeting are approved. 1. Minutes – 2024-11-07 Board Meeting	6	For Approval
3. Reports			
3.1	Committee reports (Various Presenters) – 12:15 p.m. Purpose – CPATA’s committees play a vital role in CPATA’s regulatory initiatives. Each Committee has a unique function, as described in the reports. To consider committee recommendations presented to the Board from time to time for approval, and to otherwise meet its fiduciary oversight duties, the Board receives regular reports from each Committee. Input – Committee reports (listed below) Output – Board considers reports and recommendations from Committees for information and adoption.		For Information

	<p>Going forward – Ongoing reports from Committees to advance CPATA governance and regulatory initiatives.</p> <p>Committee Reports:</p> <ol style="list-style-type: none"> 1. Investigations Committee (V. Rees, General Counsel, Professional Regulation) Oral – 2. Discipline Committee (V. Rees, General Counsel, Professional Regulation) Oral – 3. Audit and Risk Committee (S. Walker, CFO) 9 <ol style="list-style-type: none"> a: October 31, 2024 Financial Statements 11 b: Legislative Compliance Memo 19 		
4. CEO Report: 2024 Highlights and 2025 Activity Plan			
4.1	<p>2024 Highlights (J. Strawczynski, CEO & Registrar) – 12:30 p.m.</p> <p>Purpose – To ensure that the Board is aligned on key accomplishments, challenges and any required course-corrections to be included in the CPATA 2024 Annual Report</p> <p>Input – CEO presentation</p> <p>Output – Confirmation of CPATA major achievements and areas for continued development, to be reflected in Draft 2024 Annual Report</p> <p>Going forward – Develop 2024 Annual Report. Consider a process to align what we have publicly reported as goals in the strategic plan with actions set out in the annual activity plan to accomplish those goals and results achieved. The annual report ties together the strategic plan, budget and business plan and reports on them publicly.</p> <p>Materials: CPATA Strategic Framework 2023-2025 2024 Highlights Presentation 2024 Activity Plan</p>	- 22 49	For Information
4.2	<p>2025 Activity Plan (J. Strawczynski, CEO & Registrar) – 1:00 p.m.</p> <p>Purpose – The CEO provides the Board with an annual activity plan for the successive year that is consistent with the goals and objectives articulated in CPATA’s Strategic Framework. The plan is presented for the Board’s information.</p> <p>Input – CEO presentation of Activity Plan</p> <p>Output – 2025 Activity Plan</p> <p>Going forward – The CEO will provide updates on the Strategic Plan and major changes to the annual activity plan at future Board meetings.</p> <p>Materials: 2025 Activity Plan</p>	60	For Information

5. 2025 Budget (S. Walker, CFO, J. Strawczynski, CEO & Registrar) 1:15 p.m.

5.1	<p>Budget 2025 Presentation</p> <p>Purpose – The Board oversees CPATA’s operations and approves its annual budget. The budget is presented for the Board’s consideration and approval.</p> <p>Input – 2025 Draft budget materials</p> <p>Output – 2025 Budget (approved)</p> <p>Going forward – The CEO will provide regular updates on the annual budget.</p> <p>MOTION: Be it resolved the Board approves the 2025 Budget as presented.</p> <p>Materials: PowerPoint presentation slides Memo re 2025 Budget CPATA Budget 2025</p>	64 79 85	For Approval
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6. Updated Governance Policies and Committee Terms of Reference (T. Conway, Chair, Governance Committee) – 2:00 p.m.

6.1	<p>MOTION: Be it resolved the Board approves the revised Governance Policies and Committee Terms of Reference as found in Appendix A of the meeting materials.</p> <p>Purpose – The Governance Committee regularly reviews the Terms of Reference (ToRs) in place for each Committee as well as CPATA’s Governance Policies, and recommends any necessary updates as necessary. Based on a review undertaken over the past several months, the Governance Committee recommends:</p> <p>A) housekeeping amendments to update all Committee Terms of Reference.</p> <p>B) a change to the Audit & Risk Committee composition from four members, including up to two Directors, to up to five members, at least two of whom must be Directors, to permit enhanced flexibility.</p> <p>C) amendments to the Governance Policies including housekeeping amendments and Committee appointment terms and term limits as follows:</p> <p>All committee appointments will be for two year terms, with the possibility of reappointment for two additional two year terms, to a maximum of six (6) years. The Board may, in extraordinary circumstances, extend a regulatory committee member’s total term of service beyond six (6) years. Committee members may continue to serve after the expiry of any appointment until a replacement is appointed or the Board expressly determines that a replacement will not be made.</p>		
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	<p>Input – Memo from the Governance Committee and revised Committee ToRs and Governance Policies</p> <p>Output – Revised Committee Terms of Reference and Governance Policies</p> <p>Going forward – CPATA will continue to regularly review Committee ToRs and Governance Policies and revise them when required.</p> <p>Materials (found in Appendix A): Memo from Governance Committee</p> <p>Appendix A Materials:</p> <ol style="list-style-type: none"> 1. Revised Governance Policies (redline versions) 2. Revised Committee Terms of Reference (redline versions): <ul style="list-style-type: none"> - Audit & Risk Committee Terms of Reference - Governance Committee Terms of Reference - Investigations Committee Terms of Reference - Discipline Committee Terms of Reference - Registration Committee Terms of Reference 	89	For Approval
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7. 2025 Director Election – Appointment of Election Commissioner (J. Strawczynski, CEO & Registrar) – 2:30 p.m.

7.1	<p>MOTION re: Appointment of Election Commissioner</p> <p><i>*Note: The wording of the motion will be circulated during the meeting.</i></p> <p>Purpose – CPATA’s Board has four Directors elected by licensees. The next Director election will take place in 2025, when two Director roles will be open for election. Pursuant to CPATA’s By-laws, the Board must appoint an Election Commissioner, on the recommendation of the CEO, to address any issues that arise concerning the election process. The Board is asked to appoint CPATA’s Election Commissioner.</p> <p>Input – CEO presentation</p> <p>Output – Appointment of CPATA’s Election Commissioner for the 2025 Director election.</p> <p>Going forward – CPATA will appoint an Election Commissioner for each election</p>	-	For Approval
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Other Business

Other business

In Camera

In camera discussions

For Information

1. Communications
 - [November Newsletter](#)
2. Fraud notices
 - a. CIPO, [Scam alert: Beware of phishing emails targeting trademark owners](#)
 - b. [Trademark Scam Circulating – CPATA Advises Public Caution](#)

Future meetings – 2025

March 24 – Board Public meeting (Virtual)

June 4 & 5 – AGM & Board Public meeting (In person–Ottawa)

September 18 – Board Public meeting (Virtual)

December 10 – Board Public meeting (Virtual)

**Public Board of Directors
Meeting
Held via Zoom
November 7, 2024
9 a.m. ET
Minutes**

BOARD MEMBERS:

Ruth McHugh, Chair
Iris Almeida-Côté
Amber Batool (online)
Karima Bawa (online)
Brigitte Chan
Tom Conway
Andrew Currier
Steve Garland (online)
Scott Jolliffe

STAFF:

Juda Strawczynski, CEO and Registrar
Jennifer Slabodkin, Director of Registration and Education,
Deputy Registrar
Victoria Rees, General Counsel, Professional Regulation
(online)
Sean Walker, CFO
Andrés Diaz, Director of Operations
Dana Dragomir, Director of Communications
Vicci Sakkas, Administrative Coordinator (online)

1. **Introductory Matters/Call to Order/Approval of Agenda/Conflicts of Interest**

The meeting was called to order at 9:03 a.m. ET.

The Chair made opening remarks and acknowledged that CPATA is the federal regulator of patent agents and trademark agents in the land we call Canada, the traditional and ancestral territory of many Indigenous Peoples.

No conflicts of interest were declared.

Motion: Be it resolved that the agenda for the November 7 meeting of CPATA's Board

of Directors be adopted.
Moved: Iris Almeida-Côté
Seconded: Scott Jolliffe
Motion carried.

2. **Consent Agenda**

Victoria Rees joined the meeting at 9:10 a.m. ET.

Motion: Be it resolved that the Minutes of the September 20, 2024 Board meeting are approved.
Moved: Scott Jolliffe
Seconded: Tom Conway
Motion carried.

3. **Reports**

Committee Reports

Victoria Rees gave an oral report on the work of the Investigations Committee and the Discipline Committee.

Tom Conway gave an oral report on the work of the Governance Committee.

Sean Walker gave an oral report on the work of the Audit and Risk Committee and outlined the quarterly Financial Statements. The Board discussed the importance of pacing and workflow of a new regulator, and the need to manage staff workloads to reduce the risk of burnout.

CEO Report

Juda Strawczynski gave an oral report from the CEO.

4. **Financial Highlights and Preliminary Budget Discussion**

CFO Sean Walker gave a presentation to introduce the board to the preliminary budget assumptions being considered for 2025. The Board discussed that the initial professional responsibility target reserve amounts were set to address the short term and noted that the Audit & Risk Committee will be undertaking a review of reserve levels to determine what target levels would be appropriate for the longer-term

Amber Batool joined the meeting at 9:56 a.m.

Karima Bawa left the meeting at 10:00 a.m.

5. **Committee Appointment**

Motion: Be it resolved that Alessandro Colonnier is appointed to the Registration Committee.

Moved: Tom Conway

Seconded: Brigitte Chan

Motion carried.

Adjournment

The meeting was adjourned at 10:08 a.m. ET.

Scott Joliffe

Andrew Currier



Ruth McHugh

Chair of the Board of Directors

Minutes approved on December XX, 2024

Report of the Audit and Risk Committee

TO	CPATA Board of Directors
FROM	Bob Plamondon
DATE	December 5, 2024
REPORTING PERIOD	November 2024

Committee Role and Authority

The purpose of the Audit & Risk (A&R) Committee is to assist the Board in fulfilling its fiduciary obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the Board for approval.

The Committee must demonstrate strong and principled advice to foster confidence in the College's financial integrity.

Committee Activities

Since the last update to the Board in November 2024, the Committee met on November 19, 2024.

At the meeting, the Committee:

1. Reviewed the Minutes and Action Log from the October 22nd meeting.
2. Reviewed the internal financial statements (October 2024) and supporting information with a comparison to budget and forecast for the remainder of the year for 2024. The Committee recommended approval of the financial reports for distribution to the Board.
3. Reviewed and approved the Legislative Compliance memo and Checklist from the CEO & Registrar and CFO for the end of October 2024.
4. Discussed the meeting dates for 2025.
5. Reviewed the Financial Areas Updates memo from the CEO & Registrar and CFO. The memo highlighted areas that have changed in the forecast compared to the previous version, including:
 - a. Discipline matter related legal fees and support costs.
 - b. Committee remuneration for updated meeting schedules
 - c. Staff travel and training adjusted for the final quarter

6. Reviewed the next draft of the 2025 budget schedules and supporting memo. Including the required fee adjustment related to CPI changes October 2024 compared to 2023, in accordance with CPATA's By-laws, section 89. The Budget includes a proposed contribution to financial reserves of approximately \$1,078,000. The discussion included looking at the Licensee fees and the various programs and expenses expected to be undertaken in 2025. The Committee also provided deep scrutiny over spending and that expense budgets are being respected even with the projected surpluses.
7. As part of the budget discussion, the Committee discussed that it will be reviewing CPATA's reserve policies (Operational and Discipline) in the future to determine what will be prudent for the long term. It also encouraged the development of multi-year budget planning with input from the Committee at the appropriate time.

Upcoming Committee meeting focus

- January 2025 will include a review of the preliminary final results from 2024.
- Meeting with external auditors from Doane Grant Thornton to discuss their proposed audit plan for 2024.
- Formalization of the Committee's meeting schedule and intended Work Plan for 2025.
- Review of the Legislative Compliance memo and Checklist from the CEO & Registrar and CFO.
- Review of the most recent internal financial reports as they become available.
- Potential review of any amendments to financial policies.



Robert Plamondon

Chair of the Audit and Risk Committee

Financial Report

College of Patent Agents and Trademark Agents
For the period ended October 31, 2024



Prepared by
Sean Walker, CFO

Prepared on
November 14th, 2024

College of Patent Agents and Trademark Agents

Statement of Financial Position

As of October 31, 2024

	TOTAL	
	AS OF OCT. 31, 2024	AS OF OCT. 31, 2023 (PY)
Assets		
Current Assets		
Cash and Cash Equivalent		
1010 RBC Chequing Account	513,969	301,731
1500 G.I.C	1,739,343	507,188
Total Cash and Cash Equivalent	\$2,253,312	\$808,919
1400 Prepaid expenses	25,555	54,527
Total Current Assets	\$2,278,867	\$863,446
Non-current Assets		
Property, plant and equipment		
1600 Computer Equipment	13,749	11,566
1605 Computer Equipment - Accum Amort	(5,807)	(5,506)
Total Property, plant and equipment	\$7,941	\$6,060
Total Non Current Assets	\$7,941	\$6,060
Total Assets	\$2,286,808	\$869,506
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable (A/P)		
2000 Accounts Payable (A/P)	31,471	138,008
Total Accounts Payable (A/P)	\$31,471	\$138,008
Credit Card		
2025 RBC Credit Card	7,261	3,558
Total Credit Card	\$7,261	\$3,558
2010 Accrued Payables	0	(7,710)
2015 Accrued Liabilities - Comm & Reg Remuneration	15,675	7,275
2050 GST/HST Payable (Receivable)	(6,445)	(21,726)
2150 Payroll liabilities	(33,501)	(26,486)
Total Current Liabilities	\$14,460	\$92,920
Deferred Revenue		
2200 Deferred Revenue - Payments Received	195	1,082
2210 Deferred License Fees - Class 1	577,819	327,213
2211 Deferred License Fees - Class 2	7,083	4,269
2213 Deferred License Fees - Class 3	7,772	
2214 Deferred License Fees - Class 4	4,053	
Total Deferred Revenue	\$596,922	\$332,565
Total Liabilities	\$611,383	\$425,485
Net Assets		
Unrestricted Net Assets	292,298	304,884
Excess (Deficit) of Revenues over Expenditures	1,383,128	139,138
Total Net Assets	\$1,675,426	\$444,021
Total Liabilities and Equity	\$2,286,808	\$869,506

