

## HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

### Competency Assessment for the Specialist Designation in Insolvency (Form SDI-C)

- NOTES:
1. The applicant will need to demonstrate to his/her Supervisor/Referee that he/she has acquired the required level of competencies in each respective competency area. It will be the responsibility of the Supervisor/Referee to assess whether the individual has attained the appropriate level of competence as required.
  2. The applicant is required to complete Part I and the self assessment in Part III against all the required competencies before asking the Supervisor to complete Part II and to initial at the bottom of every page of Part III to indicate his/her support of the application.
  3. In the absence of a supervisor, applicants should ask one of the 3 referees whose letters of reference are required to support the application, to sign their self assessments.

#### PART I (to be completed by the applicant)

Name of applicant: \_\_\_\_\_ HKICPA membership no.: \_\_\_\_\_  
(Surname) (Other names)

Employer: \_\_\_\_\_ Position held: \_\_\_\_\_ Self employed: \*\*

I declare that, to the best of my knowledge and belief, the information provided in Part III is true and correct as at this date.

Signature of applicant: \_\_\_\_\_ Date: \_\_\_\_\_  
(dd/mm/yyyy)

#### PART II (to be completed by the applicant's supervisor or in the absence of a supervisor, a referee)

In my opinion, the above-named person:

- has achieved at least the required minimum competency levels of the relevant Technical Competencies as recorded in the following pages 2-4; and
- has achieved a reasonable level of competence in the Generic Competencies, especially those highlighted in **bold** in the following pages 5-6.

Name of supervisor/referee: Mr./Mrs./Ms./Miss/Dr.\* \_\_\_\_\_  
(Surname) (Other names)

- I am the immediate supervisor of the applicant, period of supervision: \_\_\_\_\_  
(mmm/yy to mmm/yy)
- I am a partner senior to the applicant.
- I am a referee, I have provided a reference in support of the applicant's SD application.

Organisation: \_\_\_\_\_ Position held: \_\_\_\_\_

Holder of SD (Insolvency) \*\*\* SD (Insolvency) No.: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(dd/mm/yyyy)

\* Please delete as appropriate.

\*\* Please "✓" if the applicant is self-employed.

\*\*\* Please "✓" if the supervisor/referee holds the SD (Insolvency).

#### IMPORTANT

Personal data collected from the application process and administration of the insolvency SD will be used for the purpose of the administration of the insolvency SD. Data collected may be accessible by the Institute's officers, persons or committees processing the application and related matters. In addition, the Institute may use the collected data for statistical research and analysis, for keeping members informed of its services and for other uses internally. The Institute intends to use the personal data of your name, email address and correspondence address to inform you of CPD activities, members' benefits, goods, services, facilities and events organized or provided by the Institute or other organizations. Member may opt out from receiving such materials at any time by login the following link <https://www.hkicpa.org.hk/en/members-area/comm-preference/>.

Applicants may access their personal data kept by the Institute and, if applicable, correct or update it. Please contact the Membership & Admission Department at 27th Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong (tel.: 2287 7228) for the purpose.

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. Please refer to the Institute's privacy policy and personal information collection statement on its website at: <http://www.hkicpa.org.hk/en/>.

**PART III - Self Assessment on Competency**

(to be completed by the applicant and initialled by the supervisor/referee)

**TECHNICAL COMPETENCIES** *(Note 1)*

Please tick “✓” in the appropriate box which best represents your level of competency (Mastery, Advanced or Basic) in each area. Applicants need to achieve all the technical competencies at the required minimum levels as shaded in each competency area below. Applicants may, if relevant, indicate a higher level of competency than the minimum requirement.

\* For Core Technical Competency areas 4, 5 and 6, applicants need to achieve Mastery level in one of the 3 competency areas, Advanced level in the second one and Basic level for the third one.

