

Outline of the AFRC's Process for the Registration of Corporate Practices

Introduction

1. The Accounting and Financial Reporting Council (“**AFRC**”) is empowered to register companies as corporate practices under Division 3 of Part 2A of the Accounting and Financial Reporting Council Ordinance (Cap. 588) (“**AFRCO**”) (“**corporate practices**”).
2. This document is intended to provide a brief outline of:
 - (a) the application process in respect of:
 - (i) an application for registration of a corporate practice; and
 - (ii) an application for renewal of registration of a corporate practice; and
 - (b) the notification process in respect of:
 - (i) a change in particulars of a corporate practice; and
 - (ii) a proposed amendment to the articles of association of a corporate practice.
3. For more information concerning the legal regime for the registration of corporate practices (including eligibility requirements), please refer to the [“Policy Statement for the Registration of Corporate Practices”](#) available on the AFRC’s website.

Definitions

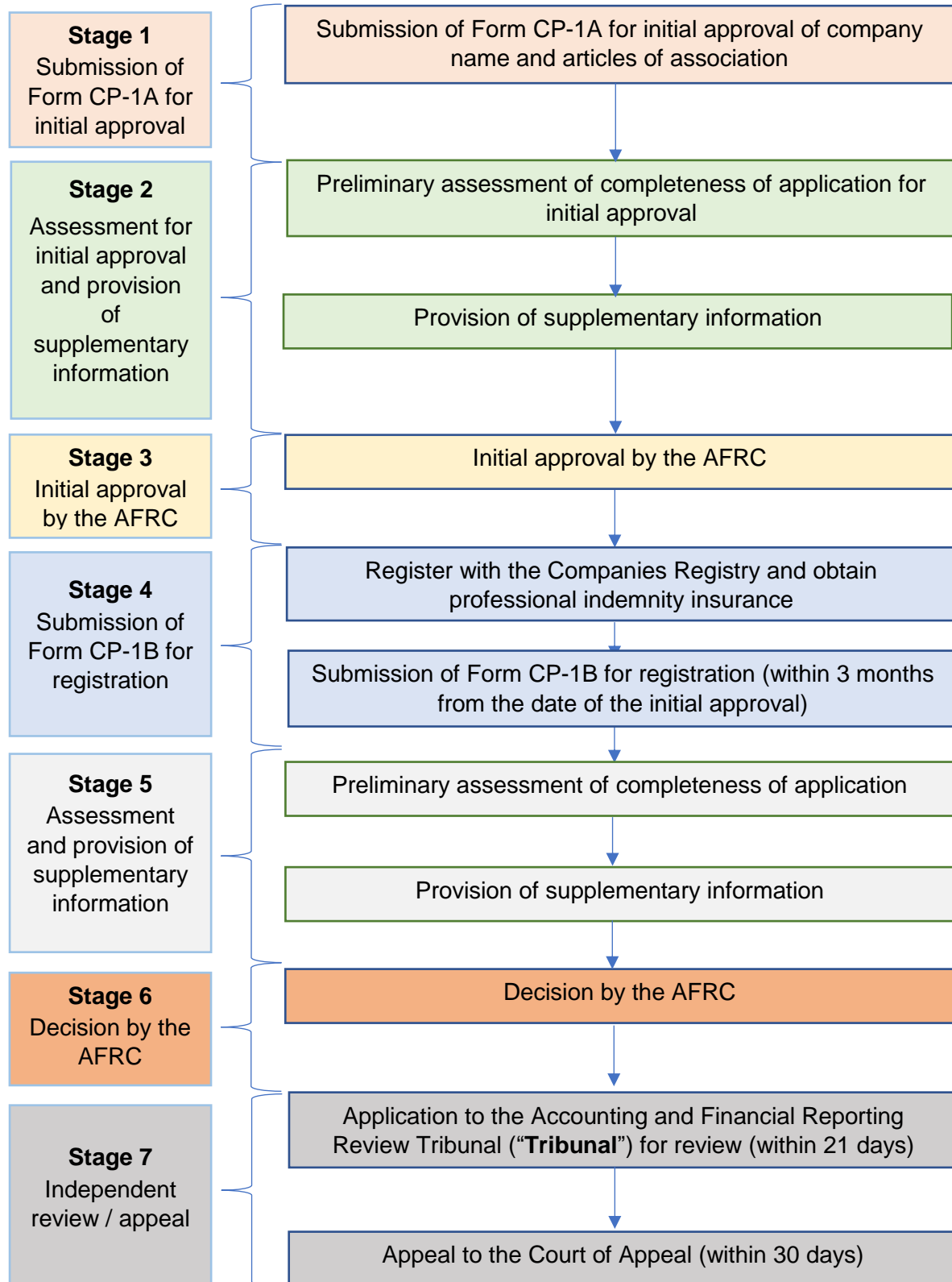
4. In this document, the following term has the meaning defined in the AFRCO as set out below (the definition in the AFRCO shall prevail in case of any inconsistency):

| Terms | Meanings defined in the AFRCO | Section under the AFRCO |
|--------------|---|--------------------------------|
| company | A company means a company within the meaning of section 2(1) of the Companies Ordinance (Cap. 622). | 2(1) |

