

## HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

### Reference in Support of an Application for the Specialist Designation in Insolvency (Form SDI-R)

- NOTES:
1. This form should be completed and duly signed by a referee who is knowledgeable about the applicant's work. The completed form should be submitted by the referee directly to the Institute by post. Submission by the applicant will not be accepted. The applicant shall remind his/her referee of the submission deadline.
  2. Referees are expected to be able to form an independent, objective view about the applicant's competence and demonstrate knowledge of the applicants' work, as a result of the referee having worked with the applicant on an assignment or having been the client of the assignment.
  3. The references must support the attainment of competence. They should state the referees' views on the competence of the applicant in providing insolvency services.
  4. Application for the Insolvency Specialist Designation must be supported by at least 3 references, at least 2 of which must be from clients or third parties.
  5. A "third party" is intended to be a person who is independent of the applicant's organization, therefore a former colleague could not be recognized as a third party, even if that former colleague is now with a third party organization. For co-appointees of an assignment, even though they may be from different organizations, the relationship is considered not sufficiently independent.
  6. All referees must be at a senior level of their respective organizations and from different organizations.
  7. Handwritten format is preferred.
  8. The Institute will only accept references issued within the last 6 months from the date of receipt by the Institute.

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#### **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 provision of personal data by means of this form is voluntary. However, insufficient information may result in rejection of an application. 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 <http://mas.hkicpa.org.hk/mycpa/communication/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: <https://www.hkicpa.org.hk/en/Tools/Privacy-policy>

The referee is required to complete, preferably in own handwriting, and return this form directly to the Institute by post.

To: The Registrar,  
Hong Kong Institute of Certified Public Accountants,  
27th Floor, Wu Chung House,  
213 Queen's Road East,  
Wan Chai, Hong Kong.

Re: Reference for Mr./Mrs./Ms./Miss/Dr.\* \_\_\_\_\_  
(Surname) (Other names)

1. How long have you known the applicant? \_\_\_\_\_

(Note: The referee **must** know the applicant for not less than 24 months.)

2. What is the relationship between you and the applicant?  
\_\_\_\_\_

Is the applicant connected with you in any other way (e.g. partner, client, etc.)?

Please specify: \_\_\_\_\_

(Note: The referee **must not be** an immediate family member, such as grandparent, parent, spouse, child, grandchild, brother and sister of the applicant.)

3. Under what circumstances were you able to gain knowledge of the applicant's work? Please highlight some examples of your work relations with the applicant.

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*(Please use separate sheet(s), if necessary)*

\* Please delete as appropriate.

4. What is your view of the applicant's competence in providing insolvency services? (refer to Notes on the Competencies)

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(Please use separate sheet(s), if necessary)

5. To the best of your knowledge, do you consider the applicant has achieved the technical and generic competencies listed on pages 4 – 7? #

[ ] Yes [ ] No

6. Are there any further comments you would like to offer regarding the applicant?

\_\_\_\_\_
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\_\_\_\_\_

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

Name of organisation: \_\_\_\_\_

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

Please provide at least one of the following contact details for our future communication purpose. The Institute may communicate with you direct for missing items or for verification purposes, as applicable.

Correspondence address: \_\_\_\_\_
\_\_\_\_\_

Day-time contact tel. No.: \_\_\_\_\_ Email address: \_\_\_\_\_

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

# Please put a "✓" in the appropriate box.
\* Please delete as appropriate.

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## NOTES ON THE COMPETENCIES

This competency information is for the reference of the referee.

Competencies are defined into two categories, **technical competencies** and **generic competencies**.

### NOTE 1 – TECHNICAL COMPETENCIES

- It is expected that all applicants to the SD (Insolvency) should be able to demonstrate their attainment of all the technical competencies at the required minimum levels (Mastery, Advanced or Basic) as shaded in each competency area below. Applicants may, if relevant, indicate a higher level of competency than the minimum requirement.
  - **Basic level** – Having an awareness of the knowledge and skills. Able to identify potential issues and seek other professional advice.
  - **Advanced level** – Having a reasonable level of knowledge and skills. Able to apply in straightforward situations.
  - **Mastery level** – Having in-depth knowledge and skillsets. Able to apply the competency in complicated situations.
- Unless otherwise stated, the rules, regulations or requirements mentioned in the competencies refer to the Hong Kong rules, regulations or requirements.

(a) Core Technical Competencies		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.			
4	Knowledge of and ability to carry out the Insolvency processes, procedures and fulfill the legal requirements for Personal Insolvency work.	For these 3 competencies, applicants need to achieve Mastery level in one of the 3 competencies, then Advanced level in the second one and Basic level for the last one.		
5	Knowledge of and ability to carry out the Insolvency processes, procedures and fulfill the legal requirements for Corporate Insolvency work.			
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.			
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: <ol style="list-style-type: none"> <li>a. investigation</li> <li>b. claims adjudication</li> <li>c. assets protection, recovery and realisation</li> <li>d. distribution</li> </ol>			
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.			

(a)	Core Technical Competencies (continued)	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.			

<b>(b) Supporting Technical Competencies</b>		<b>Basic</b>	<b>Advanced</b>	<b>Mastery</b>
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.			

## NOTE 2 – GENERIC COMPETENCIES

There are 5 key areas in generic competencies. It is expected that the applicant should demonstrate a reasonable level in all 5 competency areas, especially the competencies in **bold**.

### **(a) Attitudes, Ethics and Values**

1. **Be independent in mind and in appearance.**
2. **Ability to identify and mitigate any threats to independence.**
3. **Understand the basic ethical and legal principles which underlie the obligations and duties of insolvency practitioners.**
4. **Have professional values including integrity, impartiality, honesty, objectivity, and respect confidentiality.**

### **(b) Communication and Interpersonal Skills**

1. **Ability to interact with others, build trust and show empathy where appropriate.**
2. **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.**
3. **Ability to mediate between parties having conflicting needs and demands.**

4. **Ability to negotiate effectively on behalf of creditors and yet be able to maintain professionalism throughout the process.**
5. **Ability to exercise effective interviewing skills to obtain relevant information and understanding of issues and situations.**
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.

### **(c) Innovative Thinking, Reasoning and Analysis**

1. **Ability to exercise professional judgement when balancing conflicting demands and to evaluate the costs and benefits of decisions and actions.**
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.

### **(d) Leadership and Project Management**

1. **Ability to lead a multi-disciplinary team with professionals of different fields and co-ordinate respective professional work effectively.**
2. **Ability to supervise professional advisers engaged and ensure they are competent in executing their duties.**
3. **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.**
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.

### **(e) Personal and Behavioural**

1. **Ability to work independently and be self-reliant.**
2. **Have commitment to be accountable for decisions/actions made.**
3. **Have a commitment to quality, excellence and continual improvement.**
4. **Ability to operate in difficult circumstances, often involving distressed parties, competing demands, strict deadlines, and complex legal, financial and factual issues.**
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.