## Update No. 235

*(Issued 16 December 2019)*

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<td><strong>VOLUME I</strong></td>
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<tr>
<td><strong>Contents of Volume I</strong></td>
<td>Replace contents pages i and ii with revised contents pages i and ii.</td>
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**PRACTICE REVIEW STATEMENTS**

1. **1.400 "Explanatory Foreword"**
   - Discard existing Statement 1.400, and replace with the revised Statement 1.400

2. **1.401 "Review Procedures and Conduct of Members"**
   - Discard existing Statement 1.401, and replace with the revised Statement 1.401

**Note:**

1. The statements are revised to reflect mainly the following changes in the practice review scope and procedures:

   a) After the enactment of the Financial Reporting Council (Amendment) Ordinance (FRC(A)O) that takes effect on 1 October 2019, the Financial Reporting Council takes over the responsibilities for inspections of Public Interest Entities (PIE) engagements as defined in the FRC(A)O completed by a PIE auditor on or after 1 October 2019. As a result, those PIE engagements completed after 1 October 2019 are scoped out from the HKICPA’s practice review programme.

   b) With effect from October 2018, following the expansion of the scope of the Anti-Money Laundering and Counter-Terrorist Financing (AML) Ordinance to cover designated non-financial businesses and professions, including accountants, an AML compliance monitoring programme has been introduced within the HKICPA’s practice review programme to evaluate a practice unit’s level of compliance with the Guidelines on AML for Professional Accountants included in the Code of Ethics.

   c) The procedures to be adopted during the conduct of a desktop review introduced since 2014 and an AML compliance review introduced since 2018 are added in these statements.