Application for registration of a corporate practice

Application process

5. The application process can be summarized as follows:



Stage 1

Submission of Form CP-1A for initial approval of company name and articles of association

6. A company applying for registration as a corporate practice is required to first submit an application for initial approval of the proposed company name (“**proposed name**”) and articles of association to the AFRC. In order to complete the application, the applicant will have to:
 - (a) complete the application form “[Application for Registration of a Corporate Practice \(For initial approval of the Name of the Proposed Corporate Practice and Articles of Association\)](#)” (Form CP-1A); and
 - (b) provide all necessary supporting documents.
7. An applicant is required to provide the AFRC with all information that the AFRC reasonably requires to consider the application. Accordingly, before submitting the application the applicant should check that:
 - (a) all required fields in the applicable forms have been completed; and
 - (b) all necessary supporting documents have been provided.

Stage 2

- (i) *Preliminary assessment of completeness of application for initial approval and provision of supplementary information*
8. The AFRC will first conduct a preliminary assessment on the application for initial approval to check whether the information received is complete.
9. The AFRC may, where appropriate, require the applicant to provide supplementary information which the AFRC considers relevant to the application for initial approval. Unless otherwise specified, the applicant is required to respond in writing within 10 business days of the date of the requirement.
10. If the applicant does not provide the required information to the AFRC within the stipulated deadline, the AFRC may proceed to make a decision on the application based on the evidence before it, and will likely refuse the application on the basis that there is insufficient information available for the AFRC to satisfy itself that the relevant requirements under the AFRCO have been met.
11. For the avoidance of doubt, in an appropriate case the AFRC may reject an application directly without requiring supplementary information from the applicant. The AFRC may do so where, for example, it is clear on the face of the application that the applicant does not meet the relevant requirements under the AFRCO.

(ii) Processing time

12. The AFRC will outline in its website the submission deadlines for which applications for initial approval will be processed by a given point of time. Results will usually be available 10 weeks after the submission deadline, if the AFRC is satisfied that no supplementary information is required for the application.
13. Although the AFRC will strive to adhere to this timetable, the time it takes to process an application may vary depending on a number of factors such as:
 - (a) the quality and completeness of the application;
 - (b) the quality of the supporting documents;
 - (c) the complexity of the application;
 - (d) subsequent changes made to the application;
 - (e) the time taken for other regulatory bodies to respond to vetting requests, where applicable; and
 - (f) the number of applications the AFRC is processing at any particular time.

Stage 3

Initial approval by the AFRC

14. The AFRC will consider all available information in its possession (whether or not provided by the applicant) and decide whether to grant initial approval to the proposed name and articles of association.
15. The AFRC will inform the applicant of whether initial approval is granted by written notice. In this respect:
 - (a) if initial approval is granted – the applicant can proceed to the next stage of the application process; or
 - (b) if initial approval is refused – the AFRC will provide reasons for the refusal in the written notice.

Stage 4

Submission of Form CP-1B to apply for registration

16. If initial approval is granted, the applicant is required to submit an application to the AFRC for registration as a corporate practice within three months from the date of the initial approval, and after:
 - (a) the applicant is registered with the Companies Registry; and
 - (b) the applicant has obtained the necessary professional indemnity insurance.

17. In order to complete the application, the applicant will have to:
 - (a) complete the application form "[Application for Registration of a Corporate Practice](#)" (Form CP-1B); and
 - (b) provide all necessary supporting documents.
18. An applicant is required to provide the AFRC with all information that the AFRC reasonably requires to consider the application. Accordingly, before submitting the application the applicant should check that:
 - (a) all required fields in the applicable forms have been completed; and
 - (b) all necessary supporting documents have been provided.

Stage 5

(i) Preliminary assessment of completeness of application and provision of supplementary information

19. The AFRC will first conduct a preliminary assessment on the application for registration and may require the provision of supplementary information in the manner described in paragraphs 8-11 above.

(ii) Processing time

20. Results will usually be available within 30 business days of the date of application (if the AFRC is satisfied that no supplementary information is required for the application) or 3 business days after the effective date of the professional indemnity insurance cover, whichever is later. Although the AFRC will strive to adhere to this timetable, the time it takes to process an application may vary depending on a number of factors, including those set out in paragraph 13 above.

