

HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

(Incorporated by the Professional Accountants Ordinance, Cap. 50)



APPLICATION FOR REGISTRATION OF A CORPORATE PRACTICE

IMPORTANT

Applicant should read carefully the Corporate Practices (Registration) Rules, Corporate Practices (Professional Indemnity) Rules and Notes to Forms RCP-1A and RCP-1B before completing this Form.

For Office Use Only

Name of Corporate Practice: _____

Name in Chinese, if any: _____

Corporate Practice Registration No.: _____

Formal approval given on: _____

Registration effective from: _____

Reference No. **IMPORTANT:**

- Please read Notes carefully before completing this Form.
- **Personal Data (Privacy) Ordinance:** All information provided in this form will be used by the Hong Kong Institute of Certified Public Accountants ("the Institute") for the purpose of exercising its powers under the Professional Accountants Ordinance ("PAO") and its subsidiary legislation (Cap 50) and administering or enforcing the relevant provision of the PAO and its subsidiary legislation, and for any other legitimate purposes as may be required, authorized or permitted by law. The Institute will also use your personal data provided in this form for statistical research and analysis and for other uses internally.

The provision of personal data by means of this form is voluntary. However, insufficient information may result in rejection of an application. Data collected may be accessible by the Institute's officers, persons or committees processing registration and related matters. Please refer to the Institute's privacy policy and personal information collection statement on its website at: www.hkicpa.org.hk.

Unless otherwise agreed, hard copies of any documents containing your personal data that you provide to the Institute will become the property of the Institute and will not be returned to you. The Institute will destroy any documents it holds in accordance with its internal policy and applicable laws.

Under the Personal Data (Privacy) Ordinance, applicants have a right to request access to and correction of their personal data kept by the Institute. If you wish to exercise these rights, please email admission@hkicpa.org.hk or contact the Membership & Admission Department at (852) 2287-7228.

Section 1 – Name of proposed practice: (see Note 2)

_____ (in English)

_____ (in Chinese, if any)

Section 2 – Details of practising member director(s) ①: (see Notes 3 & 8.5)**Sole practising member director/ Managing director:**

Full name in BLOCK letters: _____	Full/ Part-time practice: (see Note 3.2) _____
Membership no.: _____ P.C. no. _____	No. of voting shares held: _____ Total no. of shares held: _____
Personal signature: (see Note 3.3) _____	Specimen signature under the practice name: _____

Other practising member director(s):

1 Full name in BLOCK letters: _____	Full/ Part-time practice: (see Note 3.2) _____
Membership no.: _____ P.C. no. _____	No. of voting shares held: _____ Total no. of shares held: _____
Personal signature: (see Note 3.3) _____	Specimen signature under the practice name: _____

2 Full name in BLOCK letters: _____	Full/ Part-time practice: (see Note 3.2) _____
Membership no.: _____ P.C. no. _____	No. of voting shares held: _____ Total no. of shares held: _____
Personal signature: (see Note 3.3) _____	Specimen signature under the practice name: _____

3 Full name in BLOCK letters: _____	Full/ Part-time practice: (see Note 3.2) _____
Membership no.: _____ P.C. no. _____	No. of voting shares held: _____ Total no. of shares held: _____
Personal signature: (see Note 3.3) _____	Specimen signature under the practice name: _____

(Please use separate sheet, if necessary, duly signed by the proposed managing director with the proposed practice name on each of the sheet(s) attached. Total no. of sheet(s) attached _____.)

① As defined in the Corporate Practices (Registration) Rules.

Section 3 – Non-practising member director(s) ① (see Note 3.1):

Full name in BLOCK letters: _____

Membership no.: _____ No. of voting shares held: _____ Total no. of shares held: _____

Personal signature: _____ Specimen signature under the practice name: _____
(for general purpose only)*(Please use separate sheet, if necessary, duly signed by the proposed managing director with the proposed practice name on each of the sheet(s) attached. Total no. of sheet(s) attached _____.)***Section 4 – In the case of a sole practising member corporate applicant (OPTIONAL):****A. Reserve director** (where applicable): (see Notes 4 & 9.4)

Full name in BLOCK letters: _____ Miss/ Mr./ Mrs./Ms. * _____ HKICPA membership no., if any: _____

To be completed by the reserve director who is not a current HKICPA member:

HK identity card/ Passport no. * _____ Age: _____

As you are not a current HKICPA member, please provide at least one of the following contact details for our future communication purpose. The Institute may communicate with you direct for any missing items or for verification purpose, whichever is applicable.

