

# **Guide for the Registration of PIE Auditors**

## Table of contents

---

<b>Chapter 1</b>	<b>Definitions.....</b>	<b>2</b>
<b>Chapter 2</b>	<b>Overview .....</b>	<b>5</b>
<b>Chapter 3</b>	<b>Registration application.....</b>	<b>6</b>
<b>Chapter 4</b>	<b>Renewal application .....</b>	<b>12</b>
<b>Chapter 5</b>	<b>Additional registered responsible person application.....</b>	<b>15</b>
<b>Chapter 6</b>	<b>Imposition of conditions .....</b>	<b>17</b>
<b>Chapter 7</b>	<b>Notification requirements .....</b>	<b>19</b>
<b>Chapter 8</b>	<b>Revocation or suspension of registration on non-disciplinary grounds..</b>	<b>22</b>
<b>Chapter 9</b>	<b>The register.....</b>	<b>23</b>

## Chapter 1 Definitions

### 1.1 Definitions

1.1.1 Unless the context otherwise requires, the following terms shall have the meanings set out below.

Terms	Meanings
AFRCO	AFRCO means the Accounting and Financial Reporting Council Ordinance (Cap. 588).
certified public accountant (“CPA”)	A CPA means a person registered as a certified public accountant by virtue of section 22 of the PA Ordinance.
CPA (practising)	A CPA (practising) means a CPA holding a practising certificate issued under section 20AAD or 20AAI of the AFRCO.
corporate practice	A corporate practice means a company registered as a corporate practice under Division 3 of Part 2A of the AFRCO.
CPA firm	A CPA firm means: <ul style="list-style-type: none"><li>• a CPA (practising) who practises accountancy on the accountant's own account under a firm name registered under Division 2 of Part 2A of the AFRCO; or</li><li>• a firm of CPAs (practising) that practises accountancy in partnership and is registered under Division 2 of Part 2A of the AFRCO.</li></ul>
engagement partner (“EP”)	An engagement partner means a partner or other person authorized by a practice unit or a registered PIE auditor to be responsible for the PIE engagements carried out by the unit or auditor.
engagement quality control reviewer (“EQCR”)	An engagement quality control reviewer means a person authorized by a practice unit or a registered PIE auditor to oversee the engagement quality control reviews carried out in relation to the PIE engagements carried out by the unit or auditor.
HKICPA	HKICPA means the Hong Kong Institute of Certified Public Accountants incorporated by section 3 of the PA Ordinance.
Listing Rules	Listing Rules mean: <ul style="list-style-type: none"><li>• the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited; or</li><li>• the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited,</li></ul> approved by the Securities and Futures Commission under section 24 of the Securities and Futures Ordinance (Cap. 571), and as in force at the material time.
Online Application System	Online Application System means the registration system maintained by the Accounting and Financial Reporting Council.
PA Ordinance	PA Ordinance means the Professional Accountants Ordinance (Cap. 50).

Terms	Meanings
public interest entity (“ <b>PIE</b> ”)	A PIE means a listed corporation the listed securities of which comprise at least shares or stocks, or a listed collective investment scheme.
PIE auditor	A PIE auditor means a registered or recognized PIE auditor.
PIE engagement	<p>A PIE engagement means any of the following types of engagements for the preparation of:</p> <ul style="list-style-type: none"> <li>• an auditor’s report on a PIE’s financial statements / annual accounts required by section 379 of the Companies Ordinance (Cap. 622), the Listing Rules or any relevant code;</li> <li>• a specified report required to be included in a listing document for the listing of a corporation’s shares or stocks or for the listing of a collective investment scheme; or</li> <li>• an accountant’s report required under the Listing Rules to be included in a circular issued by a PIE for a reverse takeover or a very substantial acquisition.</li> </ul>
practice unit	<p>A practice unit means:</p> <ul style="list-style-type: none"> <li>• a CPA (practising) who practises accountancy on the accountant’s own account under the accountant’s own name as registered under section 22(2) of the PA Ordinance;</li> <li>• a CPA firm; or</li> <li>• a corporate practice.</li> </ul>
quality control system responsible person (“ <b>QCSRP</b> ”)	A quality control system responsible person means a person authorized by a practice unit or a registered PIE auditor to be responsible for the quality control system of the unit or auditor.
registered PIE auditor	A registered PIE auditor means a practice unit registered under Division 2 of Part 3 of the AFRCO.
registered responsible person	A registered responsible person means an individual whose name is recorded in the PIE auditors register as a responsible person of the registered PIE auditor.
relevant code	<p>A relevant code means:</p> <ul style="list-style-type: none"> <li>• a code or guideline published under section 112ZR of the Securities and Futures Ordinance (Cap. 571), as in force at the material time; or</li> <li>• a code or guideline published under section 399 of that Ordinance for providing guidance in relation to the operation of section 104 of that Ordinance, as in force at the material time.</li> </ul>
relevant persons	<p>Relevant persons mean:</p> <ul style="list-style-type: none"> <li>• in relation to a practice unit applying to be registered as a registered PIE auditor, its nominated responsible persons and any other partners / directors of the practice unit; and</li> <li>• in relation to a registered PIE auditor, its registered responsible persons and any other partners / directors of the auditor.</li> </ul>