College of Patent Agents and Trademark Agents

Statement of Operations

October 2024

	TOTAL	
	OCT. 2024	JAN - OCT., 2024 (YTD)
REVENUES		
4000 Licence Fee Income		
4010 Licensee fees - Class 1	289,247	2,889,096
4011 Class 1 Licence Fee Income - PY Adj		1,525
4020 Class 2 Agent Fees	3,542	35,417
4030 Class 3 Licence Fees	3,999	38,861
4040 Class 4 Inactive Agent fees	2,114	20,264
Total 4000 Licence Fee Income	298,901	2,985,163
4050 Skills Exam Fees	96,600	129,500
4051 Knowledge Exam Fee		47,607
4055 Exam re-correction request		3,200
Total 4050 Skills Exam Fees	96,600	180,307
4070 Application fee income	2,300	60,781
4060 Certificate & Letters Fees	100	3,713
Total 4070 Application fee income	2,400	64,494
4200 Regulatory Discipline income		5,000
Total REVENUES	\$397,901	\$3,234,963
Total Income	\$397,901	\$3,234,963
EXPENDITURES		
5500 Wages & Benefits	74,379	719,830
6005 Professional and consulting fees		
6010 Professional fees - Accounting Services		75,001
6015 Audit Fees		(85)
6030 Legal Fees	27,417	282,771
6060 Translation expenses	10,516	79,001
6210 Consulting - Communications	2,791	17,482
6230 Consulting - Human Resources		8,910
Total 6005 Professional and consulting fees	40,724	463,080
6200 Technology and Systems Expenses		
6270 IT Consultants - Network & General	983	10,470
6280 IT Consultant - License Systems	6,330	71,946
6290 IT Consultant - Website		17,299
Total 6200 Technology and Systems Expenses	7,313	99,714
6500 Board & Committee Governance Expenses		
6501 Board of Directors Travel & Meeting Expenses		
6502 Board - Meeting expenses		9,664
6520 Board - Travel	2,423	11,735
6525 Board - Meal costs		2,285
Total 6501 Board of Directors Travel & Meeting Expenses	2,423	23,684
6510 Board - Remuneration	5,000	79,008



College of Patent Agents and Trademark Agents

Statement of Operations

October 2024

	TOTAL	
	OCT. 2024	JAN - OCT., 2024 (YTD)
6610 Committees - Member Compensation	10,725	58,500
Total 6500 Board & Committee Governance Expenses	18,148	161,193
6700 Registration & Exam Expenses		
6710 Consulting - Admissions		144,300
6720 Exam Advisory Group - Remuneration	0	75,390
6730 Exam Software costs	17,446	46,228
Total 6700 Registration & Exam Expenses	17,446	265,918
7010 Bank fees and interest	214	1,542
7020 Credit Card Processing Fees	382	75,611
Total 7010 Bank fees and interest	596	77,154
7135 Insurance	4,405	43,455
7205 Office Expenses		
6295 Payroll provider Fees	57	638
7130 Dues and memberships		4,438
7215 Office - General expenses	668	3,758
7225 Telephone-Cell phone	200	601
7300 Software costs - Administration	2,814	24,218
Total 7205 Office Expenses	3,739	33,653
7310 Staff Travel and Training expenses	23,597	37,458
8000 Amortization	112	2,018
8005 Loss (Gain) on Disposal of Assets	1,060	1,060
Total 8000 Amortization	1,172	3,078
Total EXPENDITURES	\$191,517	\$1,904,532
OTHER INCOME		
4220 Interest earned	11,819	52,697
Total Other Income	\$11,819	\$52,697
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	\$218,203	\$1,383,128



College of Patent Agents and Trademark Agents

Budget vs. Actuals

January - October, 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
4000 Licence Fee Income				
4010 Licensee fees - Class 1	2,889,096	2,499,000	390,096	116.00 %
4011 Class 1 Licence Fee Income - PY Adj	1,525		1,525	
4020 Class 2 Agent Fees	35,417	120,000	(84,583)	30.00 %
4030 Class 3 Licence Fees	24,486	39,000	(14,514)	63.00 %
4031 Class 3.1 Licence Fees	14,375		14,375	
Total 4030 Class 3 Licence Fees	38,861	39,000	(139)	100.00 %
4040 Class 4 Inactive Agent fees	20,264	21,500	(1,236)	94.00 %
Total 4000 Licence Fee Income	2,985,163	2,679,500	305,663	111.00 %
4050 Skills Exam Fees	129,500	126,000	3,500	103.00 %
4051 Knowledge Exam Fee	47,607	64,750	(17,143)	74.00 %
4055 Exam re-correction request	3,200	15,000	(11,800)	21.00 %
Total 4050 Skills Exam Fees	180,307	205,750	(25,443)	88.00 %
4070 Application fee income	60,781	42,300	18,481	144.00 %
4060 Certificate & Letters Fees	3,713	2,500	1,213	149.00 %
Total 4070 Application fee income	64,494	44,800	19,694	144.00 %
4099 Revenue/Income Contingency		(83,333)	83,333	
4200 Regulatory Discipline income	5,000		5,000	
Total Income	\$3,234,963	\$2,846,717	\$388,246	114.00 %
GROSS PROFIT	\$3,234,963	\$2,846,717	\$388,246	114.00 %
Expenses				
5500 Wages & Benefits	719,830	767,999	(48,169)	94.00 %
6005 Professional and consulting fees				
6010 Professional fees - Accounting Services	75,001	83,333	(8,332)	90.00 %
6015 Audit Fees	(85)	0	(85)	
6030 Legal Fees	282,771	374,166	(91,395)	76.00 %
6050 Professional fees - Planning		12,083	(12,083)	
6060 Translation expenses	79,001	95,833	(16,832)	82.00 %
6210 Consulting - Communications	17,482	50,666	(33,184)	35.00 %
6230 Consulting - Human Resources	8,910	7,500	1,410	119.00 %
Total 6005 Professional and consulting fees	463,080	623,581	(160,501)	74.00 %
6200 Technology and Systems Expenses				
6270 IT Consultants - Network & General	10,470	10,625	(155)	99.00 %
6280 IT Consultant - License Systems	71,946	90,140	(18,194)	80.00 %
6290 IT Consultant - Website	17,299	10,000	7,299	173.00 %
Total 6200 Technology and Systems Expenses	99,714	110,765	(11,051)	90.00 %
6500 Board & Committee Governance Expenses				
6501 Board of Directors Travel & Meeting Expenses				
6502 Board - Meeting expenses	9,664	15,000	(5,336)	64.00 %
6520 Board - Travel	11,735	40,000	(28,265)	29.00 %
6525 Board - Meal costs	2,285	5,000	(2,715)	46.00 %
Total 6501 Board of Directors Travel & Meeting Expenses	23,684	60,000	(36,316)	39.00 %



College of Patent Agents and Trademark Agents

Budget vs. Actuals

January - October, 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
6510 Board - Remuneration	79,008	76,250	2,758	104.00 %
6610 Committees - Member Compensation	58,500	111,021	(52,521)	53.00 %
Total 6500 Board & Committee Governance Expenses	161,193	247,271	(86,078)	65.00 %
6700 Registration & Exam Expenses				
6710 Consulting - Admissions	144,300	204,167	(59,867)	71.00 %
6720 Exam Advisory Group - Remuneration	75,390	117,917	(42,527)	64.00 %
6730 Exam Software costs	46,228	59,656	(13,428)	77.00 %
Total 6700 Registration & Exam Expenses	265,918	381,740	(115,822)	70.00 %
7010 Bank fees and interest	1,542	2,200	(658)	70.00 %
7020 Credit Card Processing Fees	75,611	71,239	4,372	106.00 %
Total 7010 Bank fees and interest	77,154	73,439	3,715	105.00 %
7135 Insurance	43,455	48,190	(4,736)	90.00 %
7205 Office Expenses				
6295 Payroll provider Fees	638	775	(137)	82.00 %
7130 Dues and memberships	4,438	3,350	1,088	132.00 %
7215 Office - General expenses	3,758	4,500	(742)	84.00 %
7225 Telephone-Cell phone	601	800	(199)	75.00 %
7300 Software costs - Administration	24,218	24,830	(612)	98.00 %
Total 7205 Office Expenses	33,653	34,255	(602)	98.00 %
7310 Staff Travel and Training expenses	37,458	71,574	(34,116)	52.00 %
Total Expenses	\$1,901,454	\$2,358,814	\$ (457,360)	81.00 %
NET OPERATING INCOME	\$1,333,509	\$487,903	\$845,606	273.00 %
Other Income				
4220 Interest earned	52,697	20,833	31,864	253.00 %
Total Other Income	\$52,697	\$20,833	\$31,864	253.00 %
Other Expenses				
7410 Contingency		83,333	(83,333)	
8000 Amortization	2,018	3,000	(982)	67.00 %
8005 Loss (Gain) on Disposal of Assets	1,060		1,060	
Total 8000 Amortization	3,078	3,000	78	103.00 %
Total Other Expenses	\$3,078	\$86,333	\$ (83,256)	4.00 %
NET OTHER INCOME	\$49,619	\$ (65,500)	\$115,119	(76.00 %)
NET INCOME	\$1,383,128	\$422,402	\$960,725	327.00 %

College of Patent Agents and Trademark Agents

Statement of Operations by Department

January - October, 2024

	ADMINISTRATION & OPERATIONS	BOARD & GOVERNANCE	COMMUNICATIONS & STAKEHOLDER RELATIONS	REGULATIONS - COMPLAINTS	REGULATIONS - REGISTRATION	TOTAL
REVENUES						
4000 Licence Fee Income						\$0
4010 Licensee fees - Class 1	2,889,096					\$2,889,096
4011 Class 1 Licence Fee Income - PY Adj	1,525					\$1,525
4020 Class 2 Agent Fees	35,417					\$35,417
4030 Class 3 Licence Fees	38,861					\$38,861
4040 Class 4 Inactive Agent fees	20,264					\$20,264
Total 4000 Licence Fee Income	2,985,163					\$2,985,163
4050 Skills Exam Fees					129,500	\$129,500
4051 Knowledge Exam Fee	47,607					\$47,607
4055 Exam re-correction request	3,200					\$3,200
Total 4050 Skills Exam Fees	50,807				129,500	\$180,307
4070 Application fee income	60,781					\$60,781
4060 Certificate & Letters Fees	3,713					\$3,713
Total 4070 Application fee income	64,494					\$64,494
4200 Regulatory Discipline income				5,000		\$5,000
Total REVENUES	\$3,100,463	\$0	\$0	\$5,000	\$129,500	\$3,234,963
Total Income	\$3,100,463	\$0	\$0	\$5,000	\$129,500	\$3,234,963
EXPENDITURES						
5500 Wages & Benefits	715,386	4,445				\$719,830
6005 Professional and consulting fees						\$0
6010 Professional fees - Accounting Services	75,001					\$75,001
6015 Audit Fees	(85)					\$ (85)
6030 Legal Fees	698	1,350		338	274,842	\$282,771
6060 Translation expenses			38,157	1,256	39,588	\$79,001
6210 Consulting - Communications			16,628		854	\$17,482
6230 Consulting - Human Resources	8,910					\$8,910
Total 6005 Professional and consulting fees	84,523	1,350	55,123	276,098	45,986	\$463,080
6200 Technology and Systems Expenses						\$0
6270 IT Consultants - Network & General	10,470					\$10,470
6280 IT Consultant - License Systems	71,946					\$71,946
6290 IT Consultant - Website			17,299			\$17,299
Total 6200 Technology and Systems Expenses	82,416		17,299			\$99,714
6500 Board & Committee Governance Expenses						\$0
6501 Board of Directors Travel & Meeting Expenses						\$0
6502 Board - Meeting expenses		9,664				\$9,664
6520 Board - Travel		11,735				\$11,735
6525 Board - Meal costs		2,285				\$2,285
Total 6501 Board of Directors Travel & Meeting Expenses		23,684				\$23,684
6510 Board - Remuneration		79,008				\$79,008
6610 Committees - Member Compensation	0	48,850		9,650		\$58,500
Total 6500 Board & Committee Governance Expenses	0	151,543		9,650		\$161,193
6700 Registration & Exam Expenses						\$0
6710 Consulting - Admissions					144,300	\$144,300
6720 Exam Advisory Group - Remuneration					75,390	\$75,390
6730 Exam Software costs					46,228	\$46,228
Total 6700 Registration & Exam Expenses					265,918	\$265,918
7010 Bank fees and interest	77,154					\$77,154
7135 Insurance		43,455				\$43,455
7205 Office Expenses						\$0
6295 Payroll provider Fees	612	26				\$638
7130 Dues and memberships	4,438					\$4,438
7215 Office - General expenses	3,758					\$3,758
7225 Telephone-Cell phone	601					\$601
7300 Software costs - Administration	16,163	1,800		6,256		\$24,218
Total 7205 Office Expenses	25,572	1,826		6,256		\$33,653
7310 Staff Travel and Training expenses	37,458					\$37,458
8000 Amortization	2,018					\$2,018
8005 Loss (Gain) on Disposal of Assets	1,060					\$1,060
Total 8000 Amortization	3,078					\$3,078
Total EXPENDITURES	\$1,025,586	\$202,618	\$78,677	\$285,748	\$311,904	\$1,904,532
OTHER INCOME						
4220 Interest earned	52,697					\$52,697
Total Other Income	\$52,697	\$0	\$0	\$0	\$0	\$52,697
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	\$2,127,574	\$ (202,618)	\$ (78,677)	\$ (280,748)	\$ (182,404)	\$1,383,128

College of Patent Agents and Trademark Agents



COLLEGE OF PATENT
AGENTS & TRADEMARK AGENTS
COLLÈGE DES AGENTS DE BREVETS ET
DES AGENTS DE MARQUES DE COMMERCE

Statement of Cash Flows

January - October, 2024

	TOTAL
OPERATING ACTIVITIES	
Net Income	1,383,128
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1400 Prepaid expenses	(9,401)
1605 Computer Equipment - Accum Amort	(102)
2000 Accounts Payable (A/P)	(69,791)
2025 RBC Credit Card	6,151
2010 Accrued Payables	(24,272)
2015 Accrued Liabilities - Comm & Reg Remuneration	(56,325)
2050 GST/HST Payable (Receivable)	(6,445)
2060 GST/HST Payable (Receivable):GST/HST Suspense	28,595
2150 Payroll liabilities	(33,501)
2200 Deferred Revenue - Payments Received	195
2210 Deferred License Fees - Class 1	577,819
2211 Deferred License Fees - Class 2	7,083
2213 Deferred License Fees - Class 3	7,772
2214 Deferred License Fees - Class 4	4,053
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	431,831
Net cash provided by operating activities	\$1,814,958
INVESTING ACTIVITIES	
1600 Computer Equipment	(2,183)
Net cash provided by investing activities	\$ (2,183)
NET CASH INCREASE FOR PERIOD	\$1,812,775
Cash at beginning of period	440,537
CASH AT END OF PERIOD	\$2,253,312

Memorandum

TO	Audit & Risk Committee, Board of Directors
FROM	Juda Strawczynski, CEO & Registrar Sean Walker, CFO
DATE	November 19, 2024
SUBJECT	Legislative Compliance memo

This memo is written to the Board of Directors of the College of Patent Agents and Trademarks Agents (CPATA) to provide an update on CPATA's legislative compliance reporting and remittance requirements.

GST/HST

CPATA is required to file GST/HST returns for each quarter by the end of the following month. The most recent return for the period of July 1 to September 30, 2024, was filed with CRA on October 17, 2024 with a refund of \$14,174 received on October 28. The next quarter (October to December) is due to be filed by January 31.

Payroll Statutory Deductions

CPATA has employees and Board members who receive remuneration for their positions on the Board. As a result, CPATA is required to withhold and remit statutory deductions from payroll for the various federal government programs. These include Canada Pension Plan (CPP), Quebec Parental Insurance Plan (QPIP), Quebec Pension Plan (QPP), Employment Insurance (EI) and Income Tax (CRA and Revenu Quebec). CPATA is a monthly remitter for these Statutory deductions and must remit to the Canada Revenue Agency (CRA) and Revenu Quebec by the 15th of the month after the employees are paid.