Correspondence address: _____

Email address: _____ Day-time contact tel. no.: _____

Declaration:

I declare that I do not hold any share in the company and that I am not disqualified to act as a director under Part IV A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)

Signature of the reserve director of the sole practising member corporate applicant

Date
(dd/mm/yyyy)**B. Authorised person** (where applicable): (see Notes 5 & 8.6)

Full name in BLOCK letters: _____ Membership no.: _____ P.C. no. _____

Personal signature: _____ Specimen signature under the practice name: _____

Section 5 – Registered office: (see Notes 6 & 8.4)

Address: _____ (in English)

(in Chinese)

Tel. no.: _____ Fax no.: _____

Email address: _____

① As defined in the Corporate Practices (Registration) Rules.

* Please delete as appropriate.

Section 6: – Declaration/ Undertaking: # (see Note 7.4)

I hereby, for and on behalf of the company, whose members and directors are named and whose particulars are provided in this application form:-

- make an application to register the company as a corporate practice under section 28E of the Professional Accountants Ordinance ("PAO");
- declare that the information supplied in this application is true and complete and that all claims against the Hong Kong Institute of Certified Public Accountants ("the Institute") for any loss or damage the company or any of its members or directors may suffer arising from this application are waived;
- acknowledge that none of the Institute's officers or servants or members of its Council or Committee is to be liable for anything done or omitted in discharge or purported discharge of any of its functions connected with registering the corporate practice under the PAO and related rules, unless the act or omission is shown to have been in bad faith;
- acknowledge that certified public accountants ("CPAs") who are shareholders and directors of a corporate practice shall be responsible for and accountable to the Institute for the conduct of the corporate practice, and that they shall be severally liable to disciplinary action for any failure by the corporate practice to comply with the Professional Accountants By-laws, professional standards and other rules and any of them as may be amended from time to time which apply to all CPAs ("the Institute's rules");
- declare that the Articles of Association ("AA") submitted is identical to the one approved by the Institute under Form RCP-1A;
- undertake-
- a) to procure compliance by the company with the Institute's rules, including the Corporate Practices (Registration) Rules ("CPR Rules"), the model AA and the Corporate Practices (Professional Indemnity) Rules ("PI Rules");
 - b) to inform the Institute of any proposed change in the name, directors, shareholders, registered office or the AA of the company, and any other changes of circumstances as set out in Rule 16 of the CPR Rules and to provide or procure the company to provide such other information in respect of the company as the Council may from time to time require (see Note 12); and
 - c) to continue to maintain in force a contract of insurance which provides the company with professional indemnity cover not less in amount and conditions than as set out in the PI Rules and to advise the Institute if the contract of insurance is refused, cancelled or lapses or ceases to comply with those Rules. (see Note 12)

For MULTI practising member corporate applicant ONLY (see Note 3.1)

- declare that not less than two-thirds of the voting shares of the company are beneficially owned by the practising member directors; and
- declare that all the shareholders are the ultimate beneficial owners of shares that they hold in the company.

For SOLE practising member corporate applicant ONLY (see Note 3.1)

- declare that the sole practising member director is the sole shareholder of the company and vice versa, and he/she is the ultimate beneficial owner of all the share or shares in the company.

Signature of the managing director
(for and on behalf of the corporate applicant)

Date
(dd/mm/yyyy)

Please put a "✓" in the appropriate box.

The completed application form should be returned with appropriate fees and relevant supporting documents by registered mail to:
The Registrar, Hong Kong Institute of Certified Public Accountants, 27th Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong.

P.S. Applicants may also submit their applications by hand to the Institute's office at the above address during office hours.

HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
RCP-1B application for registration of a corporate practice
Checklist for applicants

Processing of an application may be delayed/ rejected if it is not submitted together with the required payment/ supporting document(s) as detailed below. Incomplete application will be pending in this office for at most six months from the date of first receipt of the application by the Institute. It will be rejected for failure to provide appropriate payment and/or sufficient information for processing after the lapse of the six-month period. An administration charge, as announced in the latest Fee Schedule posted in the Institute's website at www.hkicpa.org.hk, will be deducted from the refund in case an application is rejected by the Institute or is withdrawn by the applicant.

Please indicate the documents you have attached to your completed application Form RCP-1B by putting a "✓" in the appropriate boxes below:

1. Documents to be submitted by ALL applicants

- A copy of the Articles of Association ("AA") of the corporate applicant that has been approved by the Institute under Form RCP-1A or a CERTIFIED ^{Note ①} copy thereof.
- A CERTIFIED ^{Note ①} copy of the Certificate of Incorporation.
- A certification issued by the insurance broker of the HKICPA Professional Indemnity Insurance (PII) Master Policy (i.e. **Appendix I**) together with a CERTIFIED ^{Note ①} copy of the PII cover note of the corporate applicant.
- A letter of consent from the landlord/leaseholder authorising the use of his/her/their premises as the corporate applicant's registered office and the erection of a signboard at the entrance to the registered office.
- A CERTIFIED ^{Note ①} copy of each of the following Forms and documents pertinent to the incorporation of the corporate applicant submitted to the Companies Registry
 - Form NNC1 – Incorporation Form (Company Limited by Shares)
 - Form NSC1 – Return of allotments

2. Additional document to be submitted by applicants under the following situation

- For practising member director who will practise on full time basis but is currently engaged in a full time employment
 - Documentary proof that he/she has resigned from his/her current employment, and that he/she will not engage in other full time employment upon approval of the registration of the corporate practice.
(Those who are currently practising on full-time basis in own name, firm name and/or corporate practice name are exempt from this requirement.)
- For registration of an authorised person by a sole practising member corporate applicant
 - A board resolution to confirm that he/she has been authorized by the board of directors to act as an authorised person of the practice.

For and on behalf of: _____

(Name of the proposed corporate practice)

Signature of the Practising
Member Director: _____

Date: _____

(dd/mm/yyyy)

Full name in BLOCK
letters of signatory: _____

Note ①

Certification of documents – Applications should be supported by originals. If photocopy is provided, it must be certified as true copy by any of the following persons:

- a. A certified public accountant, i.e. HKICPA member. Full name in BLOCK letters with HKICPA membership no. should be provided on each of the document he/ she has certified for verification purpose.
- b. A legal practitioner. Full name with contact details should be provided for future communication.
- c. Government District Officer (through statutory declaration)
- d. Authorised staff of the Institute (only if originals are presented with photocopies for certification)

NOTES

Please read these notes carefully before completing **Form RCP-1B**
(The Institute reserves the right to change, modify, add or remove any part of this application form without prior notice. Please check the Institute's website from time to time for the latest version.)

Note 1 – Procedures for registration of a corporate practice

- 1.1 The registration of a corporate practice is governed by Sections 28D to 28H of the Professional Accountants Ordinance ("PAO"), the Corporate Practices (Registration) Rules ("CPR Rules"), the Corporate Practices (Professional Indemnity) Rules ("PI Rules"), and the Professional Accountants By-laws 28 and 29 as contained in Volume 1 of the HKICPA Members' Handbook.
- 1.2 Corporate applicants should follow the registration procedures below:
 - 1.2.1 submit Form RCP-1A with the draft Articles of Association ("AA") for the initial approval of the name and AA by the Registration and Practising Committee ("R&PC") and the Council of the Institute. Applicants will normally be notified of the Institute's decision ten weeks after each submission deadline with a Reference Number. The name approved will be held for the corporate applicant by the Institute for up to three months from the date of approval. Please refer to the submission deadline announced by the Institute from time to time;
 - 1.2.2 register the proposed corporate practice with the Companies Registry;
 - 1.2.3 obtain Professional Indemnity Insurance (It is advisable to take steps to secure insurance terms and coverage applicable to the corporate practice at an early stage when registration is contemplated.); and
 - 1.2.4 submit Form RCP-1B and all supporting documents (quoting the Reference Number given by the Institute) within three months from the date of approval of the name and AA for formal approval by the Council.