Terms	Meanings
responsible person	<p>A responsible person in relation to a practice unit or a registered PIE auditor means:</p> <ul style="list-style-type: none"> <li>• an engagement partner;</li> <li>• an engagement quality control reviewer; or</li> <li>• a quality control system responsible person.</li> </ul>

### 2.1 Introduction

2.1.1 The Accounting and Financial Reporting Council (“**AFRC**”) is empowered to register practice units as registered PIE auditors under Division 2 of Part 3 of the AFRCO. It is an offence for a practice unit to undertake (i.e. accept an appointment for carrying out) or carry out any PIE engagement, or to hold out as a registered PIE auditor, without being registered as a registered PIE auditor.

2.1.2 This Guide provides practical guidance on the criteria and procedures for registration and renewal applications for registered PIE auditors; and procedures for complying with notification requirements.

2.1.3 Unless otherwise specified in this Guide, all documents in relation to the applications to be submitted to the AFRC should be:

(a) sent by post to the following address:

Policy, Registration and Oversight Department  
Accounting and Financial Reporting Council  
10/F, Two Taikoo Place  
979 King’s Road, Quarry Bay  
Hong Kong

(b) originals or certified true copies of the originals certified by any of the following persons (self-certification will not be accepted):

- (i) a CPA (full name with HKICPA membership number and contact details should be provided);
- (ii) a legal practitioner (full name with contact details should be provided);  
and
- (iii) a Government District Officer (through statutory declaration).

2.1.4 Apart from submission of documents under paragraph 2.1.3 above, communications with the AFRC in relation to the applications could be sent by email to [registration@afrc.org.hk](mailto:registration@afrc.org.hk), by post to the address specified in paragraph 2.1.3(a) above or any other ways specified by the AFRC.

2.1.5 This Guide is not intended to deal with all situations and, subject to compliance with the AFRCO, the AFRC may depart from this Guide where the circumstances of the case so require. Enquiries on registration related matters can also be made to the AFRC via e-mail to [registration@afrc.org.hk](mailto:registration@afrc.org.hk) or hotline at +852 3586 7800.

### 2.2 Disclaimer

2.2.1 This Guide is for guidance, and does not constitute legal advice. You should seek your own legal advice where necessary. In the event of any inconsistency between this Guide and the AFRCO, the AFRCO shall prevail.

### 3.1 Introduction

3.1.1 A practice unit may apply to the AFRC to be registered as a registered PIE auditor.

### 3.2 Registration criteria

3.2.1 The AFRC will not grant a registration application unless the following registration criteria are met:

Registration criteria	
<i>Status of the applicant</i>	
(a)	The applicant is a practice unit.
<i>Registered responsible persons</i>	
(b)	The applicant has the following three types of registered responsible persons: <ul style="list-style-type: none"><li>(i) at least one registered EP;</li><li>(ii) at least one registered EQCR; and</li><li>(iii) at least one registered QCSR.</li></ul> See also paragraph 3.2.2 below.
(c)	In the case of a nominated or registered EP, the person is: <ul style="list-style-type: none"><li>(i) where the applicant is a CPA (practising) practising accountancy in his or her own name – the applicant and a CPA (practising);</li><li>(ii) where the applicant is a CPA firm – the sole practitioner, a partner or an authorized signatory of the CPA firm and a CPA (practising); or</li><li>(iii) where the applicant is a corporate practice – a director of the corporate practice and a CPA (practising).</li></ul>
(d)	In the case of a nominated or registered EQCR <sup>1</sup> : <ul style="list-style-type: none"><li>(i) the person is a CPA or a member of an accountancy body recognized by the HKICPA<sup>2</sup>; and</li><li>(ii) the person possesses the required competence and capabilities, and appropriate authority, to enable him or her to perform the role in compliance with the “<i>Hong Kong Standard on Quality Management 2 Engagement Quality Reviews</i>” issued by the HKICPA.</li></ul>

<sup>1</sup> The nominated or registered EQCR can be an employee or the applicant or an external person.

<sup>2</sup> Please refer to the list of accountancy bodies recognized by the HKICPA. The list is available on the HKICPA website (<https://www.hkicpa.org.hk/en>) under the heading “*Recognition of overseas bodies*”.