CPATA is up to date with payroll remittances to CRA and Revenu Québec as of the end of October 2024.

Annual Federal filing requirements with CRA

CPATA will be required to file a Not-for-Profit Organization (NPO) Information Return (T1044) for 2023 with CRA within 6 months of the year ending December 31, 2023, by June 30, 2024. CPATA is not a taxable entity so income tax will not be required, however, the returns must still be filed. Grant Thornton prepared and mailed the return in late April on CPATA's behalf and confirmation will be provided once received from CRA.

Annual Report and Audited Financial Statements

CPATA's Annual Report was delivered to the Minister of Innovation, Science and Industry as required by s. 25¹ of the CPATA Act. The report was due March 31st and was tabled in Parliament by the Minister on May 6, 2024. We are also required (By-law 30) to publish a report (on website) on Board and Committee expenses paid during the year. This report has been prepared and was published along with the Audited Financial Statements on the CPATA Website before March 31 and was also provided to the Minister. This information was also presented at CPATA's AGM on June 13th.

Privacy Act and Access to Information Act

CPATA is subject to the Privacy Act and the Access to Information Act. In accordance with section 94 of the Access to Information Act and section 72 of the Privacy Act, in early September 2023, CPATA reported on its activities in two reports were tabled in Parliament by the Minister on our behalf. These reports have been posted on CPATA's website as well.

Official Languages Act

CPATA is of the view that it is in full compliance with the *Official Languages Act*. Staff will receive a second training before end of year on Part VII of the Act by a guest speaker who will explain how institutional policies, programs, consultations and other activities can promote the vitality of linguistic minority communities in Canada. This was part of the training plan CPATA provided to the Commissioner of Official Languages.

Acknowledgement of Compliance

By signing below, Juda Strawczynski, CEO & Registrar and Sean Walker, CFO (outsourced) acknowledge that the statements made in this letter are accurate and that CPATA is in compliance with all statutory legislative requirements included in the Certificate below.



Juda Strawczynski
CEO & Registrar



Sean Walker, CPA, CGA, CIA
CFO

¹ **25 (1)** On or before March 31 of each year, the College must submit to the Minister a report on the College's activities during the preceding calendar year.

(2) The Minister must cause a copy of the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the day on which the Minister receives it.

**Legislative Compliance Certificate
CONFIRMATION OF STATUTORY OBLIGATIONS
For the period: ending October 31, 2024**

	OBLIGATION TO BE FULFILLED	CONFIRMED
1.	Excise Tax Act (Canada) GST/HST <ul style="list-style-type: none"> Quarterly report and remit required net goods and services tax 	Yes
2.	Employment Insurance Act (Canada) <ul style="list-style-type: none"> Deduct, withhold, submit employer's and employee's EI premiums (handled by Wagepoint) 	Yes
3.	Canada Pension Act (Canada) <ul style="list-style-type: none"> Deduct, withhold, submit employer's and employee's CPP contributions (handled by Wagepoint) 	Yes
4.	Income Tax Act (Canada) <ul style="list-style-type: none"> Deduct, withhold, submit in respect of salaries (handled by Wagepoint) 	Yes
5.	Income Tax Act (Canada) <ul style="list-style-type: none"> Provide Employees and other remunerated by the College with Statements of Remuneration Paid (T4 and T4A's) File the statements with CRA by February 28 	Yes
6.	Act Respecting the Régie De L'Assurance Maladie Du Québec - Employer's Health Tax/Health Services Fund (Quebec) <ul style="list-style-type: none"> Report and remit EHT/HSF 	Yes
7.	Act Respecting Parental Insurance - Provincial Parental Insurance Plan (QPIP - Quebec) <ul style="list-style-type: none"> Report and remit EHT/HSF 	Yes
8.	Income Tax Act (Canada) <ul style="list-style-type: none"> File an Annual Non-Profit Organization (NPO) Information Return (T1044) by June 30 	Yes
9.	CPATA Act (Canada) <ul style="list-style-type: none"> CPATA's Annual Report is delivered to the Minister of Innovation, Science and Industry by March 31 	Yes

2024 Year in Review

CPATA's Strategic Framework

1. Organizational and Regulatory Infrastructure
2. Professional Development and Competency
3. Professional Regulation
4. Relationships and Communications
5. Governance, including fiscal responsibility



Organizational and Regulatory Infrastructure: Infrastructure

- Launch new CPATA online platform
- Successful platform migration
- Enhanced licensee portal and smooth 2024 renewal
- Improved public register
- IN PROGRESS – Application portal (Launch fall 2024)
- IN PROGRESS – New Annual Report to have better data and continue to make consumer friendly improvements to public register (2025)
- IN PROGRESS – Streamlined online complaints processing (2025)

Organizational and Regulatory Infrastructure: Compliance, regulatory and ERM

- All federal requirements met
 - o Annual Report submitted and tabled in Parliament
 - o Access to Information Act and Privacy Act reports submitted and tabled in Parliament
 - o Official Languages Act: Official Languages Commissioner recommendations met; ongoing OLA training
- Enterprise risk framework foundation set
- Emergency preparedness in progress

Organizational and Regulatory Infrastructure: Strengthening the CPATA Team

- Updated job descriptions to reflect current roles
- Launched performance framework
- Updated Employee Manual
(for January 1, 2025)
- Training to enhance expertise
 - Lunch and learns
 - CNAR Conference (Ottawa)
- In-sourced CFO function



Juda Strawczynski (He/Him) • You
 CEO and Registrar, CPATA (College of Patent Agents & Trademark Agents)
 17h • 🌐

So proud of this team.

#Team CPATA - CABAMC #ProfessionalRegulation Canadian Network of Agencies for Regulation (CNAR)



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Professional regulation is fast-evolving with advances in technology, changes in professional service landscapes and a shifting understanding of the responsibility of regulators in supporting cultural safety. #CPATA staff participated in Canadian Network of Agencies for Regulation (CNAR)'s conference this week to both gain and share important learnings.

La réglementation professionnelle évolue rapidement avec les progrès technologiques, les changements dans l'ensemble des services professionnels et une compréhension changeante de la responsabilité des organismes réglementaires à soutenir la sécurité culturelle. Le personnel du #CABAMC a participé à la conférence du Réseau canadien des organismes de réglementation cette semaine pour acquérir et partager des apprentissages importants.

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Andrew Currier and 28 others

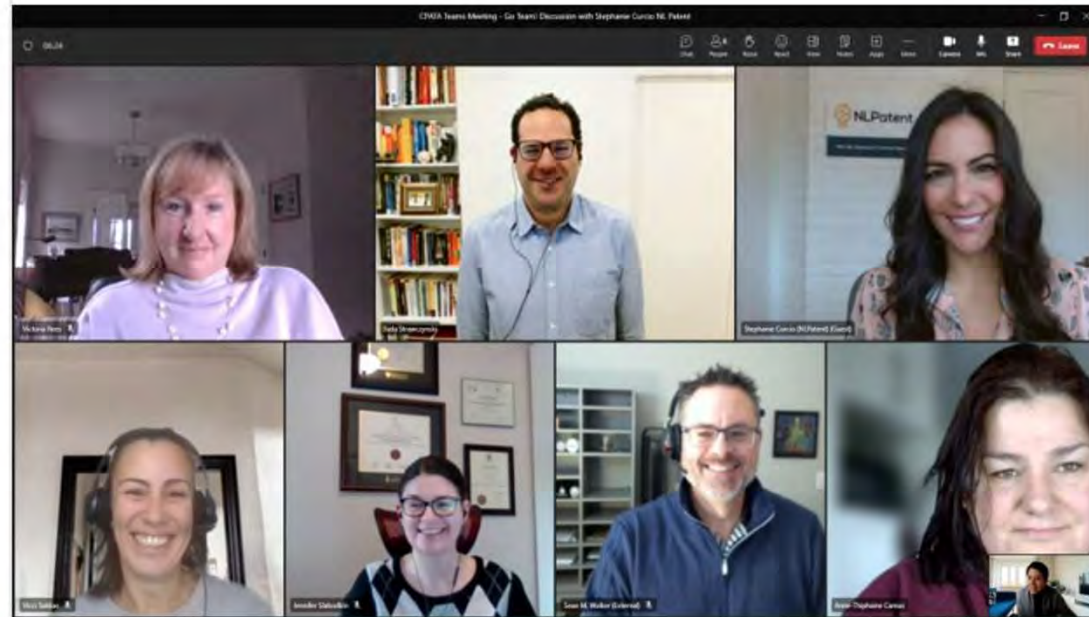
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Stephanie Curcio, Chair of the American Intellectual Property Law Association (AIPLA)'s Emerging Technologies Committee, spoke to CPATA employees about how #AI will impact the #IP ecosystem and professions. Thank you Stephanie for ...more

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Professional Development and Competency

- Successfully implemented new qualifying exams

	TKE	PKE	TASE	PASE
# Agents Involved*	40	40	12	20
# of Exam Forms**	4	4	8	16
Exam Date	March 5, 2024	March 19, 2024	Sept 18, 2024 – A Sept 19, 2024 – B	Oct 28, 2024 – 1A Oct 29, 2024 – 1B Oct 30, 2024 – 2A Oct 31, 2024 – 2B
# of Writers	58 (47 EN; 11 FR)	77 (77 EN)	46 (36 EN; 10 FR)	68 (67 EN; 1 FR)
Pass Rate	86%	96%	TBD	TBD



*Includes item development, standard setting/scoring, pilot testing, sample exam development, and bilingual review

**Includes English and French versions, samples and 2024 forms

Professional Development and Competency: Professional Foundations Competency Profile Consultation

- Professional Foundations Profile was developed.
- Licensees were consulted on the draft profile via a validation survey:
 - Overall, **108 respondents** completed the survey
- Profile to be finalized by end of 2024
- To be submitted to Board for adoption in spring 2025



Professional Development and Competency: Pathways to Licensure Consultation

- Between June and October 2024, CPATA collected information from licensees and other IP stakeholders about their experiences with and insights about apprenticeships, which will be used to consider potential options for improving the ways to become a licensee.
 - **11 Focus Groups** with a total of **47 participants**
 - 1 with consumers, 1 with IPIC, 1 with CIPO and the rest with firm representatives, trainees or supervisors
 - **2 roundtable sessions** at the IPIC Conference
 - **136 fully-completed surveys**
 - **Three written submissions** in response to consultation paper





Pathways to Licensure

cpata-cabamc.ca
info@cpata-cabamc.ca



CPATA - CABAMC

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2w •

Wrapping up the first day of [#IPIC2024StJohns](#)! The sessions were enlightening and the opportunities to connect were inspiring. CPATA's lunchtime roundtable discussions to gather perspectives on the apprenticeships was the highlight of the day for us. Thank you to everyone who participated – we're energized by your insightful ideas and suggestions. [#CdnInnovation](#) [#Innovation](#) [#IP](#)

Nous terminons la première journée de [#IPIC2024StJohns](#) ! Les séances ont été enrichissantes et les occasions de nouer des liens ont été inspirantes. La table ronde du CABAMC à l'heure du dîné, visant à recueillir des points de vue sur les apprentissages, a été le point culminant de la journée. Merci à tous ceux et celles qui ont participé - nous sommes enrichis par vos idées et suggestions perspicaces. [#InnovationCdn](#) [#Innovation](#) [#PI](#)



Professional Regulation: Code of Conduct

- Continue to educate
- Proactive engagement:
 - Developing Code of Conduct video series (development 2024; production and release 2025)
 - Responded to ethics inquiries, agent conduct inquiries and complaints;
 - Ethics resources: Continuing to release articles; launched searchable ethics article webpage

NOTE: Premature to consider Rule amendments; will be required over time



Professional Regulation: Complaints, Discipline and UAP A Year of Firsts

- Investigations – First Registrar's dismissal (upheld by IC)
- Discipline: First IC suspensions; second and third DC hearings
- Unauthorized Practice: First UAP warning issued



By the Numbers – Complaints and Discipline

	2021	2022	2023	2024
Ethics Inquiries	4	29	30	24
Agent Conduct Inquiries	1	12	12	8
Conduct Complaints	7	3	5	5
Discipline Hearings	0	0	1	3
Unauthorized Practice Complaints	0	1	7	>100

Professional Regulation: IP Agent Privilege

- Engagement with Minister's office, ISED staff, other regulators, IPIC to support the continued evolution of patent agent and trademark agent privilege



Professional Regulation: Annual Licensee Report Consultation (Ongoing)

- Starting in 2025, in addition to already existing questions about professional liability insurance, Section 73 By-law compliance and Canadian residence, CPATA will be adding further questions, both mandatory and voluntary, to the Annual Licensee Report.
- Feedback being sought between October 15 and November 15, 2024.
 - 5 submissions to date



Professional Regulation: Professional Liability Insurance (PLI)

- Background:
 - 2020: Axxima report
 - 2021: CPATA consultation re appropriate insurance requirements; Board approves PLI requirements
 - 2022: Mandatory PLI requirement comes into force; double insurance for lawyer-agents in all provinces except BC and QC
 - Summer 2023: CLIA expands insurance to meet CPATA requirements – double insurance now only in ON and Alta
 - Fall 2024: LAWPRO program for 2025 approved to include \$2,000 optional policy to meet CPATA requirements
- Continue to monitor access to coverage



Relationships and Communications: Strengthening Licensee Engagement

Significant licensee outreach including:

- Licensee engagement: 1:1; newsletter, webinar, webcast Board meetings
- Consultation – Pathways to licensure: Apprenticeship focus groups, survey and submissions
- Consultation – Professional Foundations Profile
- Consultation – Annual Licensee Report and Demographic Survey
- CEO and Director outreach through firms and webinar series
- IPIC: Working relationships and engagement through IPIC Conference, meeting with solo and small firm community of practice

Communications: By the Numbers

- Website: 151,000 views
 - Top pages: Homepage, Find an Agent, Become an Agent, Exam Information, Competency Profiles, Licence Classes & Renewal
- Newsletter and e-mails:
 - 12 newsletters and 12 e-mails
 - 61% average open rate
 - 14% average click rate
 - 260 sign-ups for Public audience (up from 238 in 2023)
- LinkedIn
 - 572 followers (increase of 167 in 2024)
 - 22,035 impressions of posts
 - 438 reactions to posts

Relationships and Communications: Building Government Relationships

- CIPO in person day and CIPO podcast
- Engagement on apprenticeships, operations
- Regular meetings with ISED and CIPO staff

Relationships and Communications: Expanded Engagement with Canadian IP ecosystem participants

- Ex: Outreach for pathways
- Ex: Engagement with IPON and other IP system participants re role of patent agents and trademark agents; CPATA registry function; how to find competent IP professionals etc.

