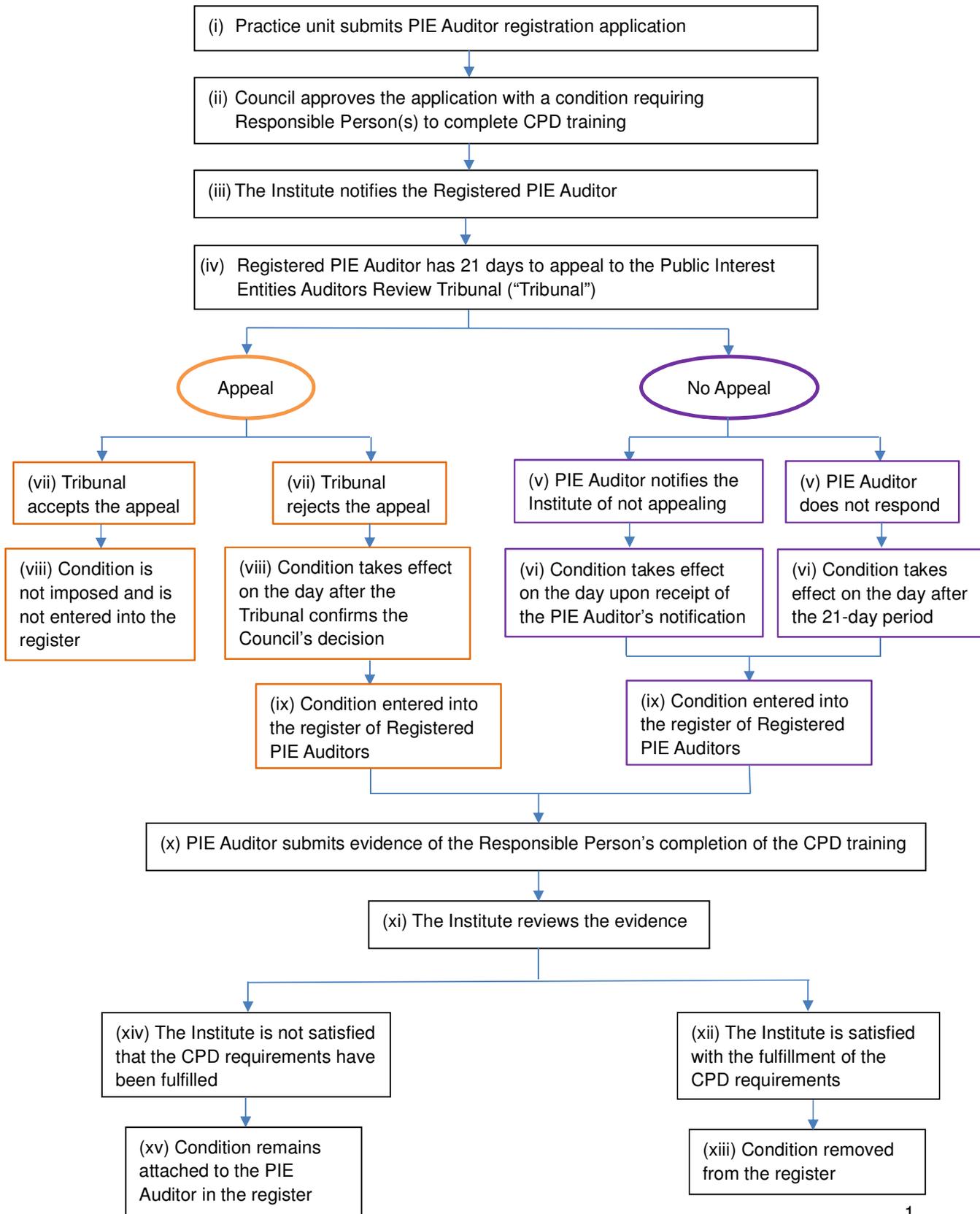




## Flowchart for the Procedures for Imposing CPD Requirements in relation to the Registration of a Public Interest Entity (PIE) Auditor





Explanatory notes

- (i) Practice unit submits to the Institute an application for registration as a PIE Auditor together with the completed fit and proper declaration form(s) of each nominated Responsible Person.
- (ii) Upon reviewing the disciplinary record, Financial Reporting Council (FRC) sanction and other fit and proper issues, if any, of a nominated Responsible Person(s), the HKICPA Council may, after taking into account relevant factors, approve the PIE Auditor registration application with a condition requiring the Responsible Person(s) to complete Continuing Professional Development (CPD) training before he/ she can undertake any PIE engagement or carry out any activity as a Responsible Person.
- (iii) The Institute issues a letter to the Registered PIE Auditor, notifying it of Council's decision to impose the condition together with the reasons for decision, with a copy of the notice to all its Responsible Persons.
- (iv) The Registered PIE Auditor may appeal to the Public Interest Entities Auditors Review Tribunal ("Tribunal") for a review of Council's decision to impose the condition within 21 days after the issue of the above notice. The Tribunal is independent from the Institute and the FRC.
- (v) The Registered PIE Auditor which has decided not to appeal against the decision may notify the Institute in writing that no review application will be made. A written response is however not a requirement.
- (vi) If the Registered PIE Auditor accepts Council's decision in writing, the condition shall take effect on the day upon the Institute's receipt of the PIE Auditor's notification. Otherwise, the condition shall take effect on the day after the 21-day period for appeal.
- (vii) The Tribunal may accept the appeal by varying or setting aside Council's decision to impose the condition. Alternatively, it may reject the appeal by confirming that Council's decision can be enforced.
- (viii) If the Tribunal accepts the appeal, the condition is not imposed on the Registered PIE Auditor and is not entered into the register of Registered PIE Auditors. If the Tribunal rejects the appeal, the condition shall take effect on the day after the Tribunal confirms that Council's decision can be enforced.
- (ix) The condition is entered into the register of Registered PIE Auditors under the relevant PIE Auditor and the Responsible Person concerned who is required to complete the CPD training before undertaking any PIE engagement.
- (x) If the relevant Responsible Person has completed the required CPD hours, the Registered PIE Auditor will need to submit his/ her CPD records to the Institute.
- (xi) The Institute will review the evidence submitted to determine if the condition has been fulfilled.
- (xii) If the Institute is satisfied that the condition has been fulfilled, it will issue a written notification to the Registered PIE Auditor.
- (xiii) The condition will be removed from the register of PIE Auditors on the date of the above notice.
- (xiv) If the Institute is not satisfied that the condition has been fulfilled, it will issue a written notification to the Registered PIE Auditor together with the reasons.
- (xv) The condition remains attached to the registration of the PIE Auditor and the relevant Responsible Person until the Institute is satisfied that the condition has been fulfilled.