<b>Registration criteria</b>	
(e)	In the case of a nominated or registered QCSR, the person is: <ul style="list-style-type: none"> <li>(i) where the applicant is a CPA (practising) practising accountancy in his or her own name – the applicant and a CPA (practising);</li> <li>(ii) where the applicant is a CPA firm – the sole practitioner or a partner of the CPA firm and a CPA (practising); or</li> <li>(iii) where the applicant is a corporate practice – a director of the corporate practice and a CPA (practising).</li> </ul>
(f)	The QCSR of the applicant is the chief executive officer or a member of the managing board of partners of the applicant, where the chief executive officer or the managing board of partners is responsible for implementing the general strategy and general management of the business of the applicant.
(g)	Each nominated or registered responsible person is a fit and proper person to be a CPA.  See also paragraph 3.2.3 below.
<i>Sole practitioner, partners and directors</i>	
(h)	Where the applicant is: <ul style="list-style-type: none"> <li>(i) a CPA (practising) practising accountancy in his or her own name – the applicant is a fit and proper person to be a CPA;</li> <li>(ii) a CPA firm – the sole practitioner or each partner of the CPA firm is a fit and proper person to be a CPA; and</li> <li>(iii) a corporate practice – each director of the corporate practice is a fit and proper person to be a CPA.</li> </ul> See also paragraph 3.2.3 below.

3.2.2 A person may be nominated for one or more of the three roles (i.e. EP, EQCR, QCSR). However, as the same person cannot act as both a registered EP and a registered EQCR in relation to the same PIE engagement, the applicant must nominate at least two different persons for registration as a registered EP and/or a registered EQCR.

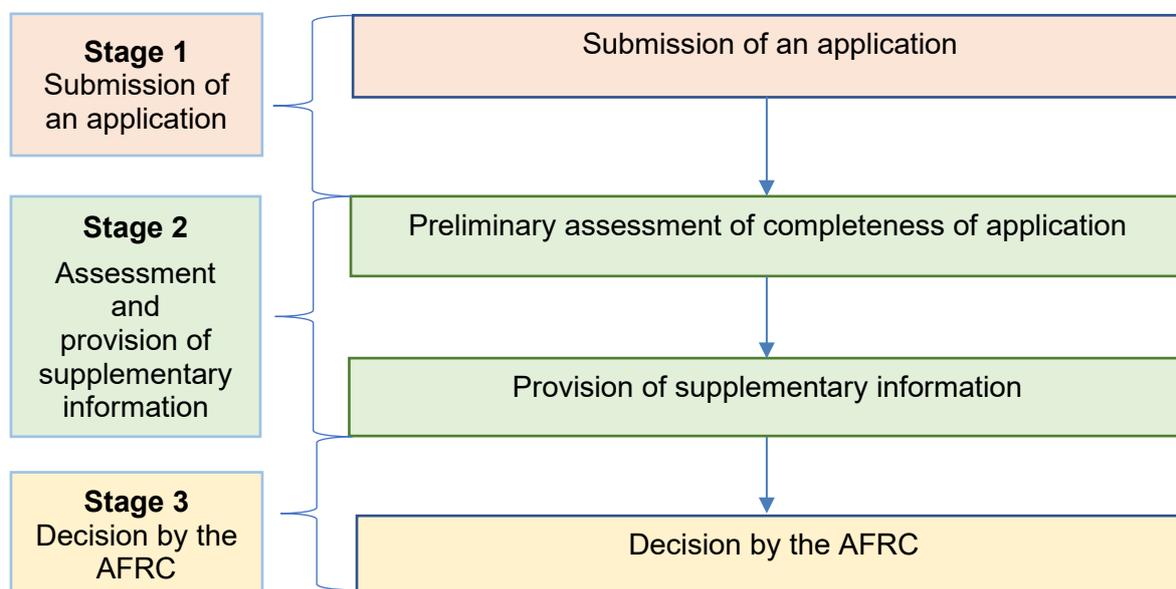
3.2.3 When determining whether a person is fit and proper to be a CPA, the AFRC will have regard to the following matters:

- (a) the person's professional qualification, knowledge, skills and experience;
- (b) the person's reputation, character, reliability and integrity;
- (c) the person's financial status and solvency;
- (d) whether any disciplinary action has been taken against the person under the AFRCO or the PA Ordinance; and
- (e) whether the person has been convicted of any offence in Hong Kong or elsewhere.

The list above is not exhaustive. The AFRC will consider the fit and proper status of each person on a case-by-case basis, having regard to all relevant matters.

### 3.3 Application process

3.3.1 The application process can be summarized as follows:



3.3.2 The onus is on the applicant to satisfy the AFRC that the registration application should be granted.

#### Stage 1 – Submission of an application

3.3.3 A practice unit applying to be registered as a registered PIE auditor is required to complete and submit the online application form "[Application as a Registered PIE Auditor](#)" (Form PIE-1) through the AFRC's Online Application System, together with all necessary supporting documents (see paragraph 3.3.5).