Relationships and Communications: Engagement with Regulators

- **IP regulators (international):** Engagement with USPTO, England and Wales (IPReg) Australia, New Zealand, Singapore
- **Law societies:** Engagement with Federation of Law Societies of Canada, several law societies, certain legal academics / law schools
- **Engineers:** Engineers Canada, PEO, preliminary introduction to Engineering Deans

Relationships and Communications: Leadership in Professional Regulation

- CNAR: Right Touch Regulation in Action Workshop (February 2024)
- CNAR: Which Rights Where? Understanding the Canadian Charter of Rights and Freedoms in the Regulatory Context (October 2024)
- CNAR: *How are We Doing? Assessing the Performance of a Regulator*, with Alan Clamp, CEO, Professional Standards Authority (October 2024)
- CNAR: 'Community of Practice: Entry to Practice and Registration' discussion and networking event (Jen Slabodkin, October 2024)
- CNAR: Education & Program Advisory Committee (Jen Slabodkin, 2024)
- Professional Engineers Ontario Conference: "Exploring the Public Interest in a Changing World" (November 2024)

 **CPATA - CABAMC**
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As regulators, which metrics should we use to measure, understand and report on key outcomes? This was the central theme of a #CNARTV talk between #CPATA CEO and Registrar [Juda Strawczynski](#) and [Alan Clamp](#) of the [Professional Standards Authority](#) ...more

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 **Professional Standards Authority**
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Our Chief Executive Alan Clamp was pleased to chat about assessing the performance of regulators in an interview with [Juda Strawczynski](#), CEO of the [College of Patent Agents and Trademark Agents \(CPATA - CABAMC\)](#) in ...more



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CPATA's CEO and Registrar [Juda Strawczynski](#) was at the [Law Society of Ontario](#) for its annual intellectual property program, discussing the role of patent agent and trademark agent regulation in Canada. Thank you to all participants for the ...more

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1 comment





Paula Clancy (She/Her) • 1st
Certified Specialist in Intellectual Property Law (Trademarks)
8mo • Edited •

Important discussions today at [Law Society of Ontario](#) "28th Intellectual Property Law: The Year in Review" on professional regulation and the Canadian IP profession. Pleased to have participated on behalf of [Intellectual Property Institute of Canada \(IPIC\)](#) with [Andrew Currier](#) [Juda Strawczynski](#) of CPATA and [Jordan Furlong](#). Thank you to my fellow panelists for the open conversation. [#iplaw](#)
[#modernregulationforipagents](#)



113

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Governance

1. Board and Committee meeting cycle running smoothly
2. Election process managed effectively
3. Continued Director and staff training including launch of Director education resource portal
4. Director and Board self evaluation right touch approach in development
5. CEO Evaluation process in development
6. To develop conflicts register



Fiscal Responsibility

Budget 2024

- Set on a conservative basis given significant uncertainty on both income and expense
- Income exceeds projections; well managed expenses below budget
- Increased amounts being put towards reserves

Budget 2025

- Less uncertainty expected on revenue side
- Some uncertainty regarding expenses for professional regulation, such as professional discipline and unauthorized practice



Questions?

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
Stakeholder engagement	Continue regular stakeholder engagement and outreach to licensees, IPIC, government, CIPO, other regulators, etc.	Jan-24	Dec-24	Relationships and Communications	2024 outreach to date includes: <ul style="list-style-type: none"> - In person CPATA update meetings with CIPO and ISED (Jan) - CEO and Chair meetings with IPIC CEO and Chair - Outreach to IP ecosystem partners (IAC, IPON etc.) re pathways initiative - Presentations by CEO at CNAR seminar and CLEAR regional symposium - Ongoing discussions with law societies, Federation of Law Societies of Canada regarding a range of areas of shared regulatory interest - Attend and present at IPIC Annual Conference
Complaints and Discipline	Continue to receive and investigate complaints as they arise Evaluation of major cases and proceedings (micro reg. risk asst) (ongoing)	Jan-23	Ongoing	Professional Regulation	Ongoing

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
UAP	Continue to consider UAP matters as they arise and determine appropriate regulatory responses	Ongoing	Ongoing	Professional Regulation	Ongoing; CPATA issues its first UAP warnings to licensees and the public summer and fall 2024
Code of Conduct education	Content for licensee education with respect to Code of Conduct Ethics inquiry articles Launch of new Ethical Analyses and Guidance webpage with enhanced search functionality to facilitate access to proactive ethical advice to licensees.	Apr-24	Ongoing	Professional Development and Competency	Successful launch of new Ethical Analyses and Guidance webpage with enhanced search functionality to facilitate access to proactive ethical advice to licensees. Code of Conduct video education in development for 2025 release.

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
<p>Competency Profiles</p>	<p>Develop, validate and publish Professional Foundations Competency Profiles</p>	<p>Mar-22</p>	<p>Dec-24</p>	<p>Professional Development and Competency</p>	<p>Patent agent and trademark agent professionals were recruited to serve on this project, and met through spring 2024 to advise staff and CPATA's psychometrician in the development of the draft Professional Foundations profile. The draft (in English and French) was shared with CPATA's Board, Committees, and the subject of consultation with the professions, with CPATA receiving over 100 completed surveys from licensees. The profile will be finalized by end of 2024, and brought to the Board for approval in 2025.</p>
<p>Enhancing apprenticeships</p>	<p>Analysis of current apprenticeship model to determine if changes are needed Research re best practices in apprenticeship and experiential learning ; outreach to profession determine strengths, weaknesses, opportunities to enhance apprenticeships; potential changes to "Approved Training Program Policy"</p>	<p>Jan-23</p>	<p>TBD</p>	<p>Professional Development and Competency</p>	<p>Consultation held June to October 2024: 11 Focus Groups with a total of 47 participants; 2 roundtable sessions at IPIC; 136 fully completed surveys; 3 written submissions in response to consultation paper Analysis of feedback through 2024 and early 2025</p>

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
<p>Exam administration</p>	<p>Develop and administer fair and psychometrically defensible qualifying examinations</p> <p>2023 Examinations (Transitional):</p> <ul style="list-style-type: none"> · Trademark Agent Qualifying Examination Parts A and B; · Patent Agent Qualifying Examination Papers A, B, C and D <p>2024 Examinations (New):</p> <ul style="list-style-type: none"> · Trademark Knowledge Examination · Patent Knowledge Examination · Trademark Agent Skills Examination · Patent Agent Skills Examination · Scheduling · Recruitment · Development · Review · Testing · Registration · Marking · Results 	<p>Jan-24</p>	<p>Ongoing</p>	<p>Professional Development and Competency</p>	<p>Patent and trademark knowledge exams administered</p> <p>Skills exams administered fall 2024</p>

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
Exams: Policy development	Develop and administer fair and psychometrically defensible qualifying examinations <ul style="list-style-type: none"> · Test specifications · Cut-score methodologies · Development and Administration Policies 	Jan-23	Jun-24	Professional Development and Competency	Complete
Foreign Practitioners – renewals	Annual completion of declarations confirming eligibility and payment of fees to continue to be included on Public Register Determine if online renewals are possible; else proceed with pdf forms.	May-24	Jun-24	Organizational and Regulatory Infrastructure	System configuration complete and FP renewals cycle completed.
2024 licensee renewals	Online licence renewal for eligible PA and TM agents Renewal configuration	Feb-24	Apr-24	Organizational and Regulatory Infrastructure	Complete
Application portal	Automate PA and TM applications via the Application Portal Define requirements Application configuration in Workbench	Apr-24	Dec-24	Organizational and Regulatory Infrastructure	Application Portal Soft-Launch: November 6, 2024
Budget 2025 and multi-year budgets	Develop 2025 budget and framework and move towards multi-year (3+) annual budget with A&R Comm and Board of Directors input	Jun-24	Ongoing	Organizational and Regulatory Infrastructure	<i>This project is poorly described. The intent is to develop Budget 2025 and begin to develop longer-term financial planning (rather than setting multi-year budgets, which would not be appropriate given the need for agility).</i>

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
CPATA insurance renewal	Review Insurance requirements and available coverage. - General Liability - Cyber coverage - D&O (inc. Excess) Insurance renewals for all programs – input from A&R Comm	Mar-24	Apr-24	Organizational and Regulatory Infrastructure	Complete. Coverage in place at reasonable cost.
Emergency Response	Describe how CPATA will respond to, operate during and recover from an emergency that may limit access to a virtual office, records and equipment. Emergency Preparedness Plan (EPP)	Jan-24	Sep-24	Organizational and Regulatory Infrastructure	A first draft of the EPP has been developed that includes a call tree in case of an emergency. Next steps: Vulnerability Worksheet and continue to develop EPP
Enterprise & Regulatory Risk Management	Maintain Enterprise and Regulatory Risk Management systems Regular review of enterprise risk framework(s)	Sep-23	Jan-24	Organizational and Regulatory Infrastructure	Risk Matrix subject to regular reviews by Audit & Risk Committee and Board
Performance Excellence	Set individualized staff goals and continuous feedback Soft-launch new form CEO Open door Quarterly staff check-ins	Jan-23	Ongoing	Organizational and Regulatory Infrastructure	Staff performance excellence program launched; annual PEP plans to run approximately spring to spring annually on the go-forward. 2024 goal setting meetings held with staff

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
<p>Staff training</p>	<p>Provide staff with annual trainings through lunch and learns, online modules etc., in the following areas:</p> <ul style="list-style-type: none"> · Official Languages · Privacy/ATI · Professional Regulation and IP trends · EDI and Indigenous Reconciliation · Technology · Emergency response plans and records mgt · HR and Professional Development 	<p>Jun-23</p>	<p>Jun-24</p>	<p>Organizational and Regulatory Infrastructure</p>	<p>Lunch and learns to date: Governance policies, Official languages policy, introduction to design thinking</p> <p>Staff attend CNAR 2024 Conference (Ottawa)</p>

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
<p>EDI and Indigenous Reconciliation Strategy</p> <p>1. Inclusion in the profession</p> <p>2. Agent training</p> <p>3. CPATA's organizational approaches</p>	<p>Develop CPATA approaches based on 3 areas of interrelated activity:</p> <ol style="list-style-type: none"> CPATA governance and operations: govern and run CPATA in a manner that is dedicated to EDI and Indigenous Reconciliation Trademark and patent agent competencies and standards: Education and training re cultural competency, consistent with TRC Calls to Action Entry into the profession: Efforts towards building and sustaining a trademark and patent agent profession that is reflective of Canada's population; removes unreasonable barriers to entry <p>Draft EDI and Reconciliation framework and implementation (ongoing)</p>	Jan-24	Ongoing	Organizational and Regulatory Infrastructure	<p>Ongoing</p> <ul style="list-style-type: none"> - Review of report of pay inequality in patent agent and trademark agent professions to better understand current environment and barriers - Discussions with EDI experts and review of different EDI strategies by different Canadian professional regulators
<p>Annual Report 2024</p>	<p>Develop and submit CPATA's Annual Report to the Minister in both English and French</p>	Jan-24	Mar-24	Governance	<p>Complete. AR submitted to the Minister and tabled in Parliament as required, and available on CPATA's website.</p>
<p>Board and Committee Meetings</p>	<p>Board and Committee meetings</p> <ul style="list-style-type: none"> · English and French Board materials to enable effective public interest decision-making and transparency · Committee materials to enable effective decision-making 	Jan-24	Dec-24	Governance	<p>Ongoing</p>

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
Board and Committee training and education	Assess Board and Committee training and education needs and develop appropriate (no to low cost) education as required	Jan-24	Ongoing	Governance	Ongoing 2024 Director education and programming schedule developed New online Director training library launched June 2024 Director in person training (all Director orientation)
Board elections and new Director orientation	Licensees may vote to elect a Board director. Next elections are to be held spring 2024. Appoint Election Commissioner Candidate info session Candidate info online Election ballots and platform configuration Election results New Director orientation Candidate Survey	Jan-24	Jun-24	Governance	Election complete. New Director orientation June 2024.
Board evaluation 2024	Board self evaluation framework to be developed and implemented	Jan-24	Dec-24	Governance	Ongoing. Board evaluation conducted after each Board meeting. Board Chair held offboard interviews with outgoing Directors for purposes of evaluation and continuous Board improvement.

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
Committee Appointments 2024	Committee vacancies are filled according to Skills Matrices Investigations Committee Other appointments TBD	Jan-24	Dec-24	Governance	Ongoing as required. Committee recruitment processes for statutory committees running smoothly with communications and outreach to encourage diverse applicants, and strong candidates applying. Governance Committee consideration of Director appointments as needed with recommendations to the Board.
CPATA AGM 2024	CPATA AGM (Ottawa) in person event	Jun-24	Jun-24	Governance	Held June 13, 2024
CPATA audit	Annual Financial Audit · Audited Financial Statements · Audit report	Sep-23	Mar-24	Governance	Complete and audited financial statements published.
Governance policies	Board Governance Policies reflect current goals and practices	Jul-23	Jun-24	Governance	Updated Board Governance policies adopted March 2024.
Performance Measurement Framework / Outcomes Measurement	Continue to develop a framework that measures and reports, in a standardized manner, how we are acting in the public interest. Dashboard development and implementation	Jan-23	Dec-24	Governance	Ongoing

Project Milestone	Project Description / Deliverables	Start	End	Strategic Framework Component	November Status
<p>Record retention policy</p>	<p>Develop a document management strategy that will provide an information governance structure that successfully manages the College’s information. As a federal organization, this structure must be compliant with the regulations of Library and Archives Canada (LAC).</p> <ul style="list-style-type: none"> · Disposition Authorization from LAC · Records Classification and Retention Schedule 	Apr-23	Jun-25	Governance	LAC's assessment of CPATA “readiness” for a new disposition authorization in progress.
<p>Regulatory reporting: Privacy and Access to Information - Statistical Reports</p>	<p>Provide data on the performance of CPATA’s access to information (ATI) and privacy programs Submission to TBS</p>	May-24	May-24	Governance	Report submitted to TBS, tabled, and published by CPATA.
<p>Regulatory reporting: Privacy and Access to Information - Annual Reports</p>	<p>Submit Annual reports to Parliament concerning the administration of the Access to Information Act and the Privacy Act. Tabling of the reports to Parliament Publication on CPATA’s website</p>	Jun-24	Aug-24	Governance	Report submitted to TBS, tabled, and published by CPATA.

