

Members' Forum with the FSTB on "Further Reform of Regulatory Regime of Accounting Profession"

28 June 2021



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

“ Opening remarks by President

Mr Raymond Cheng, President of HKICPA

Further Reform of Regulatory Regime for Accounting Profession 進一步改革會計專業規管制度

To develop the Financial Reporting Council into a full-fledged independent regulatory and oversight body for the accounting profession

發展財務匯報局為全面而獨立的會計專業規管和監察機構



Financial Services and the Treasury Bureau

財經事務及庫務局

Background

背景

- ▶ Since the commencement of the new auditor regulatory regime in October 2019, the Financial Reporting Council (FRC) has been responsible for –
自新核數師規管制度在2019年10月生效，財務匯報局(財匯局)負責 –
 - **inspection, investigation and discipline** of Public Interest Entities (PIE) auditors
查察、調查及紀律處分公眾利益實體核數師
 - **recognition** of overseas PIE auditors
認可境外公眾利益實體核數師
 - **oversight** of the Hong Kong Institute of Certified Public Accountants (HKICPA)'s performance of functions in relation to PIE auditors, including registration, setting requirements for continuing professional development (CPD), and setting standards on professional ethics, auditing and assurance in respect of local PIE auditors
監督香港會計師公會(公會)就公眾利益實體核數師的職能，包括為本地公眾利益實體核數師註冊、就該等核數師的持續專業發展設定要求，以及就該等核數師的專業道德和核數及核證執業準則設定標準

Justifications for the reform

改革的理據

- ▶ To ensure that the essential regulatory powers are vested with a **statutory body independent from the profession** to ensure impartiality and in line with international practices
將重要的規管權力賦予獨立於業界的法定組織，確保公正持平，並與國際做法更趨一致
- ▶ With FRC's positive experience in implementing the new regime for PIE auditors with effect from 2019, it is ready to **take up more responsibilities to regulate auditors and oversee the accounting profession**
財匯局在2019起成功實施新公眾利益實體核數師規管制度，已準備就緒承擔更多規管核數師及監察會計專業的責任
- ▶ To rationalize the regulatory roles and powers of FRC and HKICPA to enhance **regulatory efficiency and consistency**
理順財匯局及公會的角色及職能分配，提升規管效能及一致性

Registration 註冊

- ▶ Currently, all registration powers of the accounting profession are vested with HKICPA
現時，會計專業的所有註冊權力均屬公會
- ▶ We propose that **registration powers concerning auditors** be vested with FRC, which include-
我們建議將有關核數師的註冊權力賦予財匯局，包括 –
 - Registration of **practice units** and **PIE auditors**
註冊**執業單位**及**公眾利益實體核數師**
 - Issuance of **practising certificates**
發出**執業證書**
- ▶ HKICPA will continue to register **Certified Public Accountants (CPA)**
公會將繼續就**會計師**進行註冊

Inspection, investigation and discipline (I)

查察、調查和紀律處分(I)

- ▶ Currently, FRC is vested with the powers of inspection, investigation and discipline of PIE auditors; meanwhile, HKICPA is responsible for the investigation and discipline of CPAs and practice units and practice review of practice units

現時，財匯局獲賦權就公眾利益實體核數師進行查察、調查和紀律處分；而公會則負責會計師和執業單位的調查和紀律處分，以及執業單位的執業審核

- ▶ We propose that **FRC's investigation and disciplinary powers should be expanded** to cover all CPAs and practice units and its inspection powers to cover all practice units

我們建議**擴大財匯局的調查和紀律處分權力**以涵蓋所有會計師和執業單位，以及**擴大財匯局的查察權力**以涵蓋所有執業單位

Inspection, investigation and discipline(II)

查察、調查和紀律處分(II)

- ▶ **Scope of powers** (including investigable and sanctionable misconducts and powers of inspectors and investigators) as well as **types and levels of penalties** will **remain largely unchanged** after the transfer from HKICPA to FRC
有關規管權力從公會轉移至財匯局後，**涵蓋範圍**(包括可予調查和處分的失當行為和查察員及調查員的權力)，以及**處分的類別和水平將大致維持不變**
- ▶ **Procedures established by FRC** will be adopted for its exercise of expanded powers to ensure impartiality and independence from the profession
將採用財匯局的既有程序行使其擴大後的權力，以確保程序公正持平和獨立於業界