3.3.4 To access the Online Application System, the applicant needs to log in with the appropriate login ID and password. If the applicant is:

- (a) a CPA (practising) – the applicant logs in with the applicant's individual login ID;
- (b) a CPA firm – the applicant logs in with the firm's login ID; and
- (c) a corporate practice – the applicant logs in with the corporate practice's login ID.

### *Supporting documents*

3.3.5 The applicant has to provide the following supporting documents:

- (a) the ["Fit and Proper Declaration Form"](#) (Form F&P) that is completed and signed by each relevant person, including an explanation where the answer to any of the questions set out in the form is "yes"; and
- (b) where any nominated EQCR is not currently a CPA (practising):
  - (i) the ["Personal Details Form for a Non-CPA \(Practising\) Applying for Registration as an Engagement Quality Control Reviewer \("EQCR"\)"](#) (Form PIE-EQCR) that is completed and signed by the nominated EQCR;
  - (ii) a copy of the nominated EQCR's identity document (for example, Hong Kong / China identity card or passport); and
  - (iii) a copy of his or her membership certificate issued by the accountancy body of which the nominated EQCR is a current member.

### *Application fee*

3.3.6 The applicant has to pay an application fee in the amount and way specified in the fee schedule published on the AFRC website. The application fee is non-refundable.

### Stage 2 – Assessment and provision of supplementary information

#### *Preliminary assessment of completeness of the application*

3.3.7 The AFRC will first conduct a preliminary assessment on the registration application to check whether the information received is complete and the application fee is paid.

3.3.8 The AFRC will ordinarily provide an acknowledgement of receipt to the applicant within 10 business days upon being satisfied with the results of the preliminary assessment.

#### *Provision of supplementary information*

3.3.9 The AFRC will conduct an assessment on the registration application and may, where appropriate, require the applicant to provide supplementary information which the AFRC considers relevant to the application. Unless otherwise specified, the applicant is required to respond in writing by ways specified in paragraph 2.1.4 above within 10 business days of the date of the request.

3.3.10 If the applicant does not provide the required information to the AFRC within the stipulated deadline (i.e. 6 months after the receipt of the registration application), the AFRC may proceed to make a decision on the registration 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 registration criteria have been met.

### *Processing time*

3.3.11 The AFRC will outline in its website the submission deadlines for which registration applications 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.

3.3.12 Although the AFRC will strive to adhere to this timetable, the time it takes to process a registration 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 – Decision by the AFRC

3.3.13 The AFRC will consider all available information in its possession (whether or not provided by the applicant) and then make a decision on the registration application.

3.3.14 The AFRC will inform the applicant of its decision by written notice, and issue a copy of the written notice to each responsible person of the applicant listed in the application. The written notice will include a statement of reasons where:

- (a) the registration application is refused by the AFRC; or
- (b) the registration application is granted by the AFRC subject to conditions (see Chapter 6 below).

3.3.15 The registration of a registered PIE auditor will take effect on the day specified by the AFRC in the written notice and expire on 31 December of the year in which the registration takes effect.

3.3.16 An applicant who is aggrieved by a decision of the AFRC to refuse the registration application or grant the registration application subject to condition(s) may apply to the Accounting and Financial Reporting Review Tribunal for a review of that decision. The relevant procedures are set out in paragraphs 17 to 18 of the AFRC's ["Outline of the AFRC's Process for the Registration of PIE Auditors"](#).

## **3.4 Ongoing obligations**

3.4.1 The registered PIE auditor is required to fulfil the following obligations during the registration:

- (a) the registered PIE auditor must not authorize any person who is not a registered EP, registered EQCR or registered QCSRP of the auditor to carry out any activity in the respective roles of the auditor. It is an offence for a

person to carry out any activity as an EP or an EQCR of a registered PIE auditor if the person is not respectively a registered EP or registered EQCR of the auditor; and

- (b) the registered PIE auditor must ensure that its registered QCSR is provided with sufficient resources and support to carry out the responsible person's duties. Such responsible person must use his or her best endeavours to ensure that the registered PIE auditor:
  - (i) has established and maintains a quality control system in relation to the PIE engagements carried out by the auditor;
  - (ii) has established policies and procedures for monitoring the quality control system; and
  - (iii) complies with the policies and procedures.

### 4.1 Introduction

- 4.1.1 A registered PIE auditor may apply to the AFRC for renewal of its registration between 1 October and 16 November (both dates inclusive) of the year in which the current registration expires.