Project	Project Description / Deliverables	Start	End	Strategic Framework Component
Stakeholder engagement	Continue regular stakeholder engagement and outreach to licensees, IPIC, government, CIPO, other regulators, etc.	Jan-25	Dec-25	Relationships and Communications
Annual Licensee Report	Gather information from licensees to obtain a better profile of the professions and those working in them.	Jan-25	Feb-25	Professional Regulation
Complaints and Discipline	Continue to receive and investigate complaints as they arise Evaluation of major cases and proceedings (micro reg. risk asst) (ongoing)	Jan-25	Ongoing	Professional Regulation
UAP	Continue to consider UAP matters as they arise and determine appropriate regulatory responses	Ongoing	Ongoing	Professional Regulation
Code of Conduct education	Content for licensee education with respect to Code of Conduct Ethics inquiry articles Develop Code of Conduct educational video educational resources (2025 release target)	Jan-25	Ongoing	Professional Development and Competency
Competency Profiles	Finalize and publish Professional Foundations Competency Profiles	Jan-25	Apr-25	Professional Development and Competency
Enhancing pathways to licensure: apprenticeships	Analysis of current apprenticeship model to determine if changes are needed Research re best practices in apprenticeship and experiential learning; potential changes to "Approved Training Program Policy"	Jan-25	TBD	Professional Development and Competency
Enhancing pathways to licensure: Explore potential new pathways to licensure	Identify and implement pathways to licensure to improve access to become an agent · Consultations and outreach to understand potential of new pathways that would meet competencies	Jan-25	TBD	Professional Development and Competency
Exam administration	Develop and administer fair and psychometrically defensible qualifying examinations · Trademark Knowledge Examination (two exam administrations in 2025) · Patent Knowledge Examination (two exam administrations in 2025) · Trademark Agent Skills Examination · Patent Agent Skills Examination	Jan-25	Ongoing	Professional Development and Competency
Return to Active Practice Policy	Develop and implement policy that uses a risk-based approach for agents wishing to return to active practice after 3 years of inactivity · Research/discussion paper · Draft policy · Consultation? · Final Policy	Jan-25	TBD	Professional Development and Competency

Project	Project Description / Deliverables	Start	End	Strategic Framework Component
2025 licensee renewals	Online licence renewal for eligible PA and TM agents Renewal configuration	Feb-25	Apr-25	Organizational and Regulatory Infrastructure
Application portal and Professional Responsibility modules in InItouch	Automate Change of Class applications via the Application Portal Create a module for Professional Responsibility Exam registration via the Licensee Portal	Jan-25	Dec-25	Organizational and Regulatory Infrastructure
Budget 2026	Develop 2026 Budget and start to develop longer term financial planning	Jun-25	Ongoing	Organizational and Regulatory Infrastructure
CPATA insurance renewal	Review Insurance requirements and available coverage. – General Liability – Cyber coverage – D&O (inc. Excess) Insurance renewals for all programs – input from A&R Comm	Mar-25	Apr-25	Organizational and Regulatory Infrastructure
Cyber Incident and Emergency Response Framework	Describe how CPATA will respond to, operate during and recover from an emergency that may limit access to a virtual office, records and equipment. Cyber Incident and Emergency Response Framework (CERF)	Jan-25	Apr-25	Organizational and Regulatory Infrastructure
EDI and Indigenous Reconciliation Strategy 1. Inclusion in the professions 2. Agent training 3. CPATA's organizational approaches	Develop CPATA approaches based on 3 areas of interrelated activity: 1. CPATA governance and operations: govern and run CPATA in a manner that is dedicated to EDI and Indigenous Reconciliation 2. Trademark and patent agent competencies and standards: Education and training re cultural competency, consistent with TRC Calls to Action 3. Entry into the profession: Efforts towards building and sustaining a trademark and patent agent profession that is reflective of Canada's population; removes unreasonable barriers to entry Draft EDI and Reconciliation framework and implementation (ongoing)	Jan-25	Ongoing	Organizational and Regulatory Infrastructure
Enterprise & Regulatory Risk Management	Maintain Enterprise and Regulatory Risk Management systems Regular review of enterprise risk framework(s)	Jan-25	Ongoing	Organizational and Regulatory Infrastructure
Foreign Practitioners – renewals	Annual completion of declarations confirming eligibility and payment of fees to continue to be included on Public Register	Apr-25	Jul-25	Organizational and Regulatory Infrastructure
Performance Excellence	Set individualized staff goals and continuous feedback cycle	Jan-25	Ongoing	Organizational and Regulatory Infrastructure

Project	Project Description / Deliverables	Start	End	Strategic Framework Component
Staff training	Provide staff with annual trainings through lunch and learns, online modules etc., on areas such as: <ul style="list-style-type: none"> · Official Languages · Privacy/ATI · Professional Regulation and IP trends · EDI and Indigenous Reconciliation · Technology · Emergency response plans and records mgt · HR and Professional Development 	Jan-25	Dec-25	Organizational and Regulatory Infrastructure
Annual Report 2025	Develop and submit CPATA's Annual Report to the Minister in both English and French	Jan-25	Mar-25	Governance
Board and Committee Meetings (Public, CotW)	Board and Committee meetings <ul style="list-style-type: none"> · English and French Board materials to enable effective public interest decision-making and transparency · Committee materials to enable effective decision-making 	Jan-25	Dec-25	Governance
Board and Committee training and education	Assess Board and Committee training and education needs and develop appropriate education as required	Jan-25	Ongoing	Governance
Board elections and new Director orientation	Licensees may vote to elect a Board director. Next elections are to be held spring 2025.	Jan-25	Jun-25	Governance
Board evaluation 2025	Board self evaluation framework to be developed and implemented	Jan-25	Dec-25	Governance
Board GIC appointments and new Director orientation	Next appointments 2025. CPATA input to ISED re skills required through appointments New Director orientation session	Jan-25	Dec-25	Governance
Committee Appointments 2025	Committee vacancies are filled according to Skills Matrices	Jan-25	Dec-25	Governance
CPATA AGM 2025	CPATA AGM (Ottawa) in person event	Jun-25	Jun-25	Governance
CPATA audit	Annual Financial Audit <ul style="list-style-type: none"> · Audited Financial Statements · Audit report 	Jan-25	Mar-25	Governance

Project	Project Description / Deliverables	Start	End	Strategic Framework Component
Performance Measurement Framework / Outcomes Measurement	Continue to develop a framework that measures and reports, in a standardized manner, how we are acting in the public interest. Dashboard development and implementation	Jan-25	Dec-25	Governance
Record retention policy	Develop a document management strategy that will provide an information governance structure that successfully manages the College's information. As a federal organization, this structure must be compliant with the regulations of Library and Archives Canada (LAC). · Disposition Authorization from LAC · Records Classification and Retention Schedule	Jan-25	Jun-25	Governance
Regulatory reporting: Privacy and Access to Information - Annual Reports	Provide data on the performance of CPATA's access to information (ATI) and privacy programs Submission to TBS Submit Annual reports to Parliament concerning the administration of the Access to Information Act and the Privacy Act. Tabling of the reports to Parliament Publication on CPATA's website	May-25	Aug-25	Governance
Strategic Plan Transition Phase	Review Strategic Plan 2023-2025 and assess progress to date; begin planning for a new Strategic Plan for CPATA's future development	Jan-25	Nov-25	Governance



COLLEGE OF PATENT
AGENTS & TRADEMARK AGENTS

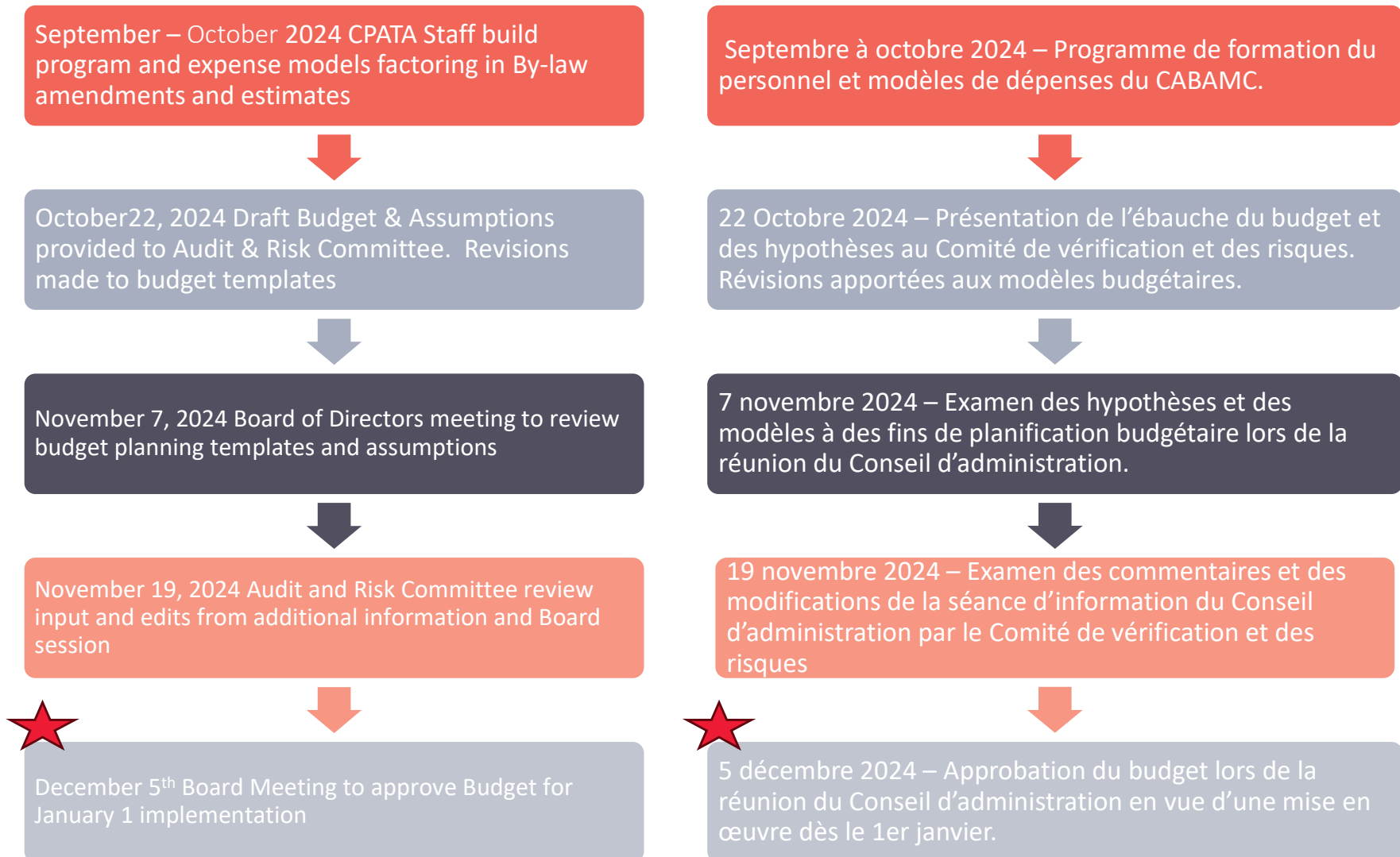
COLLÈGE DES AGENTS DE BREVETS ET
DES AGENTS DE MARQUES DE COMMERCE

College of Patent Agents and Trademark Agents – 2025 Budget presentation

Collège des agents de brevets et des agents de marques de commerce – Présentation du budget de 2025

12-05-2024

Budget Timeline | Échéancier du budget



Fiscal Reality | Réalité financière

- For 2024 we did not see the potential short-term attrition in Class 1 agents in response to increased fees.
 - The necessary fee increase has begun to provide CPATA with the income required to cover the true cost of regulation including establishing financial reserves.
 - We have kept expenses contained and are in a healthy financial position trending towards financial independence and fully funded reserves in the next 1-2 years.
- Pour l'exercice 2024, nous n'avons pas observé d'attrition à court terme chez les agent(e)s de catégorie 1 en réponse à l'augmentation des droits.
 - L'augmentation nécessaire des droits a commencé à fournir au CABAMC les revenus nécessaires pour couvrir le coût réel de la réglementation, y compris l'établissement de réserves financières.
 - Nous avons limité les dépenses et nous sommes dans une situation financière saine qui tend vers l'indépendance financière et des réserves capitalisées d'ici un à deux ans.

Budget Planning Notes | Remarques sur la planification du budget

- 2025 is the last budget under the current Strategic Plan.
- Operating Budget with Surplus for contribution to Financial Reserves ~ \$1M
- Fees to increase as required by CPATA By-laws based on October 2024 CPI, which is 2.0%
- Revenue budget consistent with 2024 forecast + 2.0% CPI
- Continued tight control on Expenses, expected to be the same or lower than 2024 including \$100,000 Financial Contingency for Expenses
- Le budget de 2025 sera le dernier budget du plan stratégique actuel.
- Le budget de fonctionnement avec excédent pour contribution aux réserves financières est d'environ 1 million de dollars.
- Les droits augmenteront conformément au Règlement administratif du CABAMC, selon l'IPC d'octobre 2024, qui est de 2,0 %
- Les revenus prévues au budget concordent avec les prévisions pour 2024 + une augmentation de 2,0% selon l'IPC
- Nous avons poursuivi le contrôle rigoureux des dépenses, qui devraient être identiques ou inférieures à celles de 2024, y compris des réserves financières de 100 000 dollars pour les dépenses.

Budgeted Licences | Permis au Budget

Licences / Permis	Patent Agents / agent de brevets en formation	Trademark Agents / Agents de marques de commerce
Class / catégorie 1	537	844
Class / catégorie 1 Dual	365	365
Class / catégorie 2	13	13
Class / catégorie 2 Dual	2	2
Class / catégorie 3	138	140
Class / catégorie 4	90	157
	1,145	1,521

- The budgeted number of Licences is based on the actual figures as of October 2024.
- Le nombre de permis inclut est basé sur les chiffres réels d'octobre 2024.

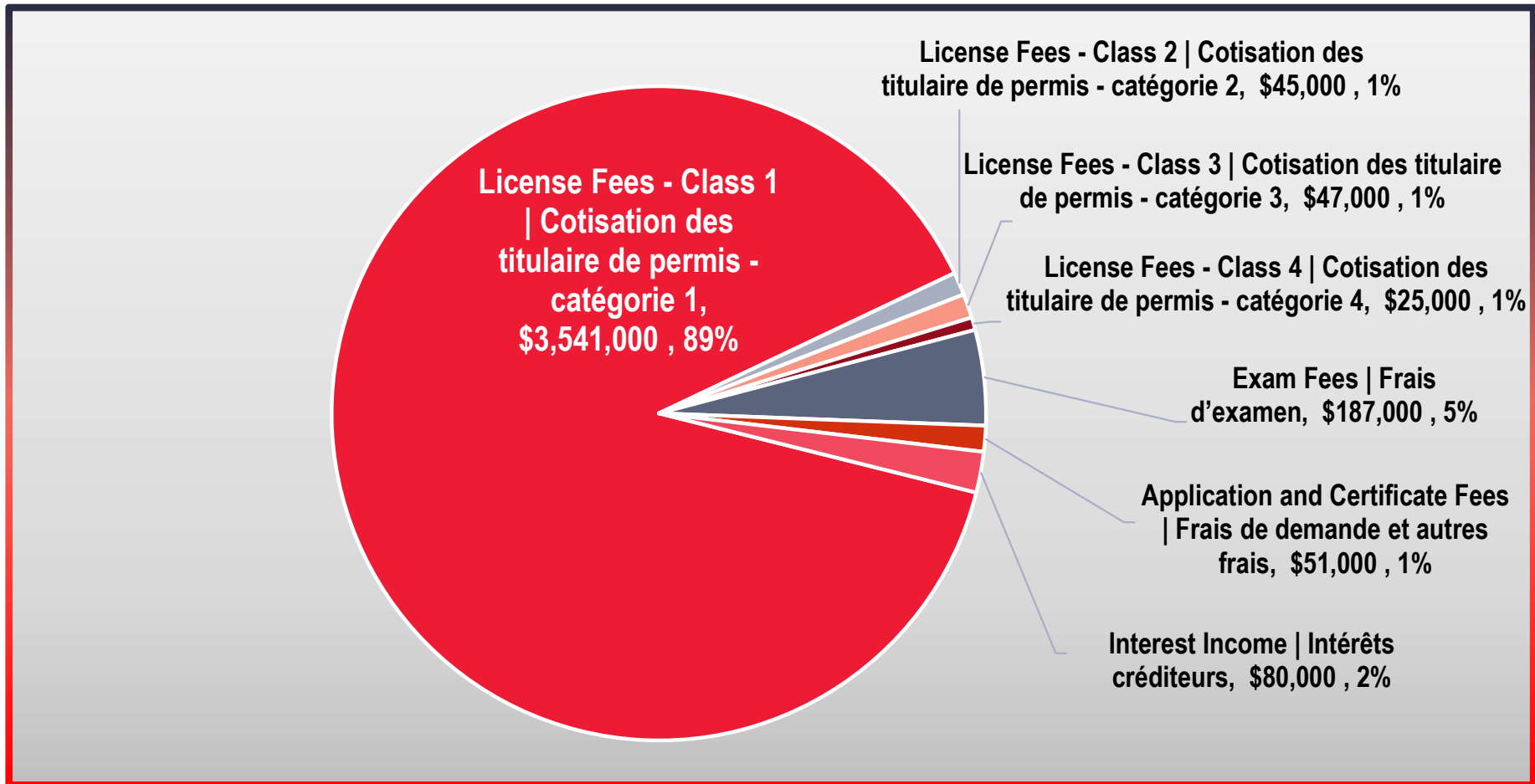
Financial Reserves | Réerves financières

