

## Press Release

8 June 2021

### **FRC and The Exchange to strengthen collaboration**

The Financial Reporting Council (FRC) and the Stock Exchange of Hong Kong Limited (the Exchange), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX), today signed a [new Memorandum of Understanding \(MoU\)](#) to further strengthen collaboration between the two organisations, in ensuring the upholding of quality financial reporting by listed entities and their auditors.

The new MoU replaces the one signed in 2007 and facilitates efficient and effective collaboration between the FRC and the Exchange in respect of the Financial Reporting Council Ordinance's regulation of public interest entity auditors and the compliance by listed entities with regulatory requirements in financial reporting. Key modes of collaboration include liaison, coordination and cooperation in cases of mutual interest, mutual referral of complaints and cases, exchange and use of information and mutual assistance.

To ensure proper coordination of their regulatory efforts, the FRC and the Exchange have also agreed to notify each other when preparing and issuing policies or guidelines that may have a significant impact on their respective regulatory functions.

Mr Calvin Tai, HKEX Co-President and Chief Operating Officer, said: "Audit, along with financial reporting, plays a critical role in driving good corporate governance within listed companies. The signing of this new MoU signals our closer cooperation between the Exchange and the FRC, and underscores our commitment to ensure the quality of financial reporting and audits of listed companies, helping to reinforce Hong Kong's status as an international financial centre."

Mr Marek Grabowski, CEO of the FRC said, "The MoU establishes a joint, complementary, and collaborative framework for the FRC and the Exchange under which our collective regulatory efforts can better provide investors protection through high quality financial reporting."



The MoU was signed by Mr Marek Grabowski, CEO of the FRC (front, right) and Mr Romnesh Lamba, HKEX Co-President (front, left) in the presence of Dr Kelvin Wong, Chairman of the FRC (back, right) and Mr Calvin Tai, HKEX Co-President and Chief Operating Officer (back, left).

## **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](http://www.frc.org.hk).

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