### 4.2 Renewal criteria

- 4.2.1 The AFRC will not grant a renewal application unless the following renewal criteria are met:

Renewal criteria
(a) The applicant continues to comply with the registration criteria set out in paragraphs 3.2.1(b) to (h) above.
(b) If the applicant was: <ul style="list-style-type: none"><li>(i) a CPA (practising) practising accountancy in his or her own name when the applicant was first registered – the applicant continues to be a CPA (practising);</li><li>(ii) a CPA firm when the applicant was first registered – the applicant continues to be a CPA firm; and</li><li>(iii) a corporate practice when the applicant was first registered – the applicant continues to be a corporate practice.</li></ul>

### 4.3 Application process

- 4.3.1 The application process described in paragraph 3.3.1 above applies equally to a renewal application.

#### Stage 1 – Submission of an application

- 4.3.2 A registered PIE auditor applying to renew its registration as a registered PIE auditor is required to complete and submit the online application form "[Renewal Application for a Registered PIE Auditor](#)" (Form PIE-2) through the AFRC's Online Application System, together with the fit and proper declaration that is completed and signed by each of the relevant persons who have new fit and proper matters to report since the last declaration in the way specified by the AFRC. It is the responsibility of the registered PIE auditor to ensure that signed fit and proper declarations of all relevant persons who have new fit and proper matters to report are submitted together with the online application form.
- 4.3.3 Any matter which needs to be notified to the AFRC under Chapters 5 and 7 below should be made to the AFRC before the submission of the renewal application.
- 4.3.4 The onus is on the applicant to satisfy the AFRC that the renewal application should be granted.

### *Application fee*

- 4.3.5 The applicant has to pay a renewal application fee in the amount and way specified in fee schedule published on the AFRC website. The renewal application fee is non-refundable.

### Stage 2 – Assessment and provision of supplementary information

- 4.3.6 The AFRC will first conduct a preliminary assessment on the renewal application and may require the provision of supplementary information in the manner described in paragraphs 3.3.7 to 3.3.9 above.
- 4.3.7 If the applicant does not provide the required information to the AFRC within the stipulated deadline (i.e. 30 business days from the date of the information request), the AFRC may proceed to make a decision on the renewal application based on the evidence before it, and will likely refuse the renewal application on the basis that there is insufficient information available for the AFRC to satisfy itself that the renewal criteria have been met.

### *Processing time*

- 4.3.8 Results will usually be available within 30 business days of the date of renewal application, if the AFRC is satisfied that no supplementary information is required for the renewal 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 3.3.12 above.
- 4.3.9 The current registration of a registered PIE auditor will be extended if the auditor has made a renewal application but the application is not finally determined before the expiry of the current registration. The current registration will remain in force until:
- (a) if the renewal application is granted – the day on which the renewal takes effect; or
  - (b) if the renewal application is refused – the day on which the refusal takes effect.

### Stage 3 – Decision by the AFRC

- 4.3.10 The AFRC will consider all available information in its possession (whether or not provided by the applicant) and then make a decision on the renewal application.
- 4.3.11 The AFRC will inform the applicant of its decision by written notice, and issue a copy of the written notice to each registered responsible person of the applicant. The written notice will include a statement of reasons where:
- (a) the renewal application is refused by the AFRC; or
  - (b) the renewal application is granted by the AFRC subject to conditions (see Chapter 6 below).

- 4.3.12 The renewal of registration of a registered PIE auditor will take effect on the day specified by the AFRC in the written notice and expire on 31 December of the year in which the renewal takes effect.
- 4.3.13 An applicant who is aggrieved by a decision of the AFRC to refuse the renewal application or grant the renewal application subject to condition(s) may apply to the Accounting and Financial Reporting Review Tribunal for a review of that decision. The relevant procedures are set out in paragraphs 17 to 18 of the AFRC's [\*Outline of the AFRC's Process for the Registration of PIE Auditors\*](#).

### 5.1 Introduction

- 5.1.1 If a registered PIE auditor proposes to add the name of a person to its list of registered responsible persons, the auditor should first apply to the AFRC. This includes the addition of a new role for an existing registered responsible person.

### 5.2 Application criteria

- 5.2.1 The AFRC will generally consider it appropriate to grant an additional registered responsible person application if the criteria set out in paragraphs 3.2.1(c) to (g) above are satisfied.

### 5.3 Application process

- 5.3.1 The application process described in paragraph 3.3.1 above applies equally to an additional registered responsible person application.

#### Stage 1 – Submission of an application

- 5.3.2 A registered PIE auditor applying to add the name of a person to its list of registered responsible persons is required to complete and submit the application form [“Application for Registration of Additional Responsible Person of a Registered Public Interest Entity \(“PIE”\) Auditor”](#) (Form PIE-3) to the AFRC, together with the supporting documents set out in paragraph 3.3.5 above where applicable.
- 5.3.3 There is no fee payable for the application.
- 5.3.4 The onus is on the applicant to satisfy the AFRC that the additional registered responsible person application should be granted.