- CPATA is planning for two Financial reserves;
 - Professional Regulation Reserve Fund with Target of \$750K
 - Operating Reserve Fund \$1.5M (6 months expenses)
 - Total of both = \$2.25M
 - In 2025 A&R Committee will review financial reserve targets against similar benchmarks
 - The projected Reserves Balance at the end of 2024 is \$1.6M.
 - The Budgeted Reserves Balance at the end of 2025 is \$2.6M
- Le CABAMC prévoit deux réserves financières :
 - le Fonds de réserve de réglementation professionnelle, avec un objectif de 750 000 dollars;
 - le Fonds de réserve de fonctionnement de 1,5 million de dollars (6 mois de dépenses).
 - Le total des deux fonds s'élève à 2,25 millions de dollars.
 - En 2025, le Comité des risques et de la vérification comparera les objectifs des réserves financières aux seuils de référence similaires.
 - Le solde des réserves prévues à la fin de l'exercice 2024 est de 1,6 millions de dollars.
 - Le solde des réserves budgétisées à la fin de l'exercice 2025 est de 2,6 millions de dollars.

Budget Income | Budget pour les revenus

- **Licensee Fees (2024 +2.0%)**
 - Class 1 fee set as \$1,836
 - Class 1 “dual agents” \$2,754
 - Class 2 \$1,530
- **Exam Revenue**
 - Knowledge based exams in Winter and Spring, Skills exams in Fall. Increased fees will partially offset/recover the increased costs of the program.
- **Interest Income**
 - Interest on short-term GIC.
- **Droits des titulaires de permis (2024 = 2.0%)**
 - Droits des permis de catégorie 1 fixés à 1 836 \$
 - Droits des permis de catégorie 1 pour les titulaires de deux permis d'exercice fixés à 2 754 \$
 - Droits des nouveaux permis de catégorie 2 fixés à 1 530 \$
- **Revenus des examens**
 - Les revenus proviennent des examens des connaissances théoriques d'hiver et du printemps et des examens des connaissances appliquées de l'automne. L'augmentation des frais compensera ou permettra de couvrir en partie l'augmentation des coûts du programme.
- **Intérêts créditeurs**
 - Intérêt des CPG à court terme

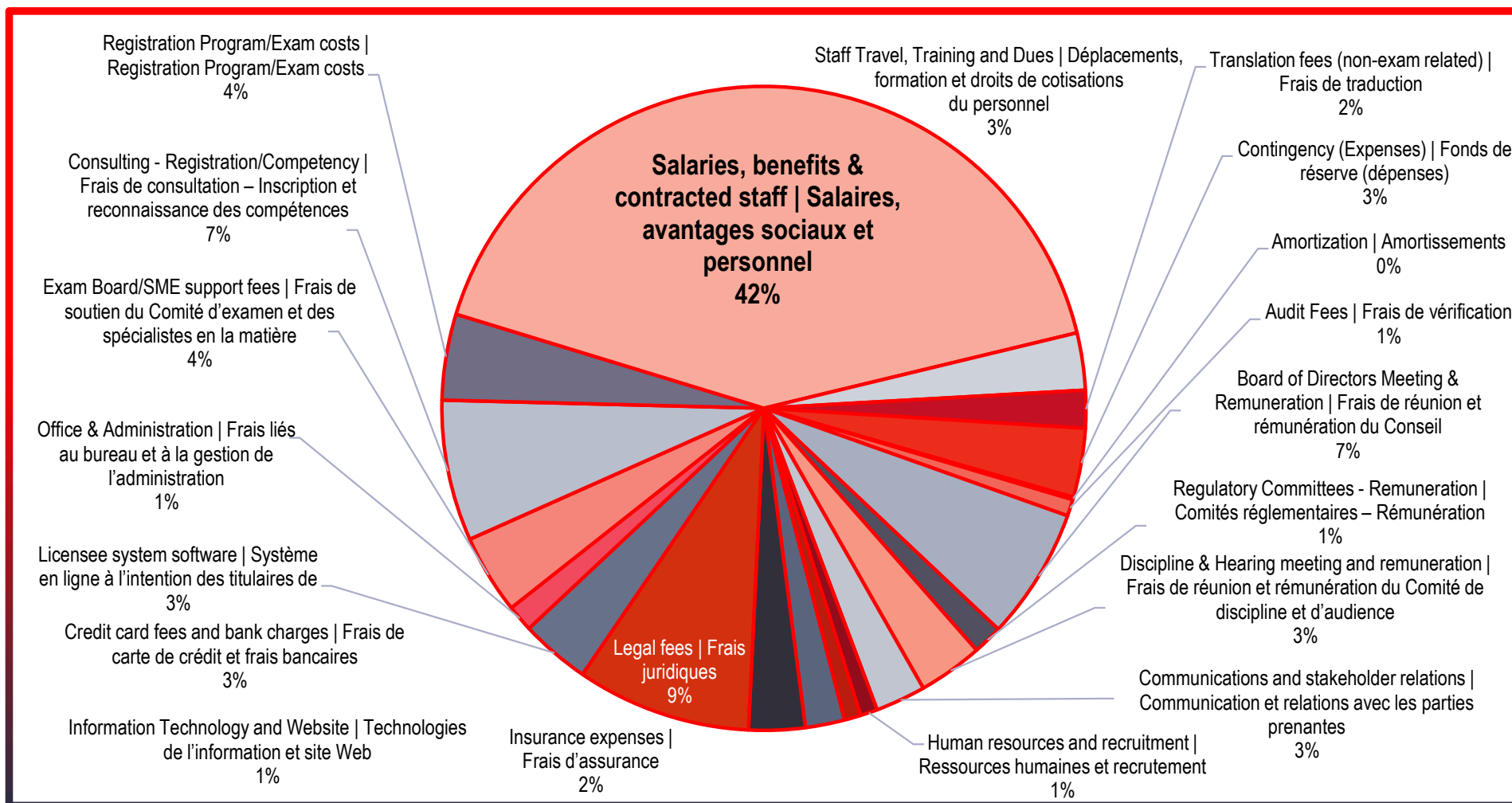
Budget Income | Budget pour les revenus



Budget Expenses | Dépenses prévues au budget

- **Board & Regulatory Committees** – Meeting cadence continues to evolve
- **Discipline & Hearing (legal)** – Decrease in number and complexity of matters brought to CPATA
- **Registration (Exam & Competency)** – Reduced costs for maintenance of developed programs
- **Salaries & Benefits** – Cost of living and merit increases projected for staff
- **Staff Travel & training** – Reduced based on planned events and meetings
- **Comms & Stakeholder relations** – increased costs for enhanced outreach and engagement initiatives.
- **Expense Contingency** – Set at \$100,000
- **Conseil d'administration et comités de réglementation** – Évolution continue de la fréquence des réunions
- **Mesures disciplinaires et audiences (juridiques)** – Diminution du nombre et de la complexité des demandes soumises au CABAMC
- **Frais d'inscription (examens et compétences)** – Réduction des coûts du maintien des programmes
- **Salaires et avantages sociaux** – Augmentations prévues des salaires et de la rémunération au rendement pour le personnel en raison du coût de la vie
- **Frais liés aux déplacements et à la formation du personnel** – Réduction en fonction des événements prévus
- **Frais liés à la communication et aux relations avec les parties prenantes** – Augmentation des coûts pour l'amélioration des initiatives de sensibilisation et de mobilisation
- **Contingence pour les dépenses imprévues** – Fixé à 100 000 \$

Budget Expenses | Dépenses prévues au budget



Operations Budget | Budget de fonctionnement

	Budget 2024	Budget 2025
INCOME/REVENUE:		
License Fees	\$ 3,215,400	\$ 3,658,000
Exam Fees	205,750	187,000
Application and Certificate Fees	50,000	51,000
Interest Income	25,000	80,000
Contingency (Income)	(100,000)	-
TOTAL INCOME/REVENUE	3,396,150	3,976,000

	Budget 2024	Budget 2025
EXPENSES:		
Amortization	3,600	4,000
Audit Fees	23,540	24,000
Board of Directors Meeting & Remuneration	187,000	192,000
Regulatory Committees - Remuneration	37,625	43,000
Discipline & Hearing meeting and remuneration	97,525	94,000
Communications and stakeholder relations	60,800	73,000
Human resources and recruitment	10,000	25,000
Information Technology and Website	24,750	24,000
Insurance expenses	60,566	57,000
Credit card fees and bank charges	75,439	82,000
Legal fees	317,000	254,000
Licensee system software	108,168	101,000
Office & Administration	36,679	39,000
Exam Board/SME support fees	141,500	115,000
Consulting - Registration/Competency	245,000	205,000
Registration Program/Exam costs	134,485	125,000
Salaries, benefits & contracted staff	1,177,204	1,203,000
Staff Travel, Training and Dues	85,270	83,000
Translation fees (non-exam related)	70,000	55,000
Contingency (Expenses)	100,000	100,000
TOTAL EXPENSES	2,996,150	2,898,000
NET SURPLUS (DEFICIT)	400,000	1,078,000
ADD: OPENING NET ASSETS/RESERVE BALANCE	\$ 292,298	\$ 1,592,000
ENDING NET ASSETS/RESERVE BALANCE	692,297	\$ 2,670,000

	Budget de 2024	Budget de 2025
REVENUS:		
Cotisation des titulaires de permis	\$ 3,215,400	\$ 3,658,000
Frais d'examen	205,750	187,000
Frais de demande et autres frais	50,000	51,000
Intérêts créditeurs	25,000	80,000
Fonds de réserve (revenus)	(100,000)	-
TOTAL DES REVENUS	3,396,150	3,976,000

	Budget de 2024	Budget de 2025
DÉPENSES:		
Amortissements	3,600	4,000
Frais de vérification	23,540	24,000
Frais de réunion et rémunération du Conseil	187,000	192,000
Comités réglementaires – Rémunération	37,625	43,000
Frais de réunion et rémunération du Comité dediscipline et d'audien	97,525	94,000
Communication et relations avec les partiesprenantes	60,800	73,000
Ressources humaines et recrutement	10,000	25,000
Technologies de l'information et site Web	24,750	24,000
Frais d'assurance	60,566	57,000
Frais de carte de crédit et frais bancaires	75,439	82,000
Frais juridiques	317,000	254,000
Système en ligne à l'intention des titulaires de	108,168	101,000
Frais liés au bureau et à la gestion del'administration	36,679	39,000
Frais de soutien du Comité d'examen et desspécialistes en la matiè	141,500	115,000
Frais de consultation – Inscription etreconnaissance des compétenc	245,000	205,000
Registration Program/Exam costs	134,485	125,000
Salaires, avantages sociaux et personnel	1,177,204	1,203,000
Déplacements, formation et droits de cotisationsdu personnel	85,270	83,000
Frais de traduction	70,000	55,000
Fonds de réserve (dépenses)	100,000	100,000
DÉPENSES TOTALES	2,996,150	2,898,000
EXCÉDENT (DÉFICIT) NET	400,000	1,078,000
AJOUT : SOLDE DES ACTIFS NETS (RÉSERVE) POUR LE DÉBUT DE L'EXERCICE	\$ 292,298	\$ 1,592,000
SOLDE DES ACTIFS NETS (RÉSERVE) POUR LA FINDE L'EXERCICE	692,297	\$ 2,670,000

Financial Position

Situation financière

	<u>Forecast 2024</u>	<u>Budget 2025</u>
Current Assets		
Cash	160,000	364,000
Investments (GIC)	1,700,000	2,550,000
HST/GST Rebate Receivable	20,000	20,000
Prepaid expenses and contracts	16,750	18,000
Total Current Assets	1,896,750	2,952,000
Fixed Assets	7,600	11,000
Total Assets	\$ 1,904,350	\$ 2,963,000

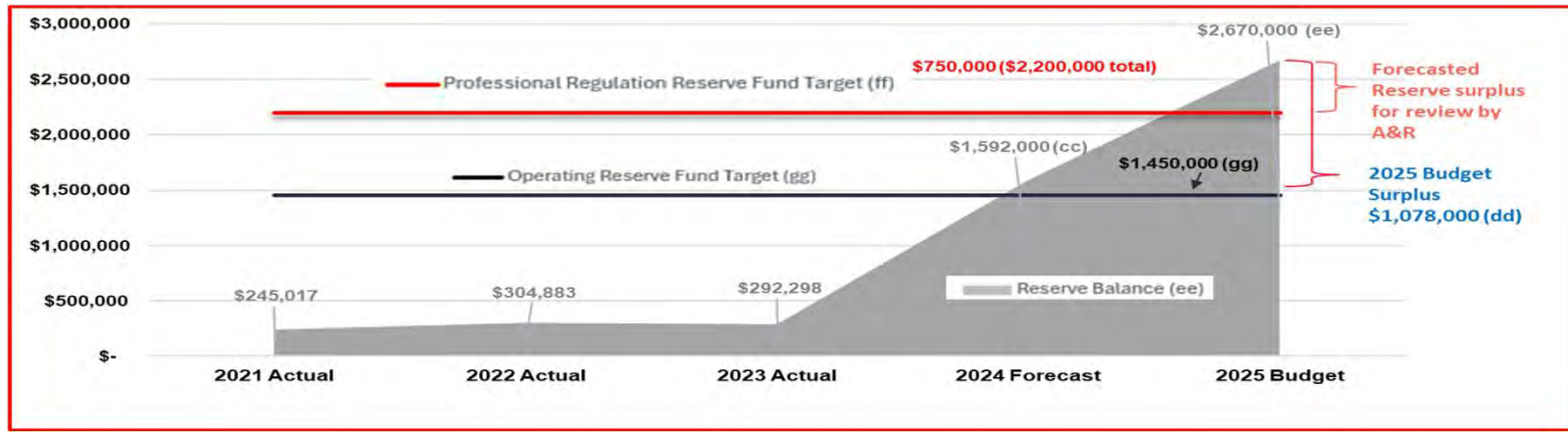
Current Liabilities		
Accounts Payable	207,350	188,000
Accrued Payables	105,000	105,000
Current Liabilities	312,350	293,000
Opening Net Assets (Operating Reserves)	292,298	1,592,000
Surplus (Deficit) of Revenues over Expens	1,299,702	1,078,000
Total Net Assets	1,592,000	2,670,000
Total Liabilities and Net Assets	\$ 1,904,350	\$ 2,963,000

