

Press Release

22 October 2021

FRC welcomes the passage of the Financial Reporting Council (Amendment) Bill 2021

The Financial Reporting Council (“**FRC**”) welcomes the passage of the Financial Reporting Council (Amendment) Bill by the Legislative Council today.

Under the newly enacted legislation, the FRC will assume the following regulatory functions from the Hong Kong Institute of Certified Public Accountant (“HKICPA”) in respect of the accounting profession in Hong Kong:

- i. issuance of practising certificates to certified public accountants (CPAs);
- ii. registration and inspection of practice units;
- iii. investigation and discipline of all CPAs, certified public accountants (practising) and practice units; and
- iv. overseeing the remaining statutory functions of the HKICPA:
 - a) setting of requirements for and provision of continuing professional development;
 - b) setting of standards of professional ethics, and setting of accounting and auditing standards; and
 - c) registration of CPAs including conducting qualifying examinations for CPAs and mutual and reciprocal recognition of accountants with overseas accountancy bodies.

The new legislation, which will take effect on a date to be appointed by the Secretary for Financial Services and the Treasury, will further enhance the independence of the regulatory regime for the accounting profession in Hong Kong.

The next step in the legislative process will be the enactment of subsidiary legislation to provide for the transitional arrangements and the transfer of functions to the FRC.

“We will continue to work closely with the Government, the HKICPA and all stakeholders on the proposed subsidiary legislation,” said Mr Marek Grabowski, CEO of the FRC. “To ensure a seamless transfer of those functions, we will devote ourselves to preparing for an efficient commencement of the new regime, including the development of policies and procedures for our new functions that reflect our principle of striving for effective regulatory outcome through efficient process.”

Dr Kelvin Wong, Chairman of the FRC, said, “The enactment of the new legislation marks the genesis to the healthy development of the accounting profession in Hong Kong. I am confident that the FRC will be ready to take on the additional functions and challenges with a view to promoting a market that is good and fit for long-term

sustainable development, thereby strengthening Hong Kong's position as an international financial centre.”

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About the Financial Reporting Council

The FRC is the full-fledged independent listed entity auditor regulator for Hong Kong. We are committed to upholding the quality of financial reporting of listed entities of Hong Kong so as to enhance investor protection and strengthen investor confidence in corporate reporting.

For more information about the statutory functions of the FRC, please visit www.frc.org.hk.

For media enquiries:
Celian Cheung
Associate Director, Corporate Communications

Tel: +852 2236 6025 / 2236 6066

Fax: +852 2810 6320

Email: celiancheung@frc.org.hk