#### Stage 2 – Assessment and provision of supplementary information

- 5.3.5 The AFRC will first conduct a preliminary assessment on the additional registered responsible person application and may require the provision of supplementary information in the manner described in paragraphs 3.3.7 to 3.3.10 above.

#### *Processing time*

- 5.3.6 The AFRC will outline in its website the submission deadlines for which applications will be processed by a given point of time. Results will usually be available within 10 weeks after the submission deadline, 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 3.3.12 above.

### Stage 3 – Decision by the AFRC

- 5.3.7 The AFRC will consider all available information in its possession (whether or not provided by the applicant) and then make a decision on the additional registered responsible person application.
- 5.3.8 The AFRC will inform the applicant of its decision by written notice, and issue a copy of the written notice to the nominated responsible person. The written notice will include a statement of reasons where:
- (a) the additional registered responsible person application is refused by the AFRC; or
  - (b) the additional registered responsible person application is granted by the AFRC subject to conditions (see Chapter 6 below).
- 5.3.9 The addition of a name to the list of registered responsible persons of a registered PIE auditor will take effect on the day specified by the AFRC in the written notice and expire on 31 December of the year in which the addition takes effect.
- 5.3.10 An applicant who is aggrieved by a decision of the AFRC to refuse the additional registered responsible person application or grant the application subject to condition(s) may apply to the Accounting and Financial Reporting Review Tribunal for a review of that decision. The relevant procedures are set out in paragraphs 17 to 18 of the AFRC's ["Outline of the AFRC's Process for the Registration of PIE Auditors"](#).

### 6.1 Introduction

- 6.1.1 The AFRC may impose any condition in relation to the registration of a PIE auditor that the AFRC considers appropriate:
- (a) at the time when it grants the registration application or renewal application; or
  - (b) at any other time when the registration is valid.
- 6.1.2 The AFRC may, at any time when the registration is valid, amend an existing condition by varying or revoking the condition.
- 6.1.3 If the AFRC decides to impose or amend a condition, the AFRC will inform the registered PIE auditor of its decision by written notice and issue a copy of the written notice to each registered responsible person of the auditor. The written notice will include a statement of reasons for the decision.
- 6.1.4 The registered PIE auditor who is aggrieved by a decision of the AFRC to impose or amend a condition may apply to the Accounting and Financial Reporting Review Tribunal for a review of that decision. The relevant procedures are set out in paragraphs 17 to 18 of the AFRC's ["Outline of the AFRC's Process for the Registration of PIE Auditors"](#).
- 6.1.5 The registered PIE auditor is required to notify the AFRC in writing by ways specified in paragraph 2.1.4 above when the condition is fulfilled.

### 6.2 Relevant considerations

- 6.2.1 The AFRC will have regard to all relevant matters when determining whether to impose or amend a condition. These may include but not limited to:
- (a) whether any issues of integrity, capability, competence or quality identified in past disciplinary records; if so, the nature, severity and frequency of the deficiencies; and
  - (b) whether any issues of capability, competence or quality resulted from the continued lack of PIE engagement over a certain period of time which need to be addressed.
- 6.2.2 The AFRC will generally focus on matters that are current and relevant, in particular disciplinary records resulted in the past 5 years and any uncompleted sanctions.

### 6.3 Examples of the types of conditions that may be imposed

- 6.3.1 The AFRC may impose one or more conditions at the same time. The following are examples of the types of conditions.

*Completion of additional continuing professional development (“CPD”) activities*

- 6.3.2 A registered PIE auditor may be required to request its professional staff to complete specified nature of CPD activities for a specified number of CPD hours in addition to the verifiable CPD hours that are required under the “*Statement 1.500 Continuing Professional Development*” issued by the HKICPA, with a view to addressing the relevant deficiencies identified. The AFRC will generally impose no more than 60 CPD hours per condition.

*Implementation of training programmes*

- 6.3.3 A registered PIE auditor may be requested to implement relevant training programmes for its professional staff to enhance their professional competence relating to the deficiencies identified.

*Performance of an independent monitoring review*

- 6.3.4 A registered PIE auditor may be required to carry out an independent monitoring review of its quality management system and/or selected audit engagements with an outcome demonstrating that the auditor has taken appropriate remedial actions to address any deficiencies identified.

*Restrictions on practice*

- 6.3.5 A registered PIE auditor or its partners, directors or responsible persons may be restricted from taking part in PIE engagements (or taking a specific role in PIE engagements) for a specified period. Examples of when such a condition may be appropriate include the following:
- (a) the practising certificate of a nominated or registered responsible person of the auditor has been cancelled pursuant to a disciplinary order or sanction; and
  - (b) the auditor, or nominated or registered responsible person of the auditor is still under a condition imposed by a professional body/regulator.