	<u>Prévisions de 2024</u>	<u>Budget de 2025</u>
Actifs à court terme		
Liquidités	160,000	364,000
Placements (GC)	1,700,000	2,550,000
TPS/TVH à payer (comptes débiteurs)	20,000	20,000
Charges payées d'avance	16,750	18,000
Total des actifs à court terme	1,896,750	2,952,000
Immobilisations corporelles	7,600	11,000
Total des actifs	\$ 1,904,350	\$ 2,963,000

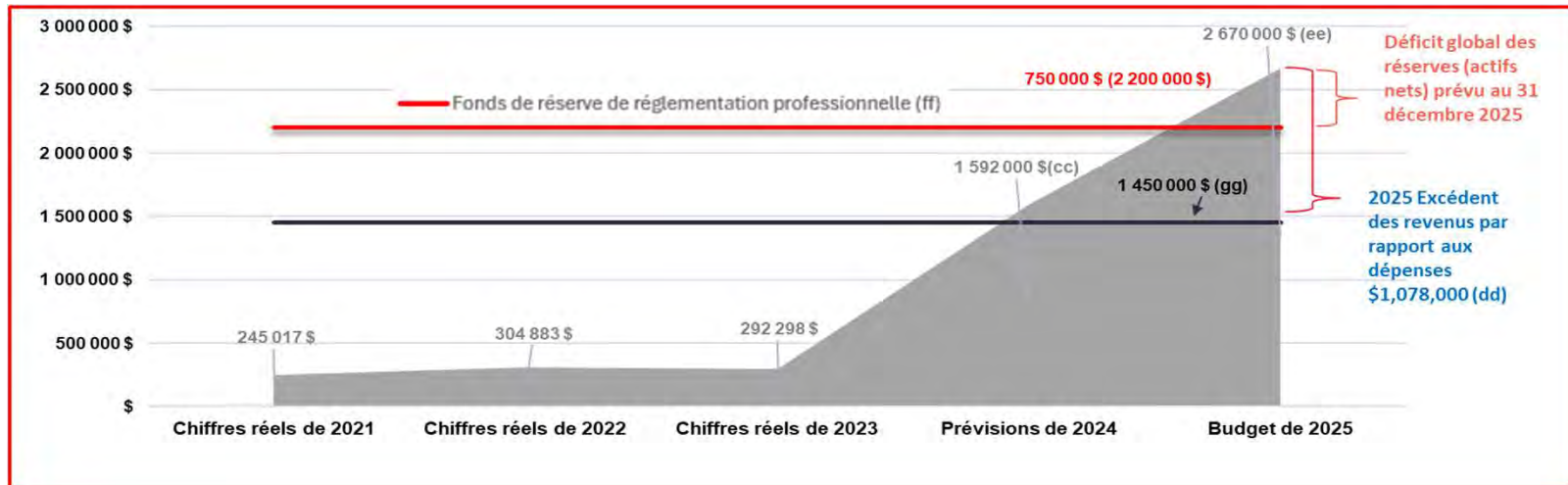
Passif à court terme		
Créditeurs	207,350	188,000
Carte de crédit	105,000	105,000
Total du passif à court terme	312,350	293,000
Actifs net non affectés	292,298	1,592,000
Excédent des revenus par rapport aux dépenses	1,299,702	1,078,000
Total des actifs nets	1,592,000	2,670,000
Total du passif et des capitaux propres	\$ 1,904,350	\$ 2,963,000

Financial Reserves | Réerves financières

- trending towards financial independence and fully funded reserves in the next 1-2 years.



- tendance vers l'indépendance financière et des réserves capitalisées d'ici un à deux ans.



Future planning | Planification future

- **Healthy Financial Position** – Financial Reserves expected to reach current targets soon.
 - **Budget 2025** – Last budget under the current Strategic Plan
 - **Goal** – Achieve full Financial Independence from ISED/Government. Remove from Line of Credit support
 - **Audit & Risk** – Review appropriate Reserve Targets (Operational and Profession Regulation) against benchmarks
 - **Regulatory Programs** – 2026 and ongoing Support to continue developing Regulatory Programs (e.g. Pathways, Standards Review, Continuing Education, Practice Management, etc.)
 - **Strategic Planning** – Multi-year budgeting in-line with new planning
- **Situation financière saine** – Les réserves financières devraient bientôt atteindre les objectifs actuels.
 - **Budget 2025** – Dernier budget dans le cadre du plan stratégique actuel
 - **Objectif** – Atteindre l'indépendance financière totale à l'égard d'ISED et du gouvernement. Supprimer le soutien de la ligne de crédit
 - **Vérification et risque** – Déterminer si les objectifs des réserves (de fonctionnement et de réglementation professionnelle) sont appropriés par rapport aux seuils de référence
 - **Programmes de réglementation** – À partir de 2026 : soutien pour la poursuite de l'élaboration des programmes de réglementation (p. ex. voies d'accès, examen des normes, formation continue, gestion des activités)
 - **Planification stratégique** – Budgétisation pluriannuelle conforme à la nouvelle planification

Questions?

Memorandum

TO	Board of Directors
FROM	Juda Strawczynski, CEO & Registrar and Sean Walker, CFO
DATE	December 5, 2024
SUBJECT	CPATA Budget 2025 presentation V2

Introduction:

This memo is prepared as support for the Draft Budget Schedules provided in the meeting package. Note references for line items are identified with **Red letters**. We have budgeted for a surplus of approximately \$1,078,000 for 2025 with the goal of increasing the College's reserve balance(s). The previous version of the schedules was presented to the Board of Directors on November 7th and any changes since then have been incorporated into the Budget documents.

Revenue/Income Budget Items:

CPATA's By-Laws set CPATA's fees and provide for an annual adjustment based on the Consumer Price Index (CPI) for Canada as follows:

PART 7

Fees

Annual adjustment

89 Every fee set out in Schedule 1 is to be adjusted in each fiscal year on January 1 by the percentage change in the October All-items Consumer Price Index for Canada — as published by Statistics Canada under the [Statistics Act](#) — between the month of October in the preceding year and the month of October in the year before that year, and rounded to the next highest dollar.

Consumer Price Index

October 2024

2.0% ↑

(12-month change)

For 2025 the fee increase is 2.0%. This is based on the 2% CPI increase (October 2023 to October 2024). CPATA's 2025 fees will therefore be set according to the following Chart (See revised Schedule 1 below). Revenues for 2025 have been therefore based on this 2% increase across licensing, exam fees and all other fees.

**BYLAWS OF THE COLLEGE OF PATENT AGENTS AND TRADEMARK AGENTS
2025 SCHEDULE 1 - REVISED FOR CPI % INCREASE (2.0%)**

Item	Description	2024 Fee	*2025 Fee
1	Application for a class 1 licence	250	255
2	Application for a class 2 licence	150	153
3	Application for a class 3 licence	250	255
4	Application for a class 4 licence	150	153
5	Change from a class 2 licence to a class 1 licence	150	153
6	Change from a class 4 licence to a class 1 licence or class 2 licence, less than three years	150	153
7	Change from a class 4 licence to a class 1 licence or a class 2 licence, three years or more	250	255
8	Register to write the qualifying examinations or any part of the examinations	350	357
9	Request to re-mark failed qualifying examinations, per part of the examinations	500	510
10	Issuance or renewal of a class 1 licence	1,800	1,836
11	Renewal of a class 1 licence for a licensee who is both a patent agent and a trademark agent	2,700	2,754
12	Issuance or renewal of a class 2 licence	1,500	1,530
13	Renewal of a class 2 licence for a licensee who is both a patent agent and a trademark agent	2,250	2,295
14	Issuance and first and second renewals of a class 3 licence	150	153
15	Renewal of a class 3 licence, third and subsequent renewals	200	204
16	Issuance or renewal of a class 4 licence	100	102
17	Reinstatement of a suspended licence	250	255
18	Application to surrender a class 1 licence or a class 2 licence	250	255
19	Application to surrender a class 3 licence or a class 4 licence	100	102
20	Issuance of a Registrar's certificate	100	102
21	Foreign practitioner — initial inclusion in the Register	250	255
22	Foreign practitioner — maintain name in the Register for one year	180	184

* The 2025 Fees have been increased by 2.0% in accordance with By-law section 89 which states: "Every fee set out in Schedule 1 is to be adjusted in each fiscal year on January 1 by the percentage change in the October All- items Consumer Price Index for Canada— as published by Statistics Canada under the Statistics Act - between the month of October in the preceding year and the month of October in the year before that year and rounded to the next highest dollar."

Licenses Fees: (A): For 2025, we have conservatively taken the current number of licensees as of October 15th to calculate the proposed fee income for next year. This figure is comparable to the current fee revenue forecast for 2024. We estimate that the number of Class 1 and 2 agents who leave practice for 2025 will be offset by Class 3 agents who “move-up” to Class 1 in 2025. We have increased the various fees based on the CPI increase (2.0%). The Chart below shows the number of Licences and Agents included in the 2025 Budget.

Licences	Patent Agents	Trademark Agents
Class 1	537	844
Class 1 Dual	365	365
Class 2	13	13
Class 2 Dual	2	2
Class 3	138	140
Class 4	90	157
	1,145	1,521

Exam Fees (B)

2024 included the introduction of an additional set of exams. For 2025 these Knowledge exams will be held twice in the Winter and Spring for both the Patent and Trademark programs. We have reviewed the current number of agents eligible and expected to write both the Knowledge and Skills exams in 2025 and applied the current exam fees for each exam to develop the exam fee budget for 2025. We expect that the exam revenue will be similar to the forecast for 2024 of approximately \$187,000 and includes the increase for CPI.

Application Fees and Other (C)

We have compared application fees over the past two years and have conservatively estimated only the CPI increase for various fees.

Interest Income (D)

This year saw the College invest in a variable rate redeemable GIC originally providing 5.20% interest which has decreased throughout the year and is now 3.95%. The budget calls for funds to be invested again once we receive licensee fee payments in early 2025. Given the increase in funds held in reserve we expect to see a sizable increase in Interest Income even with lower interest rates expected. We have forecasted another 1% decrease throughout 2025.

Board and Governance Committee remuneration and expenses (E)

Remuneration for Board and committee members is based on the meeting schedule for 2025. The initial plan is to have an additional in-person (3rd) meeting in the Spring for planning. The meeting and travel costs for 2024 have been less than expected and offset the increase for 2025 for the additional in-person meeting. We have also added a budget item for the Board training and CEO and Program evaluations (\$25K).

Professional Regulation Committee Remuneration and expenses (F)

For 2025 the budget includes a 20% decrease for Legal fees and Discipline & Hearing Committee remuneration and support costs based on the costs and matters underway in 2024. The timeline for matters has been longer than originally expected and the investigation and legal fees have been lower than projected.

These costs relate to investigations of discipline matters including unauthorized practice including industry/legal opinions from experts. This also includes the Hearing Committee remuneration and legal costs for representing the College in Hearings and discipline matters.

Communications and stakeholder relations (G)

The costs for 2025 for Communications include a reallocation of reduced College wide (non-Registration/Education) translation costs to increased costs for content creation, inclusive regulatory practices support and training and also for increasing social media presence.

Credit Card Fees (H)

We are budgeting credit card and bank fees in response to what we have seen for 2024 as revenue projection and the budget for 2025 are similar.

Office & Administration (I)

We have budgeted for a 4% increase in administrative software license costs year over year. The remainder of office and administration related costs are fairly static compared to prior year. We have budgeted for an increase in HR Support fees related to Board CEO and staff evaluations.

Licensee systems (J)

With the move to the new Regulatory system, we are seeing decreased monthly and development costs for 2025. The savings are expected to be \$7K (7%) and still allow for development of additional modules (Complaints, Renewals, etc.) and support.

Registration (Exam and Competency) Program (K)

The establishment of the new Exam system including the introduction of the Knowledge exams is very much in place. We are now able to reduce remuneration for working groups made up of Subject Matter Experts (SME's) as much of the materials are now developed. We have also budgeted for a reduction in translation and consultant support for continued development of the Exam and Competency programs looking forward to 2025. We have reduced the budget in these areas by a total of \$75K (16%).

Salaries and Benefits (L)

With this version of the budget, we have factored in modest inflationary, and merit increases of approximately 4-6%. The salary increase data for comparable organizations for 2025 has been provided to the CEO and CFO from CPATA's HR Consultants and was used to inform salary changes for 2025. The movement of the CFO role from an outsourced provider to an in-house employee has resulted in the reallocation and increase in compensation costs. In addition, the budget for 2024 included two vacant positions for Admin and operational support that are not required for 2025. The Budget has increased by 2% compared to 2024 and statutory payments and benefits have been increased to 2025 rates.

Staff Travel and Training (M)

The budget for 2025 includes slightly decreased costs for staff training and travel to attend certain conferences and additional in-person board meetings with fewer staff attending large conferences. As CPATA is in its early stages staff training is invaluable and will be supported on an individual basis.

Translations Fees (N)

We have seen a small increase in rates with Translation providers but have standardized a lot of the reporting which we expect to lead to a reduction in budgeted translation costs for non-exam related items (\$15K).

Contingency (O)

The Expense Contingency expense has been left consistent with prior years at \$100,000. If not required during the year it will support financial reserve development. We have removed the Revenue Contingency figure does not appear to be required for 2025 given the success of the 2024 fee revenue.

STATEMENT OF FINANCIAL POSITION ITEMS

Cash (aa) and Investments (GIC) (bb)

We have forecasted an increase in the cash and investment balances at the end of 2025 based on the increased fee revenue and projected budget surplus. These figures have also been used to calculate the projected interest income (D).

Liabilities and HST (hh)

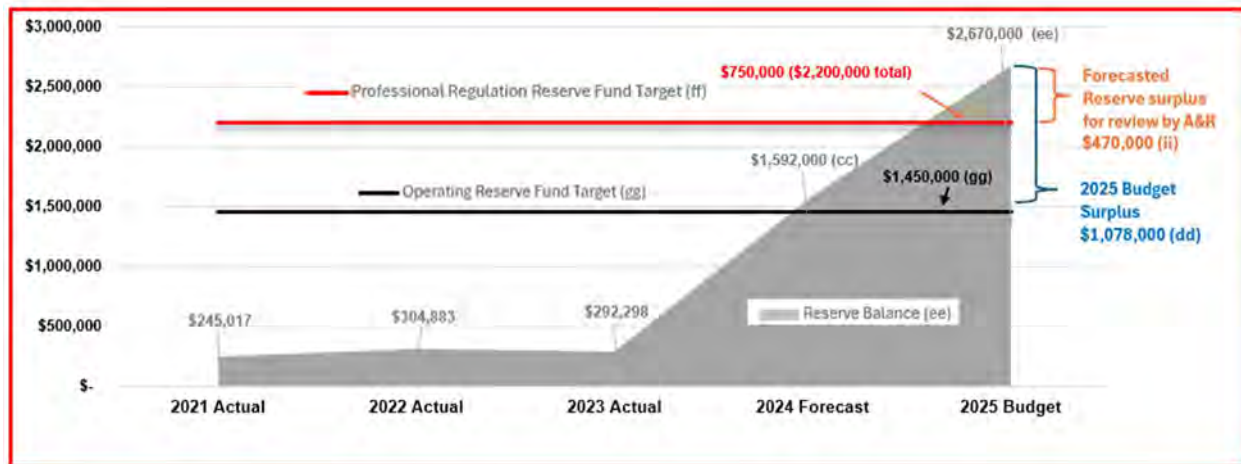
We have forecasted these areas to remain relatively stable year over year as we expect to see consistent expenses and payment volume around year-end.