Note 2 – Name of a corporate practice

Initial approval of the name of the corporate practice under Form RCP-1A may be withdrawn by the Institute if there is any subsequent change in the proposed shareholders/directors. The corporate applicant is required to notify the Institute if there is such change when submitting this application form.

Note 3 – Director composition

- 3.1 Rule 4 of the CPR Rules specifies that:
 - 3.1.1 the sole director of a sole practising member corporate practice is the sole shareholder who is a practising member and is the ultimate beneficial owner of all the share or shares in the corporate practice; and
 - 3.1.2 other than the sole practising member corporate practices, not less than two-thirds of the total number of directors shall be practising members and not less than two-thirds of the voting shares of the corporate practice are beneficially owned by practising members.
- 3.2 **Mode of practice**
 For registration of a corporate practice, at least one of the practising member directors ("PMD") or the sole practising member director must practise on a full time basis, i.e. not engaged in other full-time employment.
- 3.3 **Bankruptcy**
 - 3.3.1 Section 30(7) of the PAO stipulates that: -
 "A practising certificate shall not be issued to, and the Council may cancel the practising certificate of, a certified public accountant who is or has become bankrupt or has entered into a voluntary arrangement with his creditors within the meaning of the Bankruptcy Ordinance (Cap. 6)."
 - 3.3.2 Section 480 of the Companies Ordinance (Cap. 622) provides that if any person being an undischarged bankrupt acts as director of, or directly or indirectly takes part in or is concerned in the management of any company, he shall be guilty of an offence and is liable to imprisonment and a fine. However, s/he may act as director with the leave of the court by which s/he was adjudicated bankrupt.
 - 3.3.3 The personal signature of the proposed shareholders/directors serves as a declaration by the signer that s/he is not or has not become bankrupt or has not entered into a voluntary arrangement with his/her creditors within the meaning of the Bankruptcy Ordinance.
 - 3.3.4 For a proposed shareholder/director who has adjudicated bankrupt but has been granted leave by the court to act as a director, s/he should provide a certified copy of the document issued by the court on such permission together with this application for the Institute's consideration.

3.4 Maximum number of firm/corporate practice names under which a practising certificate ("PC") holder may practise

The Council rules that the number of firm/corporate practice names under which a PC holder may register as a sole proprietor, a partner, a director, an authorised signatory or an authorised person (as the case may be) should in no case exceed three.

Note 4 – Appointment of a reserve director in case of a sole practising member corporate applicant or corporate practice

- 4.1 Special arrangement for a sole practising member corporate applicant or corporate practice is provided for under Rules 25 and 26 of the CPR Rules, whereby a non-member or non-practising member may be appointed as the reserve director of the company under section 455 of the Companies Ordinance (Cap. 622), who will be deemed to become a director of the company upon the death of the sole practising member director until such time as another practising member becomes the sole member and sole director of the company.
- 4.2 The reserve director does not hold any share in the company before or after the death of the sole practising member director of the corporate practice. He/she is not a director and does not play any role in the corporate practice before the death of the sole practising member director. Upon the death of the sole practising member director, he/she will be deemed to become a director of the company, but he/she cannot sign any audit report as he/she does not hold a practising certificate and thus is not eligible to do so.

Note 5 – Appointment of an authorised person in case of a sole practising member corporate applicant or corporate practice

- 5.1 Special arrangement for a sole practising member corporate applicant or corporate practice is provided for under Rules 24, 26 and 27 of the CPR Rules, whereby an authorised person may sign an audit report in the name of the corporate practice in the event of death or incapacity or disqualification or involuntary absence of the sole practising member director.
- 5.2 An "authorised person" means a practising member who has been duly authorised by the board of directors of a sole practising member corporate applicant or corporate practice and approved by the Council to practise as a certified public accountant (practising) in the name of the sole practising member corporate practice in the event of death or incapacity or disqualification or involuntary absence of the sole practising member for such period and subject to such conditions as the Council may impose.

Note 6 – Registered office

- 6.1 Under section 31(5)(b) of the PAO, the registered office should be the one registered for the purpose of the Companies Ordinance (Cap. 622).
- 6.2 In order to facilitate the statutory requirement for publishing the list of corporate practices in the Government Gazette, an applicant is required to provide the address of its registered office in both English and Chinese.