Stage 6

Decision by the AFRC

21. The AFRC will consider all available information in its possession (whether or not provided by the applicant) and then make a decision on the application for registration.
22. The AFRC will inform the applicant of its decision by written notice. In this respect:
 - (a) if the application is granted – the AFRC will issue a certificate of registration to the applicant; or
 - (b) if the application is refused – the AFRC will provide reasons for the refusal in the written notice.

Stage 7

(i) Application to the Tribunal for review

23. An applicant who is aggrieved by a decision of the AFRC to refuse the application may apply to the Tribunal for a review of that decision.
24. The application for review must be made to the Tribunal in writing within 21 days after the AFRC issued the written notice to the applicant. This period may be extended by applying to the Tribunal and demonstrating a good cause.
25. The application for review must state the grounds for the application.

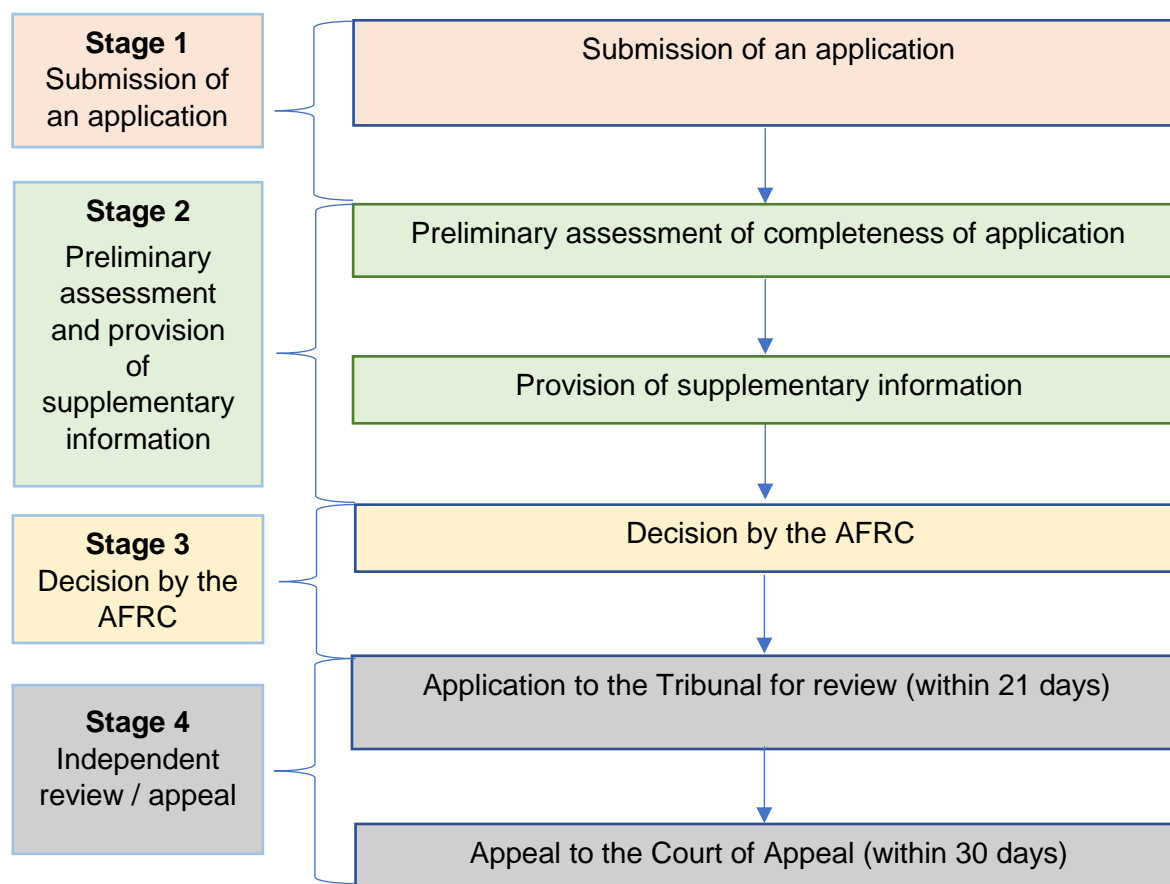
(ii) Appeal to the Court of Appeal

26. If a party to a review is dissatisfied with a determination of the Tribunal, an appeal can be made to the Court of Appeal on a question of law and/or fact. The party concerned must first apply to the Court of Appeal for leave to appeal within 30 days after the Tribunal issued the determination to the party.
27. Leave to appeal may only be granted if the Court of Appeal is satisfied that the appeal has a reasonable prospect of success or there are some other reasons in the interests of justice that the appeal should be heard.