Core Technical Competencies		Competency level <i>(Note 1.3)</i>		
		Basic	Advanced	Mastery
1	Knowledge of the ethical considerations and procedures in accepting, continuing or rejecting an assignment.			
2	Ability to evaluate the independence issue and accept, continue or reject assignments with appropriate risk assessment and mitigation.			
3	Knowledge of various types of insolvency and restructuring processes: liquidation, receivership, bankruptcy, restructuring and rescue, etc.			
<b>For Core Technical Competency areas 4, 5 and 6, please tick one Mastery, one Advanced and one Basic.</b>				
* 4	Knowledge of and ability to carry out the Insolvency processes, procedures and fulfill the legal requirements for Personal Insolvency work.			
* 5	Knowledge of and ability to carry out the Insolvency processes, procedures and fulfill the legal requirements for Corporate Insolvency work.		2 reports of assignments (Form SDI-A) required on the area you have ticked.	5 reports of assignments required on the area you have ticked.
* 6	Knowledge of and ability to carry out the processes, procedures and fulfil the legal requirements for Restructuring and Recovery work under formal (e.g. scheme of arrangement) and informal processes: e.g. viable business plan, maintain the operation and look for potential investors, etc.		2 reports of assignments (Form SDI-A) required on the area you have ticked.	5 reports of assignments required on the area you have ticked.
<b>Please provide relevant reports of assignments (Form SDI-A) to show the same levels of competence in the 3 areas as are claimed above. 2 reports of assignments are required for the area you have indicated as Advanced and the balance of the required number of reports you need to submit must be focused on the area which you have indicated as Mastery. It is also expected that your CV will reflect the same levels of competence.</b>				
7	Knowledge of the appointment process, duties, power and roles of Office Holder under different forms of insolvency (e.g. liquidation, receivership, corporate restructuring and rescue and personal bankruptcy) and ability to fulfil the required responsibilities.			
8	Knowledge of and ability to carry out the procedures, apply the techniques and fulfill the legal requirements in: a. investigation b. claims adjudication c. assets protection, recovery and realisation d. distribution			
9	Knowledge of and ability to apply relevant policies, procedures and systems in assignments to ensure effective quality assurance, compliance and risk management and complaints management.			
10	Ability to determine and justify a reasonable and fair remuneration and disbursement claims for the assignment.			

Supervisor/Referee's initials:

Core Technical Competencies (continued)		Competency level <i>(Note 1.3)</i>		
		Basic	Advanced	Mastery
11	Ability to assess commercial viability of proposals and actions.			
12	Knowledge of and ability to perform investigative accounting.			
13	Knowledge of the principles of common and statutory law applicable to business and professional relationships, including contracts, employment law, dispute resolution and remedies, negotiable instruments, sales of goods, agency and business operations, etc.			
14	Knowledge of the recognition, measurement and recording principles in relation to financial statements, including liability, asset, and financial instrument measurement.			
15	Knowledge of financial and non-financial performance evaluation methods.			
16	Ability to analyse financial statements and assess financial performance and operational issues based on the analysis.			
17	Knowledge of the principles, processes, methods and practice of financial and business valuation.			
18	Knowledge of cash flow analysis techniques and financial planning models.			
19	Ability to use budgetary control skills including forecasting, making projections, planning, budgeting, and control.			
20	Knowledge of various sources of financing, both short and long term; and various restructuring financial models such as debt swap, convertible bond, etc.			
21	Knowledge of the major financial risks on the organisation, e.g. risks in relation to the firm's capital structure, financial leverage, financial instruments, currency and interest exposure.			
22	Knowledge of and ability to recognise, measure, assess, analyse and manage business risks.			
23	Knowledge of general organisational structures and the related dynamics.			
24	Knowledge of corporate governance requirements and internal control mechanisms.			
25	Knowledge of insolvency law, procedures and practices in the Mainland.			
26	Knowledge of insolvency law and procedures of countries where Hong Kong companies are commonly used as the domicile of holding company, e.g. Cayman Islands, BVI, Samoa, etc.			
27	Knowledge of approaches, practices and issues in relation to cross-border insolvency work.			

Supervisor/Referee's initials:

Supporting Technical Competencies		Competency level <i>(Note 1.3)</i>		
		Basic	Advanced	Mastery
1	Knowledge of and ability to perform forensic accounting.			
2	Ability to conduct effective cross-border insolvency work.			
3	Knowledge of principles and methods of costing, performance management and working capital management for organisations.			
4	Knowledge of the financial reporting requirements in the reporting country.			
5	Knowledge of the accounting principles and practices necessary to prepare a full set of financial accounts.			
6	Knowledge of using financial modeling skills including spread-sheeting.			
7	Knowledge of the tax implications arising from transactions, e.g. assets disposal and transfer, etc.			
8	Knowledge of the broad business environment including the world economy, financial markets and government economic policies.			
9	Knowledge of business management including key functions like marketing, human resources, production and operations.			
10	Knowledge of organisational change management principles and techniques.			
11	Knowledge of and ability to use strategic planning methods such as SWOT analysis, PESTE analysis, Porters' five forces and the BCG matrix.			
12	Ability to apply legal and regulatory requirements which relate to the management or general operation of organisations.			
13	Knowledge of China business law, businesses and professional environments such as forms of business, capital markets, government policies and regulations.			

Supervisor/Referee's initials:	
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**GENERIC COMPETENCIES** (Note 2)

Applicants need to achieve a reasonable level of competence in all 5 generic competency areas, especially the competencies in **bold**.

