

27 August 2019

Our Ref: C/PIE-circular1

To: All Practice Units
(i.e. firms/ corporate practices/ PC holders practising in own name)

Dear Member/ Member Practice,

Registration as Public Interest Entity (PIE) Auditor

Please be informed that the Financial Reporting Council (Amendment) Ordinance 2019 will take effect on 1 October 2019, and the Financial Reporting Council (FRC) will become fully responsible for the regulation of auditors of listed companies, i.e. public interest entities (PIE)¹. With effect from 1 October 2019, a practice unit must be registered as a PIE Auditor with the Hong Kong Institute of Certified Public Accountants (the Institute) before it can carry out PIE engagements².

A [dedicated webpage](#) on the requirements and procedures for registration as a PIE Auditor is available on the Institute's website. Please visit the page if you intend to undertake PIE engagements to learn about the registration requirements. The Institute will begin accepting applications for registration as a PIE Auditor online from 1 October 2019.

The following is for the attention of practice units which have undertaken PIE engagement(s) but the engagement(s) will not be completed before 1 October 2019. If you do not have such PIE engagements, you do not need to respond to this email.

TRANSITIONAL ARRANGEMENT for existing listed company auditors

If you have undertaken but not yet completed a PIE engagement(s) before 1 October 2019³, you will need to notify the Institute so that you can continue to carry out the PIE engagement(s) after 1 October 2019 until your application for registration as a Registered PIE Auditor is decided by the Institute. To notify the Institute, please complete and email the [Form PIE-Provisional](#) to pieauditor@hki CPA.org.hk by **Monday, 23 September 2019**. Your practice name along with a list of your existing Responsible Persons⁴ will be entered into a **Provisional Register of PIE Auditors** and published on the Institute's website during the three-month transitional period from 1 October to 31 December 2019.

These practice units whose names are published in the Provisional Register are still required to apply for formal registration as a Registered PIE Auditor by submitting their online application to the Institute by **16 November 2019**, in order to remain eligible for carrying out PIE engagements after the three-month transitional period.

We will write to remind these practice units in October 2019.

Yours sincerely,

Tracy W.T. Wong
Director, Admission
Hong Kong Institute of CPAs

Enquiries: Admission Department at 2287 7531/ 2287 7049 / 2287 7069 or
pieauditor@hkicpa.org.hk

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- 1 Under section 3(1) of the amended Financial Reporting Council Ordinance (Cap. 588) (FRCO), a public interest entity (PIE) means a listed corporation with listed shares or stocks or a listed collective investment scheme in Hong Kong.
 - 2 Under Part 1 of Schedule 1A of the FRCO, any of the following types of engagement carried out by an auditor for a PIE is a PIE engagement:
 - An auditor's report on the PIE's annual financial statements required by the Companies Ordinance (Cap. 622), the Listing Rules or any relevant code issued by the Securities and Futures Commission;
 - An accountant's report required to be included in a prospectus or other listing documents for the listing of a corporation's shares or stocks or for the listing of a collective investment scheme;
 - An accountant's report required under the Listing Rules to be included in a circular for a reverse takeover or a very substantial acquisition.
 - 3 A PIE engagement undertaken but not yet completed before 1 October 2019 means a PIE engagement, the appointment of which the practice unit has already accepted, but the auditor's report or accountant's report will only be issued after 1 October 2019.
 - 4 These Responsible Persons are the Engagement Partner(s), Engagement Quality Control Reviewer(s) and Quality Control System Responsible Person(s) whom the practice unit has authorized and intends to authorize to continue to carry out the PIE engagement(s) during the transitional period between 1 October and 31 December 2019.

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