Application for renewal of registration of a corporate practice

Application process

28. The application process can be summarized as follows:



Stage 1

Submission of an application

29. A corporate practice intending to renew its registration is required to submit a renewal application to the AFRC. In order to complete the application, the applicant will have to:
- complete the online application form "[Renewal Application for a Corporate Practice](#)" (Form CP-2); and
 - provide all necessary supporting documents.
30. An applicant is required to provide the AFRC with all information that the AFRC reasonably requires to consider the application. Accordingly, before submitting the application the applicant should check that:
- all required fields in the applicable forms have been completed; and
 - all necessary supporting documents have been provided.

31. Under the AFRCO, the application should be made no later than 15 December of the year in which the current registration expires, unless the AFRC approves a later day. As the AFRC may require the provision of supplementary information (see Stage 2 below), the applicant is encouraged to submit the renewal application in advance of the statutory deadline. The AFRC will generally accept renewal applications from 1 November of each year.

Stage 2

(i) Preliminary assessment of completeness of application and provision of supplementary information

32. The AFRC will first conduct a preliminary assessment on the application and may require the provision of supplementary information in the manner described in paragraphs 8-11 above.

(ii) Processing time

33. Results will usually be available within 30 business days of the date of application, if the AFRC is satisfied that no supplementary information is required for the application. Although the AFRC will strive to adhere to this timetable, the time it takes to process an application may vary depending on a number of factors, including those set out in paragraph 13 above.

Stage 3

Decision by the AFRC

34. The AFRC will consider all available information in its possession (whether or not provided by the applicant) and then make a decision on the application.
35. The AFRC will inform the applicant of its decision by written notice. In this respect:
- (a) if the application is granted – the AFRC will issue a renewed certificate of registration to the applicant; or
 - (b) if the application is refused – the AFRC will provide reasons for the refusal in the written notice.

Stage 4

(i) Application to the Tribunal for review

36. An applicant who is aggrieved by a decision of the AFRC to refuse the application may apply to the Tribunal for a review of that decision. The relevant procedures are set out in paragraphs 24-25 above.

(ii) *Appeal to the Court of Appeal*

37. If a party to a review is dissatisfied with a determination of the Tribunal, an appeal can be made to the Court of Appeal on a question of law and/or fact. The relevant procedures are set out in paragraphs 26-27 above.

Offence of fraudulent procurement of registration of corporate practice

38. Under section 20AAZZA of the AFRCO, a person commits an offence and is liable on conviction to a fine of HK\$25,000 and to imprisonment for 12 months if the person fraudulently procures the registration of a corporate practice by means of any misleading, false or fraudulent representation or statement, whether made orally or in writing.

Notification of changes in particulars

39. If there is a change in the full name, address of registered office, telephone number and/or electronic mail address of a corporate practice, the corporate practice must, within 14 days after the day on which the change takes place, inform the AFRC of the change by submitting a completed notification form [*“Notification for Change in Particulars of a Corporate Practice”*](#) (Form CP-3) to the AFRC.
40. Before submitting the Form CP-3, the corporate practice should check that:
- (a) all required fields in the applicable forms have been completed; and
 - (b) all necessary supporting documents have been provided.
41. Under section 20AAZZF of the AFRCO, a person commits an offence and is liable on conviction to a fine of HK\$5,000 if the person, without reasonable excuse, fails to notify the AFRC as required.

Notification of a proposed amendment to the articles of association of a corporate practice

42. If a corporate practice proposes to amend its articles of association (“**proposal**”), the corporate practice must inform the AFRC of the proposal by submitting a completed notification form [*“Notification for Change in Particulars of a Corporate Practice”*](#) (Form CP-3) to the AFRC.
43. The Form CP-3 must be sent to the AFRC no later than the day on which notice of the members’ meeting of the corporate practice for the proposal is given to the members of the corporate practice.
44. If the proposal is approved by passing a special resolution at the members’ meeting, the corporate practice must, within 21 days beginning on the date on which the special resolution is passed, inform the AFRC of the approval in writing.

45. Before submitting the Form CP-3, the corporate practice should check that:
 - (a) all required fields in the applicable forms have been completed; and
 - (b) all necessary supporting documents have been provided.

46. Under section 20AAZZH of the AFRCO, the AFRC may revoke or suspend the registration of the corporate practice if the corporate practice fails to notify the AFRC as required.

Disclaimer

47. This document provides a summary of the AFRC's process for reference only. It is not legal advice. Applicants should seek their own legal advice. In the event of any inconsistency between this document and the AFRCO, the AFRCO shall prevail.