		Please ✓ if achieved
<b>Attitudes, Ethics and Values</b>		
1	<b>Be independent in mind and in appearance.</b>	
2	<b>Ability to identify and mitigate any threats to independence.</b>	
3	<b>Understand the basic ethical and legal principles which underlie the obligations and duties of insolvency practitioners.</b>	
4	<b>Have professional values including integrity, impartiality, honesty, objectivity, and respect confidentiality.</b>	
<b>Communication and Interpersonal Skills</b>		
1	<b>Ability to interact with others, build trust and show empathy where appropriate.</b>	
2	<b>Ability to communicate with affected parties in a manner that is honest, open, clear, succinct and timely to ensure effective understanding of the processes, rights and obligations of the parties.</b>	
3	<b>Ability to mediate between parties having conflicting needs and demands.</b>	
4	<b>Ability to negotiate effectively on behalf of creditors and yet be able to maintain professionalism throughout the process.</b>	
5	<b>Ability to exercise effective interviewing skills to obtain relevant information and understanding of issues and situations.</b>	
6	Ability to communicate effectively with others and be aware of others' needs; make clear and convincing oral and written presentations.	
7	Ability to handle difficult situations or emotional behaviours of those who are affected in the insolvency process.	
8	Ability to persuade others to accept recommendations, co-operate, or change their behaviour; to work with others towards an agreement; to negotiate to find mutually acceptable solutions.	
9	Ability to work as part of a team, promoting cooperation and trust.	
10	Ability to understand organisational politics and manage relationships in organisations.	
11	Ability to develop professional networks and to manage professional relationships.	
12	Knowledge of the local culture (including business culture and practices) and ability to appreciate how the local context affects people's behaviours and decision-making.	

<b>Supervisor/Referee's initials:</b>	
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<b>GENERIC COMPETENCIES (continued)</b>
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		Please ✓ if achieved
<b>Innovative Thinking, Reasoning and Analysis</b>		
1	<b>Ability to exercise professional judgement when balancing conflicting demands and to evaluate the costs and benefits of decisions and actions.</b>	
2	Have an inquiring mind, professional skepticism, and ready to challenge the status quo.	
3	Ability to judge in a logical way, think critically, identify the strengths and weaknesses of options and solutions; draw conclusions or approaches to problems.	
4	Ability to see patterns among data and observation, or from diverse information; using concepts to analyse situations, identify causes, develop solutions, and explain complexity.	
5	Ability to use lateral and innovative thinking to develop new insights and solutions; willing to try different ways when established methods and procedures are inapplicable or unavailable.	
<b>Leadership and Project Management</b>		
1	<b>Ability to lead a multi-disciplinary team with professionals of different fields and co-ordinate respective professional work effectively.</b>	
2	<b>Ability to supervise professional advisers engaged and ensure they are competent in executing their duties.</b>	
3	<b>Ability to manage projects and to bring them to a successful conclusion in a timely manner through proper planning, scheduling, coordinating; and monitoring costs, contractor and team performance.</b>	
4	Ability to manage conflicting demands on time, balancing the achievement of short and long term outcomes.	
5	Have a future orientation, focus on outcomes, and have tenacity.	
<b>Personal and Behavioural</b>		
1	<b>Ability to work independently and be self-reliant.</b>	
2	<b>Have commitment to be accountable for decisions/actions made.</b>	
3	<b>Have a commitment to quality, excellence and continual improvement.</b>	
4	<b>Ability to operate in difficult circumstances, often involving distressed parties, competing demands, strict deadlines, and complex legal, financial and factual issues.</b>	
5	Ability to control own emotions in stressed situations or position and respond with professionalism.	
6	Have initiative, ability to identify and act on opportunities without being asked.	
7	Ability to adapt behaviour or approach in response to new information, changing conditions, or unexpected obstacles; deal with ambiguity.	

<b>Supervisor/Referee's initials:</b>	
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## Notes to Self Assessment on Competency

### Note 1 – Technical competencies

- 1.1 Technical competencies are categorised into two areas:
  - (a) **Core competencies** – represent those which are crucial to the holder of Insolvency Specialist Designation. It is expected that the applicants should demonstrate that they have attained these competencies.
  - (b) **Supporting competencies** – represent those competencies where only awareness level is required.
- 1.2 To be awarded the Insolvency Specialist Designation, the person must demonstrate the attainment of all the technical competencies at the required levels (Mastery, Advanced or Basic) as shaded.
- 1.3 Depth of knowledge and skills is defined into 3 levels:
  - (a) **Basic level** – having an awareness of the knowledge and skills. Able to identify potential issues and seek other professional advice;
  - (b) **Advanced level** – having a reasonable level of knowledge and skills. Able to apply in straightforward situations; and
  - (c) **Mastery level** – having in-depth knowledge and skillsets. Able to apply the competency in complicated situations.
- 1.4 Unless otherwise stated, the rules, regulations or requirements mentioned in the competencies refer to the Hong Kong rules, regulations or requirements.

### Note 2 – Generic competencies

There is a requirement for the holder of Insolvency Specialist Designation to demonstrate a reasonable level of competence in all 5 generic competency areas, especially the competencies in bold.