Note 7 – Processing of application

- 7.1 The result of an application will normally be available 1 week after receipt of this application by the Institute OR 3 working days after the effective date of the professional indemnity insurance cover, whichever is later.
- 7.2 Failure to provide full information and evidence may cause delay in the processing of an application.
- 7.3 The Institute reserves the right to verify where necessary the information furnished by the applicant with any third parties concerned.
- 7.4 Any false information/ declaration provided in this application form may result in application not being processed. The matter may also be referred to the relevant committee(s) or Council for disciplinary action as the Institute sees fit under section 34 of the PAO. Please review your application carefully before submission of your application to the Institute.

Note 8 – Supporting documents

Unless otherwise specified, all documents submitted, if they are photocopies, must be certified by a HKICPA member or a legal practitioner.

8.1 Certificate of Incorporation

Section 28D(1) of the PAO stipulates that only a company limited by shares and formed and registered under the Companies Ordinance (Cap. 622) shall be qualified for registration as a corporate practice. To this effect, a certified copy of the Certificate of Incorporation should be produced.

8.2 Professional indemnity insurance

Certification that the corporate applicant satisfies the Corporate Practices (Professional Indemnity) Rules in a Standard Form as per attached (**Appendix I**) together with a certified copy of the cover note should be provided.

8.3 Articles of Association

A copy of the Articles of Association of the corporate applicant that has been approved by the Institute under Form RCP-1A should be produced.

8.4 Registered office

An official letter of consent from the landlord/leaseholder must be produced to the effect that he/she/they has/have no objection to such use and to the erection of a signboard at the entrance to the registered office. A sample of such letter is provided at the end of these notes for reference.

8.5 Change of mode of practice of practising member director

A practising member director who will practise on a full time basis but is currently engaged in a full time employment should provide documentary proof that he/she has resigned from his/her current employment, and he/she will not engage in other full time employment upon approval of the registration of corporate practice. Those who are currently practising on a full-time basis in firm/corporate practice name are exempt from this requirement.

8.6 Board resolution for an authorised person

In relation to registration of an authorised person named under Section 4B of the application form who has been duly authorised by the board of directors of the corporate applicant to act as such, a certified copy of the board resolution should be submitted.

Note 9 – Filing requirements after the registration of a corporate practice

- 9.1 To complete the registration procedures, certified copies of the forms and documents pertinent to incorporation of the corporate applicant submitted to the Companies Registry at the time of incorporation and afterwards should be submitted to the Institute when they are available. They are:
Form NNCI – Incorporation Form (Company Limited by Shares)
Form NSC1 – Return of allotments

9.2 Business registration certificate (within 6 months from the approval date)

Section 30(6) of the PAO stipulates that:

"If a certified public accountant fails to commence practice within six months from the date of issue of the practising certificate, the Council may cancel the practising certificate."

To this effect, a copy of the Business Registration Certificate should be produced within six months from the date of issue of a certificate of registration to a corporate practice as evidence of their commencement of business.

9.3 Letterhead and confirmation of erection of a signboard (within 3 months from the approval date)

9.3.1 a specimen of letterhead bearing the name of the corporate practice and the registered office; and

9.3.2 a completed Reply Slip in respect of confirmation of erection of a signboard at the entrance to the registered office.

9.4 Registration of reserve director

Certified copy of Form ND5 - Notice of Change of Reserve Director (Nomination/ Cessation) submitted to the Companies Registry at the time of incorporation and afterwards should be submitted to the Institute when it is available.

Note 10 – Practice review

All certified public accountants (practising), whether practising in own name or in the name of a CPA practice, are subject to practice review. Applicants should refer to Part IVA of the Professional Accountants Ordinance which is included in Volume 1 of the Members' Handbook and the Practice Review Procedures Manual which has been distributed to all practising certificate holders.