*Self-assessment on its quality management system and implementation of training programmes*

- 6.3.6 Starting from the 2024 renewal cycle (i.e. the renewal applications submitted in 2023), a registered PIE auditor who does not have any PIE engagement for the past three years may be required to:
- (a) complete a self-assessment with an outcome demonstrating that its quality management system could ensure adequacy and appropriateness of resources in performance of PIE engagements; and
  - (b) implement relevant training programmes for its professional staff to enhance their professional competence relevant to the performance of PIE engagements.

### 7.1 Introduction

7.1.1 A registered PIE auditor and its relevant persons are required to observe the following ongoing notification requirements.

### 7.2 Change in particulars of a registered PIE auditor

7.2.1 A registered PIE auditor must notify the AFRC of any change in its full name, business address, telephone number or electronic mail address of the auditor within 14 days of the change. The notification should be made to the AFRC through the means specified in paragraph 7.2.2 below. A person who fails to notify the AFRC as required without reasonable excuse commits an offence.

7.2.2 The means of notification are as follows:

- (a) where the registered PIE auditor is a CPA (practising) who practises accountancy in his or her own name, the auditor should make a notification in accordance with paragraphs 5.2.1 to 5.2.2 of the [“Guide for the Issuance of Practising Certificates”](#);
- (b) where the registered PIE auditor is a CPA firm, the auditor should make a notification in accordance with paragraphs 5.2.1 to 5.2.7 of the [“Guide for the Registration of Firm Names and Firms”](#); or
- (c) where the registered PIE auditor is a corporate practice, the auditor should make a notification in accordance with paragraphs 5.2.1 to 5.2.7 of the [“Guide for the Registration of Corporate Practices”](#).

### 7.3 Change in particulars of a registered responsible person

#### *Notification by the registered PIE auditor*

7.3.1 A registered PIE auditor must notify the AFRC of any change in the full name, business address, telephone number or electronic mail address of its registered responsible persons within 14 days of the change. The notification should be made to the AFRC in writing by ways specified in paragraph 2.1.4 above (subject to paragraph 7.3.2 below). A person who fails to notify the AFRC as required without reasonable excuse commits an offence.

7.3.2 The AFRC will consider a registered PIE auditor to have complied with the requirement above if any of the following applies:

- (a) the registered responsible person concerned is a CPA (practising) and the person has notified the AFRC of the relevant change in accordance with paragraphs 5.2.1 to 5.2.2 of the [“Guide for the Issuance of Practising Certificates”](#); or
- (b) the registered responsible person concerned is a registered EQCR who is not a CPA (practising) and the person has notified the AFRC of the relevant change in accordance with paragraph 7.3.3 below.

*Notification by a registered EQCR who is not a CPA (practising)*

- 7.3.3 A registered EQCR who is not a CPA (practising) is required to notify the AFRC of any change, including change of professional qualification, to the [“Personal Details Form for a Non-CPA \(Practising\) Applying for Registration as an Engagement Quality Control Reviewer \(“EQCR”\)”](#) (Form PIE-EQCR) submitted during the application process within 14 days of the change. The notification should be made by completing and submitting the notification form [“Personal Details Amendment Form for a Non-CPA \(Practising\) Registered as an Engagement Quality Control Reviewer \(“EQCR”\)”](#) (Form PIE-EQCR(A)) to the AFRC.

**7.4 Change to the “Fit and Proper Declaration Form”**

- 7.4.1 A relevant person is required notify the AFRC, in writing by ways specified in paragraph 2.1.4 above, of the following as soon as practicable:
- (a) the results of any ongoing investigations after completion of the investigations; and
  - (b) any conviction of any criminal offence or professional misconduct locally or overseas.

**7.5 Cessation of a registered responsible person**

- 7.5.1 A registered PIE auditor must notify the AFRC if a registered responsible person of the auditor ceases to be a responsible person of the auditor within 14 days of the change. The notification should be made by completing and submitting the notification form [“Cessation of Registration of Responsible Person of a Registered Public Interest Entity \(“PIE”\) Auditor”](#) (Form PIE-4) to the AFRC. A person who fails to notify the AFRC as required without reasonable excuse commits an offence.

**7.6 Change in partner or director of a registered PIE auditor**

- 7.6.1 A registered PIE auditor must notify the AFRC if a person becomes or ceases to be a partner or director of the auditor within 14 days of the change. The notification should be made to the AFRC through the means specified in paragraph 7.6.2 below. A person who fails to notify the AFRC as required without reasonable excuse commits an offence.
- 7.6.2 The means of notification are as follows:
- (a) where the registered PIE auditor is a CPA firm, the auditor should make a notification in accordance with paragraphs 5.3.1 to 5.3.2 and 5.5.1 of the [“Guide for the Registration of Firm Names and Firms”](#); or
  - (b) where the registered PIE auditor is a corporate practice, the auditor should make a notification in accordance with paragraphs 5.3.1 to 5.3.2 and 5.5.1 of the [“Guide for the Registration of Corporate Practices”](#).