Net Assets/ Reserve Balances (cc, dd, ee)

The forecasted opening reserve balance (cc) of \$1.6M at the end of 2024 along with a Budgeted surplus of \$1M (dd) results in a projected Reserve balance of \$2.67M (ee).

Financial Reserve Targets (ff, gg)

The forecasted Reserve (ee) is larger than the total of the Professional Regulation Reserve Fund target (ff) of \$750,000 and Operating Reserve Fund (gg) of \$1,450,000. The A&R Committee will be reviewing the Professional Regulation reserve target in 2025 against best practices and to maintain adequate reserves for the longer term. The Audit & Risk Committee will be reviewing the Reserves Targets in 2025 for adequacy and best practice.





College of Patent Agents and Trademark Agents - Draft Operations Budget 2025

	Budget 2022	Actual 2022	Budget 2023	Actual 2023	Budget 2024	Forecast 2024	@	Budget 2025	% Income	Change from 2024
INCOME/REVENUE:										
License Fees	\$ 2,100,000	\$ 2,121,355	\$ 2,120,000	\$ 1,996,597	\$ 3,215,400	\$ 3,581,173	A	\$ 3,658,000	92.0%	\$ 442,600 13.8%
Exam Fees	122,500	168,350	157,000	129,200	205,750	180,307	B	187,000	4.7%	-18,750 (11.9%)
Application and Certificate Fees	25,750	64,355	53,500	67,065	50,000	64,000	C	51,000	1.3%	1,000 1.9%
Interest Income	-	-	-	13,663	25,000	60,000	D	80,000	2.0%	55,000 -
Contingency (Income)	-	-	-	-	(100,000)	-	O	-	0.0%	100,000 -
Regulatory Discipline Income	-	-	-	-	-	5,000		-	0.0%	-
TOTAL INCOME/REVENUE	2,248,250	2,354,059	2,330,500	2,206,525	3,396,150	3,890,480		3,976,000	100.0%	579,850 24.9%
EXPENSES:										
Amortization	1,200	3,156	3,300	2,465	3,600	2,500	I	4,000	0.1%	400 11.1%
Audit Fees	16,000	19,260	18,000	26,400	23,540	22,350	I	24,000	0.6%	460 2.0%
Board of Directors Meeting & Remuneration	187,967	197,127	180,600	161,952	187,000	159,643	E	192,000	4.8%	5,000 2.7%
Regulatory Committees - Remuneration	45,000	56,400	27,800	41,675	37,625	30,575	E	43,000	1.1%	5,375 14.3%
Discipline & Hearing meeting and remuneration	-	-	29,750	28,000	97,525	60,925	F	94,000	2.4%	(3,525) (3.6%)
Communications and stakeholder relations	50,000	101,138	38,000	22,450	60,800	40,000	G	73,000	1.8%	12,200 20.1%
Human resources and recruitment	162,500	180,385	10,000	18,590	10,000	10,000	I	25,000	0.6%	15,000 1.50
Information Technology and Website	16,200	38,508	22,800	23,473	24,750	36,114	I	24,000	0.6%	(750) (3.0%)
Insurance expenses	27,173	60,872	66,135	50,884	60,566	54,394	I	57,000	1.4%	(3,566) (5.9%)
Credit card fees and bank charges	55,200	53,026	45,432	47,490	75,439	81,851	H	82,000	2.1%	6,561 8.7%
Legal fees	257,375	395,132	283,000	379,909	317,000	213,061	F	254,000	6.4%	(63,000) (19.9%)
Licensee system software	104,000	52,200	72,200	49,281	108,168	100,846	J	101,000	2.5%	(7,168) (6.6%)
Office & Administration	10,300	22,330	23,978	31,927	36,679	36,062	I	39,000	1.0%	2,321 6.3%
Exam Board/SME support fees	133,000	96,425	127,800	135,714	141,500	130,500	K	115,000	2.9%	(26,500) (18.7%)
Consulting - Registration/Competency	120,000	108,199	117,200	135,650	245,000	237,500	K	205,000	5.2%	(40,000) (16.3%)
Registration Program/Exam costs	44,000	57,638	45,000	66,954	134,485	138,439	K	125,000	3.1%	(9,485) (7.1%)
Salaries, benefits & contracted staff	770,335	746,325	1,026,705	907,067	1,177,204	1,124,921	L	1,203,000	30.3%	25,796 2.2%
Staff Travel, Training and Dues	28,000	25,892	27,800	35,956	85,270	61,097	M	83,000	2.1%	(2,270) (2.7%)
Translation fees (non-exam related)	40,000	80,182	65,000	53,274	70,000	50,000	N	55,000	1.4%	(15,000) (21.4%)
Contingency (Expenses)	100,000	-	100,000	-	100,000	-	O	100,000	2.5%	-
TOTAL EXPENSES	2,168,250	2,294,193	2,330,500	2,219,111	2,996,150	2,590,778		2,898,000	72.9%	(98,150) (3.3%)
NET SURPLUS (DEFICIT)	80,000	59,866	-	(12,586)	400,000	1,299,702	dd	1,078,000	27.1%	678,000
ADD: OPENING NET ASSETS/RESERVE BALANCE	\$ 245,017	\$ 245,017	\$ 304,883	\$ 304,883	\$ 292,298	\$ 292,298	cc	\$ 1,592,000		
ENDING NET ASSETS/RESERVE BALANCE	325,017	304,883	304,883	292,298	692,297	1,592,000	ee	\$ 2,670,000		

Budgeted Statement of Financial Position 2025 (Balance Sheet)

	<u>Actual</u> <u>2022</u>	<u>Actual</u> <u>2023</u>	<u>Forecast</u> <u>2024</u>	<u>Budget</u> <u>2025</u>	
Current Assets					
Cash	454,538	184,875	160,000	364,000	aa
Investments (GIC)	-	255,662	1,700,000	2,550,000	bb
HST/GST Rebate Receivable	42,290	28,595	20,000	20,000	hh
Prepaid expenses and contracts	28,391	16,154	16,750	18,000	
Total Current Assets	525,219	485,286	1,896,750	2,952,000	
Fixed Assets					
Fixed Assets	14,312	11,566	13,750	21,000	
Accumulated Depreciation	(4,598)	(5,910)	(6,150)	(10,000)	
Total Fixed Assets	9,714	5,656	7,600	11,000	
Total Assets	\$ 534,933	\$ 490,942	\$ 1,904,350	\$ 2,963,000	
Current Liabilities					
Accounts Payable	154,909	102,372	207,350	188,000	hh
Accrued Payables	74,859	96,272	105,000	105,000	hh
Deferred License and exam fees	283	-	-	-	
Current Liabilities	230,050	198,644	312,350	293,000	
Opening Net Assets (Operating Reserves)	245,017	304,884	292,298	1,592,000	cc
Surplus (Deficit) of Revenues over Expenses	59,866	(12,586)	1,299,702	1,078,000	dd
Total Net Assets	304,883	292,298	1,592,000	2,670,000	ee
Total Liabilities and Net Assets	\$ 534,933	\$ 490,942	\$ 1,904,350	\$ 2,963,000	

CPATA Financial Reserve Targets Comparison:

Forecast and Budgeted Reserves (Net Assets) end of 2025	\$ 2,670,000	ee
*Professional Regulation Reserve Fund	750,000	ff
Operating Reserve Fund (6 months expenses)	1,450,000	gg
	\$ 2,200,000	
Overall Reserves (Net Assets) projected surplus at December 31, 2025	\$ 470,000	ii

* Professional Reserve threshold is under review

COLLEGE OF PATENT AGENTS AND TRADEMARK AGENTS
Capital Asset Budget items

<u>Requirements for 2025</u>	<u>Timing</u>	<u>Provider</u>	<u>\$ Amount</u>
Laptop for Administrative Coordinator	ASAP	Lenovo	1,800
Laptop for Director of Communications	Q1	Lenovo	1,800
Laptop for Administrator, Registration & Education	Q2-3	Lenovo	1,800
Printers - Director of Op's, other	Q1-2	TBD	900
Monitors X3	Q1-2	TBD	1,500
Docking Stations X3	Q1-2	TBD	450
			\$ 8,250
		Opening Capital Assets Balance - 2024	\$ 13,750
		Ending Capital Asset Balance - 2025	\$ 22,000

BYLAWS OF THE COLLEGE OF PATENT AGENTS AND TRADEMARK AGENTS
2025 SCHEDULE 1 - REVISED FOR CPI % INCREASE (2.0%)

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7	Change from a class 4 licence to a class 1 licence or a class 2 licence, three years or more	250	255
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9	Request to re-mark failed qualifying examinations, per part of the examinations	500	510
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Memorandum

TO	Board of Directors
FROM	Tom Conway, Chair, Governance Committee
DATE	2024-12-05
SUBJECT	Refinements to Committee Governance

Purpose and Summary of Recommendations

MOTION: Be it resolved the Board approves the revised Governance Policies and Committee Terms of Reference as found in Appendix A of the meeting materials.

The purpose of this memo is to address two proposed areas of refinement to Committee governance:

- I. Committee Terms of Reference
- II. Committee Terms of Appointment

1. Committee Terms of Reference

The Terms of Reference for each committee set their composition and quorum, their responsibilities and reporting requirements. With the adoption of the new Governance Policies earlier this year, all Terms of Reference (ToR) require housekeeping changes. The Audit & Risk Committee would also benefit from a change in composition.

i. Housekeeping Amendments for all Terms of Reference

The Terms of Reference for all committees are attached in their red line format to show the changes proposed. The proposed amendments fall into the following categories:

- Reduced length of introductions
- Replacement of references to 'confidentiality' and 'conflict of interest' with an introductory paragraph about the application of the Governance Policies and Code of Conduct
- Deletion of reference to 'Registrar's Policies'
- Adding that Committee terms are set by the Board
- Deleting reference to a process for removal of a committee member by Board vote, as the process for removal is now set out in the Governance Policies
- Updating By-law and policy references
- Changing reference to "Management" to "CEO"

- Creating consistency regarding quarterly reports to the Board while deleting reference to the content of such reports

ii. **Audit & Risk Committee Composition**

The Audit & Risk Committee ToR states that the Committee has 4 members, including up to two Directors. Fixing the number at 4 creates the risk that should a Committee member resign or otherwise no longer be able to serve, the Committee will immediately no longer be properly constituted. CPATA would immediately need to take steps to appoint a new Committee member. Depending on Board scheduling, this could lead to a delay before an appointment is made, which could hold up A&R Committee work, and/or require holding a special Board meeting (at additional cost) solely to appoint a new Committee member.

The GC recommends an amendment to the A&R Committee ToR to state that the Committee may have 'up to five members, at least two of whom must be Directors'. This would give greater flexibility in the number of Committee members and reduce the risk of a Committee member departure impacting the Committee's ability to operate. This would be consistent with the ToR for the Governance Committee, CPATA's other governance-related Committee.

Additionally, some but not all regulatory organizations have provisions to appoint non-Director Committee members to governance-related Committees. In a 2017 review of the governance structures of regulatory organizations, noted lawyer and governance expert Carol Hansell described the appointment of nondirectors on their governance-related Committees as follows:

Many boards appoint non-directors as members of their key governance-related Committees. In some cases, the inclusion of non-director members is explicitly provided and enumerated in a Committee's terms of reference, while in other cases the board is provided with a degree of flexibility, thus allowing a Committee to make use of a larger talent pool as it or the board deems advisable. Usually, non-directors are drawn from other members of the organization, although in some limited cases Committee terms of reference may provide that they can be appointed from outside the organization.¹

In addition to providing access to a greater talent pool, appointing independent Committee members for governance functions can help regulators reduce the risk of regulatory capture, and reduce the risk of a Board being perceived by the public and/or licensees as a closed 'club'.

The Governance Committee recommends permitting but not requiring the appointment of non-Director Committee members to the Audit & Risk Committee. This would maximize flexibility in the appointments process and enable the Board to appoint external expertise where appropriate. It maintains the ability for Directors to serve on Committees where their expertise would be of assistance. Before making this recommendation to the Board, the A&R Committee were asked for input and they expressed their support for the change.

¹ Hansell LLP, Law Society of Upper Canada Governance Practices Review, June 8, 2017, available from Convocation – Governance Task Force 2016 Report, June 29, 2017.

2. Committee Term Lengths and Number of Terms

Boards are generally responsible for considering Committee appointments that balance stability and continuity with the opportunity to introduce new perspectives and new thinking on Committees. Unlike many professional regulators, CPATA's committee appointees are currently not subject to term lengths or a maximum number of terms. Generally, CPATA has adopted the following: Directors have been appointed to governance-related Committees with no term length. Their Committee appointment ceases when the Board appoints a replacement, or when the person ceases to serve as a Director. Non-Director appointees to both statutory and governance-related Committees have typically been appointed for two-year terms. September 2023 appointments to the Investigations Committee were appointed through to Jan 1, 2026. June 2024 appointments to the Investigations Committee were for two years to June 2026.

Authority for committee terms among professional regulators is typically found either in by-laws and/or in Governance Policies and Terms of Reference. Many regulators provide for a term of two years for each appointment, and limit reappointment to up to two further terms, for a maximum of 6 years on a Committee, or conversely a maximum of two three-year terms. This supports a balancing of consistency, knowledge and experience, and the benefits of introducing new perspectives and experience to a committee, particularly as the work of a committee evolves over time.

The GC recommends that the Governance Policies and Terms of Reference for all committees be amended to provide for appointments for two-year terms, with the possibility of reappointment for two further two-year terms, to a maximum of 6 years. This is preferable to two three-year terms, as it allows for greater flexibility and agility in responding to the Skills Matrix needs of each committee as their work evolves. The GC also recommends that the Board retain discretion in the Governance Policies to extend the limit for reappointments in the cases of the Registration, Investigation and Discipline Committees in extraordinary circumstances. This is because:

- i. Of the nature of the specialized work of these regulatory committees,
- ii. It often takes significant time for committee members to gain the relevant knowledge, training and experience needed (according to committee member feedback),
- iii. The Committees each require a careful balancing of knowledge, skills, experience and attributes set out in the Skills Matrices, and
- iv. The Committees require highly skilled and experienced Chairs and Vice-Chairs to provide leadership in regulatory decision-making and proceedings, which skills and experience can be challenging to find.

Respectfully submitted by

Tom Conway

Chair, Governance Committee