

Press Release

6 May 2021

FRC signs Memorandum of Understanding with HKICPA

The Financial Reporting Council (FRC) and the Hong Kong Institute of Certified Public Accountants (HKICPA) today signed a [Memorandum of Understanding \(MoU\)](#) signed to enhance efficient and effective cooperation and coordination of their respective functions.

The FRC is the independent regulator of public interest entity auditors (PIE auditors). It exercises direct powers of inspection, investigation and discipline over PIE auditors in relation to their engagements for listed entities. The HKICPA is responsible for dealing with applications for registration of Hong Kong PIE auditors, as well as setting continuing professional development requirements and auditing and ethical standards for PIE auditors, under the oversight of the FRC. The HKICPA is also responsible for carrying out practice reviews of practice units and regulating the professional conduct and standards of members of the HKICPA.

The FRC and the HKICPA share a common goal in improving audit quality and the standards of professional conduct of PIE auditors and of the accountancy profession in general. Under the MoU, the FRC and the HKICPA agree to refer cases to each other, and to share information to assist each other in the timely exercise of their respective functions.

The MoU was signed by Mr Marek Grabowski, CEO of the FRC and Ms Margaret W.S. Chan, Chief Executive and Registrar of the HKICPA in the presence of Mr Sam Hui, Deputy Secretary for Financial Services & the Treasury (Financial Services), Dr Kelvin Wong, Chairman of the FRC, Mr Raymond Cheng, President of the HKICPA and senior management from both parties.

“Our members are best served by regulators working efficiently together, we are pleased to see our two organizations sign this new agreement. The HKICPA has long advocated audit quality and this MoU will contribute to the continuing development of the Hong Kong audit market. Through close and coordinated activities the HKICPA and the FRC can also work together to ensure the high level of confidence in our capital markets remains, supporting Hong Kong’s long term development and continuing development of the Hong Kong PIE audit market,” said Mr Raymond Cheng of HKICPA.

Dr Kelvin Wong, Chairman of the FRC concluded fervently, “The new MoU signed today will ensure the FRC and the HKICPA to work even more closely together in fulfilling the objectives of the new independent auditor regulatory regime for listed entities in Hong Kong. Enhanced information sharing and referrals will enable co-ordinated effort to achieve a robust regulatory regime that drives high quality financial

reporting and auditing for listed entities. This is in the interest of the profession as well as the interests of the investing public and the wider public interest.”



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About the Financial Reporting Council

The FRC is the full-fledged independent listed entity auditor regulator for Hong Kong 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.

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About Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of Certified Public Accountants ("HKICPA") is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has over 46,000 members and 18,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

For more information about the statutory functions of the HKICPA, please visit <https://www.hkicpa.org.hk>.

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