



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

Dear Assignment / News / Business Section Editor

Hong Kong Institute of CPAs issues new standard for private companies

New financial reporting standards ease burden of using full standard

(HONG KONG, 30 April 2010) — In a move aimed at easing the financial reporting burdens of private companies, the Hong Kong Institute of Certified Public Accountants has issued today a simplified standard as a reporting option.

The new standard, known as Hong Kong Financial Reporting Standard for Private Entities, is an option that larger private companies can use instead of the full Hong Kong Financial Reporting Standards. The full HKFRS is considered more relevant for listed companies and could be burdensome for some private companies, while the existing Small and Medium-Sized Entity Financial Reporting Framework and Financial Reporting Standard is best suited for micro private companies.

"The Institute is issuing these standards as a reporting option for private entities to offer relief from the requirement of applying the full Hong Kong financial reporting standards, which can be quite burdensome and produce more information than is necessary in some cases," says Wilson Fung, the Institute's president.

The new standard is closely aligned with the international standards for non-publicly accountable companies issued by the International Accounting Standards Board, based in London, which creates standards for companies worldwide.

The new Hong Kong Financial Reporting Standard for Private Entities is effective on 30 April. Eligible entities are permitted to use the standard to prepare their financial statement for prior periods where the relevant financial statements have not been finalized and approved.

The Institute has a website for updates on the new standard, which can be accessed at hkicpa.org.hk/en/standards-and-regulations/standards/hkfrs-pe-info-centre.

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Note to editor

About the Hong Kong Institute of CPAs

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has nearly 30,000 members and 13,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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