Oversight

監督

- ▶ We propose that **FRC's oversight power over HKICPA be expanded to cover –**
我們建議**擴大財匯局對公會的監督權力以涵蓋 –**
 - Registration of CPAs
會計師註冊
 - Setting of professional and ethical standards for practice units and CPAs
就執業單位和會計師設定專業及道德標準
 - Setting of CPD requirements for practice units and CPAs
就執業單位和會計師設定持續專業發展要求

Summary of regulatory functions before and after reform

改革前後的規管職能總覽

	Registration 註冊		Inspection 查察		Investigation 調查		Discipline 紀律處分		Standards-setting 訂立標準	
	Before 改革前	After 改革後	Before 改革前	After 改革後	Before 改革前	After 改革後	Before 改革前	After 改革後	Before 改革前	After 改革後
CPA 會計師	HKICPA	HKICPA *	N.A. 不適用	N.A. 不適用	HKICPA	FRC	HKICPA	FRC	HKICPA	HKICPA *
CPA(Practising) 執業會計師	HKICPA	FRC	HKICPA	FRC	HKICPA	FRC	HKICPA	FRC	HKICPA	HKICPA *
Practice Unit 執業單位	HKICPA	FRC	HKICPA	FRC	HKICPA	FRC	HKICPA	FRC	HKICPA	HKICPA *
PIE auditor 公眾利益實體核數師	HKICPA *	FRC	FRC	FRC	FRC	FRC	FRC	FRC	HKICPA *	HKICPA *

FRC : 財務匯報局

HKICPA : 香港會計師公會

***** : Subject to FRC's oversight 由FRC監督

Review/appeal 覆核/上訴

- ▶ All **registration and disciplinary decisions made by FRC** will be subject to review by an established Tribunal
財匯局的所有註冊及紀律處分決定將可受現有覆核審裁處覆核

Transitional arrangements 過渡安排

- ▶ All registration applications approved by HKICPA will remain valid and outstanding applications will be transferred to FRC for handling upon commencement of new regime
所有公會批准的註冊申請繼續有效，新制度實施當日尚未完成的申請則會轉交由財匯局處理
- ▶ Ongoing practice reviews, investigations and disciplinary cases of HKICPA upon commencement of new regime will continue to be conducted under HKICPA's respective mechanisms
公會在新制度實施當日仍在進行的執業審核、調查和紀律處分將繼續按公會相關機制進行

Funding 經費

- ▶ New levies have been introduced under the PIE auditor regulatory regime to be payable by PIE auditors, PIEs and sellers and purchasers of securities respectively. The Government injected a seed capital of \$400 million to FRC in 2019 to help it migrate to the new regime before it starts collecting the said levies from 1 January 2022. The **unspent seed capital** will fund FRC's expanded functions in initial years of proposed reform. We will review the funding arrangement and consider appropriate fee mechanism in due course
公眾利益實體核數師規管制度設有三項分別向公眾利益實體核數師、公眾利益實體及證券買賣雙方收取的徵費。政府在2019年向財匯局注入4億元種子資金，以助該局在2022年1月1日起收取上述三項徵費前，過渡至新規管制度。**尚未動用的種子資金**可資助財匯局在擬議改革初期執行經擴大的職能。我們會在適當時候檢討財匯局的經費安排，同時考慮合適的註冊費用機制

Renaming FRC 更改財匯局名稱

- ▶ FRC will be renamed as **Accounting and Financial Reporting Council (AFRC)** to reflect its expanded roles and functions
財匯局將改名為**會計及財務匯報局(會財局)**，以反映其擴大的角色和職能

Legislative Timetable

立法時間表

- ▶ We plan to consult the Legislative Council (LegCo) Panel on Financial Affairs in early July 2021 and **introduce the Amendment Bill into LegCo within this legislative year.**

我們計劃在2021年7月諮詢立法會財經事務委員會，並在本立法年度向立法會提交修訂條例草案。

CPA



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