

Quick guide to the further regulatory reform of the profession

Background

The Secretary for Financial Services and the Treasury announced further reform of the regulatory regime of accounting profession on 8 June 2021.

The bill was passed by the Legislative Council during its meeting on 22 October. The Institute continues to engage with the Financial Services and the Treasury Bureau and the Financial Reporting Council (FRC) in preparation for the new regime, which will also see the FRC renamed to the Accounting and Financial Reporting Council (AFRC).

Implementation timetable

The effective date will be announced by the Secretary of Financial Services and the Treasury through a notice in the Government Gazette. Members will be informed by the Institute of this development. Until the reform is implemented, the Institute remains the registration and regulatory body for CPAs, practising certificates holders, and practice units

Impact of reform on 2022 membership renewal

As the amended ordinance is yet to become effective the Institute remains the registration body for CPAs, practising certificates holders, and practice units. Practising certificate holders and practice units shall therefore renew with the Institute for 2022.

Responsibilities of the Institute and AFRC when the reform becomes effective

Area	Responsibility	Institute or AFRC?
Examinations	Set professional examinations	Institute
Registration and licensing	Registration of CPAs	Institute
	Issuance of practising certificates	AFRC
	Registration of practice units	AFRC
Professional development	Set continuing professional development requirements	Institute
Standard setting	Set professional standards	Institute
	Set financial reporting standards	Institute
	Set auditing and assurance standards	Institute
Disciplinary	Carry out practice reviews and inspections	AFRC*
	Carry out investigations and impose disciplinary penalties on CPAs, practice units and PIE auditors	AFRC*

* *The Institute will complete practice reviews and disciplinary cases in progress at the date the reform becomes effective.*

Institute's value after the reform

The Institute carried out a survey of members and Qualification Programme students in July 2021. Respondents to the survey thought that the Institute's value would be in the following three areas: encouraging and facilitating continuing professional development; representing the views of the profession; and ensuring the Institute's professional education and assessment matches changing practices and expectations.

More information

More information about the reform, including recordings of two members' forums, can be found on the Institute's dedicated [webpage](#).