Note 11 – Annual renewal requirements

- 11.1 The registration of a corporate practice will end on 31 December each year. An application for renewal shall be made to the Registrar of the Institute not later than 15 December in the year preceding the year of renewal in such form as the Council may specify.
- 11.2 Renewal of corporate practice registration shall not be granted unless the corporate practice annual fee fixed by the Council is paid and the following declarations are completed and returned to the Institute:
- 11.2.1 Declaration in respect of Rule 4 of the CPR Rules – confirming compliance with the shareholding requirements for the renewal of a corporate practice
- 11.2.2 Declaration in respect of Rule 14 of the CPR Rules – confirming compliance with the CPR and PI Rules requirements for the renewal of a corporate practice
- 11.3 A corporate practice registration certificate valid from 1 January to 31 December of the year will be issued upon receipt of the required corporate practice annual fee and Declarations for Rules 4 & 14 of the CPR Rules and completion of all renewal procedures by the sole practising member director/ all directors of the corporate practice.

Note 12 – Notification of change of particulars of a corporate practice

- 12.1 The corporate applicant is required to inform the Registrar in writing within 14 days of any change in the information supplied in this Form.
- 12.2 After registration, corporate practices shall notify the Registrar of the Institute of any other changes as specified in Rule 16 of the CPR Rules (including the AA and Professional Indemnity Insurance) by filing with the Institute a Form RCP-3A or RCP-3B.
- 12.3 Form RCP-3A shall be used for updating changes not requiring the Institute's prior approval while RCP-3B for any alterations requiring the Institute's prior approval. Certified copy of any forms and documents submitted to the Companies Registry for notification of any of such changes should also be given to the Institute within one month of submission for the Institute's record.
- 12.4 Corporate practices will be provided a checklist upon approval of their registration advising them the procedures and filing requirements in respect of these changes.

Note 13 – Enquiries

For enquiries in relation to the application, please contact the Membership & Admission Department of the Institute via email: admission@hkcipa.org.hk; telephone: 2287-7228; or fax: 2575-6852.

Last update on 15 Oct 2020

Hereunder is a sample of a letter of consent. Please request the leaseholder/landlord of your proposed registered office to reproduce it on their own letterhead.

Date: _____

Registrar,
Hong Kong Institute of Certified Public Accountants,
27th floor, Wu Chung House,
213 Queen's Road East,
Wan Chai,
Hong Kong.

SAMPLE

Dear Sirs,

Letter of Consent from Leaseholder/Landlord *

Re: _____
(name of proposed corporate practice)

This is to confirm that the undersigned who is the leaseholder/landlord* of the office situated at

_____ (in English)

_____ (in Chinese)

has no objection to the use of the premises as the registered office of the said firm, and has given permission to the said firm to erect a signboard with appropriate description at the entrance to the registered office.

Yours faithfully,

(Signature)

(Full name in BLOCK letters)

(Position held)

(Name of company)

(Company chop, if any)

* Please delete as appropriate.

Appendix I

To: The Registrar,
Hong Kong Institute of Certified Public Accountants,
27th Floor, Wu Chung House,
213 Queen's Road East,
Wan Chai Hong Kong.

PART I
Certification of Insurance under
The HKICPA PII Master Policy by the Scheme Broker

(A) At the request of _____ ("the Company"), we hereby,
(Name of company)
certify on the basis of written information supplied to us in a proposal by the Company that:-

I. The Company has professional indemnity insurance ("PII") cover(s) as required by the HKICPA Corporate Practices (Professional Indemnity) Rules ("the Rules") for the period from _____ to _____
(Expiry date) ; *(Commencement date)*

- # II. The minimum level of indemnity as required by the Rules is fully covered under the HKICPA PII Master Policy.
- The minimum level of indemnity as required by the Rules is partly covered by the HKICPA PII Master Policy and top-up cover is taken out with _____ .
(Name of insurer)

(B) We undertake to inform the Registrar of the HKICPA in writing:-

- (i) Upon notification of a second claim against the Company during any period of insurance; and
- (ii) Upon expiry or cancellation of the policy under the HKICPA PII Master Policy, if this has not been renewed or reinstated within 14 days.

Signature	Company chop
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Name of the Insurance Broker of the HKICPA PII Master Policy	Date (dd/mm/yyyy)
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Please put a "✓" in the appropriate box.

