

Statement 1.600
Issued September 2005

Effective for insolvency appointments
made on or after 1 October 2005

Statement 1.600

Insolvency Guidance Note (1)

- Scope



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

STATEMENT 1.600

INSOLVENCY GUIDANCE NOTE (1) – SCOPE

(Effective for insolvency appointments
made on or after 1 October 2005)

CONTENTS

	Paragraphs
Introduction	1-5
Effective Date	6

Introduction

1. This Introduction explains the scope and authority of Insolvency Guidance Notes (“IGNs”) issued by the Institute. It should be read in conjunction with the other IGNs, to which it forms a collective preface.
2. IGNs give, or will give, guidance as to the best practice to be adopted by all members when carrying out insolvency work including, where appropriate, members’ voluntary windings up, having regard to the provisions of the Companies Ordinance (Cap. 32), the Bankruptcy Ordinance (Cap. 6) and the secondary legislation (mainly the Companies (Winding-up) Rules and the Bankruptcy Rules). Members are reminded that IGNs are for the purpose of guidance only and may not be relied upon as definitive statements. No liability attaches to the Council of the Institute or anyone involved in the preparation or publication of IGNs.
3. Members are, however, expected to adopt a professional approach in relation to all insolvency practice, whether or not covered by specific IGNs. While not exhaustive, the IGNs listed below, which are published together, cover some of the more important areas of insolvency practice and it is envisaged that they will be added to over time:

IGN (1) – Scope

IGN (2) – A liquidator’s investigation into the affairs of an insolvent company

IGN (3) – Preparation of insolvency office-holders’ receipts and payments accounts

IGN (4) – Disqualification of directors – statutory reports

4. Members are also expected to familiarise themselves with other pronouncements issued by the Institute from time to time which may be relevant to insolvency practice (for example, Statements of Professional Ethics).
5. Members are also reminded that, failure to follow the IGNs may put a member at risk of having to justify his or her actions in answer to a complaint against him or her.

Effective Date

6. IGNs (1) – (4), referred to above, are effective for insolvency appointments made on or after 1 October 2005. Early application of their provisions is encouraged.