## **7.7 Failure to meet any registration criteria**

- 7.7.1 A registered PIE auditor must notify the AFRC if the auditor fails to meet any of the registration criteria set out in paragraphs 3.2.1(b) to (h) above within 7 days after the day on which the failure begins.
- 7.7.2 The notification should be made to the AFRC in writing by ways specified in paragraph 2.1.4 above. A person who fails to notify the AFRC as required without reasonable excuse commits an offence.
- 7.7.3 The registered PIE auditor must take steps to ensure that the registration criteria is met within 14 days of the notification to the AFRC. If the auditor still fails to meet the registration criteria on the expiry of the 14-day period, the AFRC may:
- (a) revoke the registration of the auditor; or
  - (b) suspend the registration of the auditor for a period of time, or until the occurrence of an event, that the AFRC considers appropriate.

## **7.8 Offences to provide false or misleading information**

- 7.8.1 According to section 20R of the AFRCO, a person commits an offence and is liable on conviction to a fine of HK\$50,000 and to imprisonment for 6 months if the person, in connection with an application or a renewal application for registration of PIE auditors under paragraphs 3.1.1 and 4.1.1 of this document respectively:
- (a) makes a statement that is false or misleading in a material particular;
  - (b) knows that, or is reckless as to whether or not, the statement is false or misleading in a material particular;
  - (c) omits a material particular from a statement with the result that the statement is rendered false or misleading; and
  - (d) knows that, or is reckless as to whether or not, the material particular is omitted from the statement.
- 7.8.2 The AFRC may verify or audit any of the information provided in the application form, whether before or after a decision on the application is made.

## **8.1    Mandatory revocation**

8.1.1 The AFRC must revoke the registration of a registered PIE auditor:

- (a) where the auditor was a CPA (practising) practising accountancy in his or her own name or the sole practitioner of a CPA firm when the auditor was first registered:
  - (i) if the auditor dies; or
  - (ii) if the auditor ceases to be a CPA (practising);
- (b) where the auditor was a CPA firm practising accountancy in partnership when the auditor was first registered:
  - (i) if the auditor ceases to operate and the partnership is dissolved; or
  - (ii) if the auditor ceases to be a CPA firm who practises accountancy in partnership; or
- (c) where the auditor was a corporate practice when the auditor was first registered:
  - (i) if the auditor has commenced to be wound up; or
  - (ii) if the auditor ceases to be a corporate practice.

8.1.2 If the AFRC decides to revoke the registration of the registered PIE auditor, the AFRC will inform the auditor of its decision by written notice and issue a copy of the written notice to each registered responsible person of the auditor. The written notice will include a statement of reasons for the decision.

## **8.2    Discretionary revocation or suspension**

8.2.1 The AFRC may revoke or suspend (whether for a period of time or until the occurrence of an event) the registration of a registered PIE auditor if:

- (a) the auditor requests to do so; or
- (b) the AFRC is satisfied that the auditor has been registered by mistake, or in consequence of any misleading, false or fraudulent statement, declaration or representation, whether made orally or in writing.

8.2.2 Where the registered PIE auditor intends to cease the registration of a registered PIE auditor, the auditor has to complete and submit the application form [“Application for De-registration of a Registered Public Interest Entity \(“PIE”\) Auditor”](#) (Form PIE-5) to the AFRC.

8.2.3 If the AFRC decides to revoke or suspend the registration of the registered PIE auditor, the procedures set out in paragraph 8.1.2 above apply.

### 9.1 Introduction

9.1.1 The AFRC must establish and maintain the register of PIE auditors (“**Register**”) which contain, in relation to each registered PIE auditor:

- (a) the full name of the auditor and each registered responsible person of the auditor;
- (b) the business address of the auditor;
- (c) the conditions imposed by the AFRC in relation to the registration of the auditor (including conditions relating to the registered responsible persons of the auditor), if any;
- (d) the day on which the registration of the auditor expires;
- (e) a record of:
  - (i) the sanctions imposed or actions taken under Division 2 or 3 of Part 3B of the AFRCO (except a private reprimand); and
  - (ii) the orders made under section 35 of the PA Ordinance as in force before 1 October 2022,  
in relation to the auditor, or any registered responsible person of the auditor, within the last 5 years, if any; and
- (f) any other particulars that AFRC considers appropriate.

### 9.2 Inspection of the Register

9.2.1 A person may inspect free of charge:

- (a) the documentary form of the Register at the AFRC office at office hours; and
- (b) the Register made available on the AFRC website.