Corporate Practice Registration

Professional Indemnity Insurance

Under the Corporate Practices (Professional Indemnity) Rules ("PI Rules"), each corporate practice shall have a valid and binding contract of professional indemnity insurance ("PII") under the Professional Indemnity Insurance Master Policy of the Hong Kong Institute of Certified Public Accountants (hereafter called "The Master Policy") and any additional binding contract of PII required to ensure compliance with the minimum requirements set out in the PI Rules.

The Master Policy is primarily designed to protect the corporate practices against legal liability arising from professional negligence, errors or omissions, including libel and slander. There are also many extensions of coverage under the Master Policy which is considered to be the broadest protection available in the current market. Registered firms of the HKICPA may also subscribe to the Master Policy.

The following is a summary of the salient features of the Master Policy for general reference.

Minimum Limit of Indemnity

As stipulated in the PI Rules, the minimum limit of indemnity of the corporate practice in relation to each and every single claim during the period of insurance shall not be less than:

1. the minimum limit of indemnity of the HKICPA Master Policy (currently is HK\$5,000,000); or
2. 2.5 times its gross fee income for the financial year immediately preceding the beginning of the period of insurance subject to a maximum of HK\$15,000,000; or
3. the amount calculated by multiplying the number of principals in the practice as at the beginning of the period of insurance, by HK\$3,000,000;

whichever is the highest.

Excess

Standard premiums are based on a standard excess of HK\$10,000 in respect of each and every claim for practices with annual gross fees at or below HK\$2,000,000. Practices with higher fee income will be subject to standard excess, equal to 0.75% of the annual gross fee. Premium discount will be given for increasing the excess voluntarily. However the maximum excess each and every claim shall not be more than:

1. The amount calculated by multiplying the number of principals of the corporate practice as at the beginning of the period of insurance, by HK\$200,000; or
2. 2% of the gross fee income of the corporate practice for the financial year immediately preceding the beginning of the period of insurance;

whichever is the greater.

There is also a requirement to have annual aggregate indemnity cover for all claims of not less than twice the minimum limit of indemnity. Such aggregate cover is provided under the Master Policy for the minimum cover as well as any top-up covers. In effect, this means that every corporate practice will have aggregate cover of \$10 million for all claims during an insurance period subject to a maximum of \$5 million per claim.

Insurance Cover

The insurance must cover the corporate practice, any director or former director or authorised person of the corporate practice, and in the event of death, incapacity or bankruptcy of any such persons, the estates or the legal representatives of that person and all professional business undertaken by the corporate practice, and any civil liability or any act, error or omission arising therefrom.

Run-off Cover

The PI Rules require the corporate practice to carry out insurance to cover their liabilities arising from any circumstances, acts, errors or omissions occurred in the last 7 years prior to the date of cessation of registration and such insurance shall, if the policy is on a claims made basis (the Master Policy is offering cover on claims made basis) be maintained for a period of not less than 7 years after the date of cessation of registration.

More Information and Enquiries

The Master Policy is administered by the sole insurance broker, Aon Hong Kong Limited ("Aon"), and is underwritten by Lloyd's of London and other insurers.

Enquiries

Aon have set up an enquiry hotline ((852) 2862 4242 or (852) 2862 4243) which will be manned between 10 a.m. and 5 p.m. from Monday to Friday (except public holidays). Please call Aon's hotline or complete and return the attached slip to Aon to ask for a quotation or more information about the Master Policy. Members may also visit Aon's designated website <http://www.aoncpa.com/> for further information.

Fax No.: (852) 2243-8845

**To: Ms. Shirley Yip (Tel. No.: (852) 2861-6574) /
Mr. Joel Chan (Tel. No.: (852) 2861-6335)
Aon Hong Kong Limited**

Re : HKICPA PII Master Policy

I would like to arrange for a quotation or to obtain more information about the Professional Indemnity Insurance Master Policy for the corporate practices of the Hong Kong Institute of Certified Public Accountants.

Name of Practice: _____

Contact Person: _____

Position: _____

Tel: _____ Fax: _____

Email Address: _____

If currently insured, please provide:

Renewal Date: _____

Current Insurer: _____

Current Limit: _____

Date (dd/mm/yyyy): _____

(Oct 2020)