

Guide for the Registration of Corporate Practices

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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
AFRC	AFRC means the Accounting and Financial Reporting Council
AFRCO	AFRCO means the Accounting and Financial Reporting Council Ordinance (Cap. 588).
approved insurer	An approved insurer means an insurer who is approved by the Council of the HKICPA to provide professional indemnity insurance to a corporate practice.
certified public accountant (CPA)	A CPA means a person registered as a certified public accountant by virtue of section 22 of the Professional Accountants Ordinance (Cap. 50).
CPA (practising)	A CPA (practising) means a CPA holding a practising certificate issued under section 20AAD or 20AAI of the AFRCO.
company	A company means a company within the meaning of section 2(1) of the Companies Ordinance (Cap. 622).
corporate practice	A corporate practice means a company registered as a corporate practice under Division 3 of Part 2A of the AFRCO.
HKICPA	HKICPA means the Hong Kong Institute of Certified Public Accountants incorporated by section 3 of the Professional Accountants Ordinance (Cap. 50).
HKICPA PII Master Policy	HKICPA PII Master Policy means the Professional Indemnity Insurance Master Policy of the HKICPA.
Model Articles	Model Articles mean the Corporate Practices (Model Articles of Association) issued by the HKICPA.
Online Registration System	Online Registration System means the registration system maintained by the Accounting and Financial Reporting Council.

2.1 Introduction

2.1.1 The AFRC is empowered to register companies as corporate practices under Division 3 of Part 2A of the AFRCO. It is an offence for a person that is not a corporate practice to hold any appointment or render any services, whether paid or unpaid, as:

- (a) an auditor of a company; or
- (b) unless otherwise exempted by the AFRC, an auditor of accounts for the purposes of any other Ordinance.

2.1.2 This Guide provides guidance on the criteria and procedures for registration and renewal applications for corporate practices; and procedures for complying with notification requirements.

2.1.3 Unless otherwise specified, all documents:

- (a) must be submitted to the AFRC through the Online Registration System; and
- (b) are originals or certified true copies certified by any of the following persons (a self-certification will not be accepted):
 - (i) a CPA (full name with HKICPA membership number and contact details must be provided);
 - (ii) a legal practitioner (full name with contact details must 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 must be sent by email to registration@afrc.org.hk or any other ways specified by the AFRC.

2.1.5 To access the Online Registration System, the applicant needs to log in with the appropriate login ID and password as shown below:

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

2.1.6 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 may be made by e-mailing to registration@afrc.org.hk.

2.2 Disclaimer

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

Chapter 3 Application for registration as a corporate practice

3.1 Introduction

3.1.1 A company must apply to the AFRC to be registered as a corporate practice.

3.2 Registration criteria

3.2.1 The AFRC will not grant a registration application unless the following registration criteria are met. Onus is placed on the applicant to satisfy the AFRC that the application should be granted.

Registration criteria	
<i>Status of the applicant</i>	
(a)	The applicant is a company limited by shares.
<i>Members and directors</i>	
(b)	Every member and every director of the applicant is a natural person.
(c)	Where the applicant has only one member: <ul style="list-style-type: none">(i) the member is a CPA (practising);(ii) the member is the only director of the applicant; and(iii) the member is the ultimate beneficial owner of all the shares that he or she holds in the applicant. See also paragraph 3.2.5 below.
(d)	Where the applicant has two or more members: <ul style="list-style-type: none">(i) each member is a CPA;(ii) each member is a director of the applicant;(iii) at least two-thirds of the members are CPAs (practising) (i.e. practising member directors);(iv) each member is the ultimate beneficial owner of all the shares that he or she holds in the applicant;(v) at least two-thirds of the voting shares are beneficially owned by the practising member directors; and(vi) no person other than a member of the applicant is a director of the applicant. See also paragraph 3.2.5 below.
(e)	None of the directors of the applicant are bankrupt or has entered into a voluntary arrangement (as defined by section 2 of the Bankruptcy Ordinance (Cap. 6)) with his or her creditors, except with the leave granted by the court which is applicable to the non-practising member director(s) only.

Registration criteria	
(f)	At least one practising member director practises in the name of the corporate practice on a full-time basis, i.e. not engaged in other full-time employment.
<i>Professional indemnity</i>	
(g)	The applicant meets the following professional indemnity requirements: <ul style="list-style-type: none"> (i) the applicant is to be or is covered by the professional indemnity insurance (PII) provided by an approved insurer; (ii) the PII is provided: <ul style="list-style-type: none"> (A) on terms specified in the “<i>Corporate Practices (Professional Indemnity) Rules</i>” issued by the HKICPA; or (B) if the terms are not so specified, on terms that have been approved by the Council of the HKICPA; and (iii) the applicant is covered by the PII at least to the extent required by the “<i>Corporate Practices (Professional Indemnity) Rules</i>” issued by the HKICPA.
<i>Articles of association</i>	
(h)	The articles of association of the applicant: <ul style="list-style-type: none"> (i) follow substantially and do not contradict or operate inconsistently with the applicable provisions of the Model Articles; and (ii) include articles that are appropriate to the applicant having regard to the requirements specified in paragraphs 3.2.1(c) and (d) above.
<i>Company name</i>	
(i)	The company name under which the applicant intends to practise: <ul style="list-style-type: none"> (i) is not the same as a company name of a corporate practice already registered under the AFRCO; (ii) does not, in the opinion of the AFRC, so nearly resemble a company name of a corporate practice already registered under the AFRCO as to be likely to cause confusion; and (iii) is not, in the opinion of the AFRC, misleading, offensive or otherwise contrary to the public interest. <p>See also paragraphs 3.2.2 to 3.2.4 below.</p>
<i>Registered office</i>	
(j)	The applicant has a registered office (within the meaning of the Companies Ordinance (Cap. 622)) in Hong Kong to which all communications and notices may be addressed.

3.2.2 A corporate practice must register its name in English as well as in Chinese, if it has or in fact uses both English and Chinese names.

3.2.3 A company name can broadly be divided into three categories:

- (a) personalised name;
- (b) the name of an overseas / international accountancy practice registered outside Hong Kong; or
- (c) other non-personalised (trading) name.

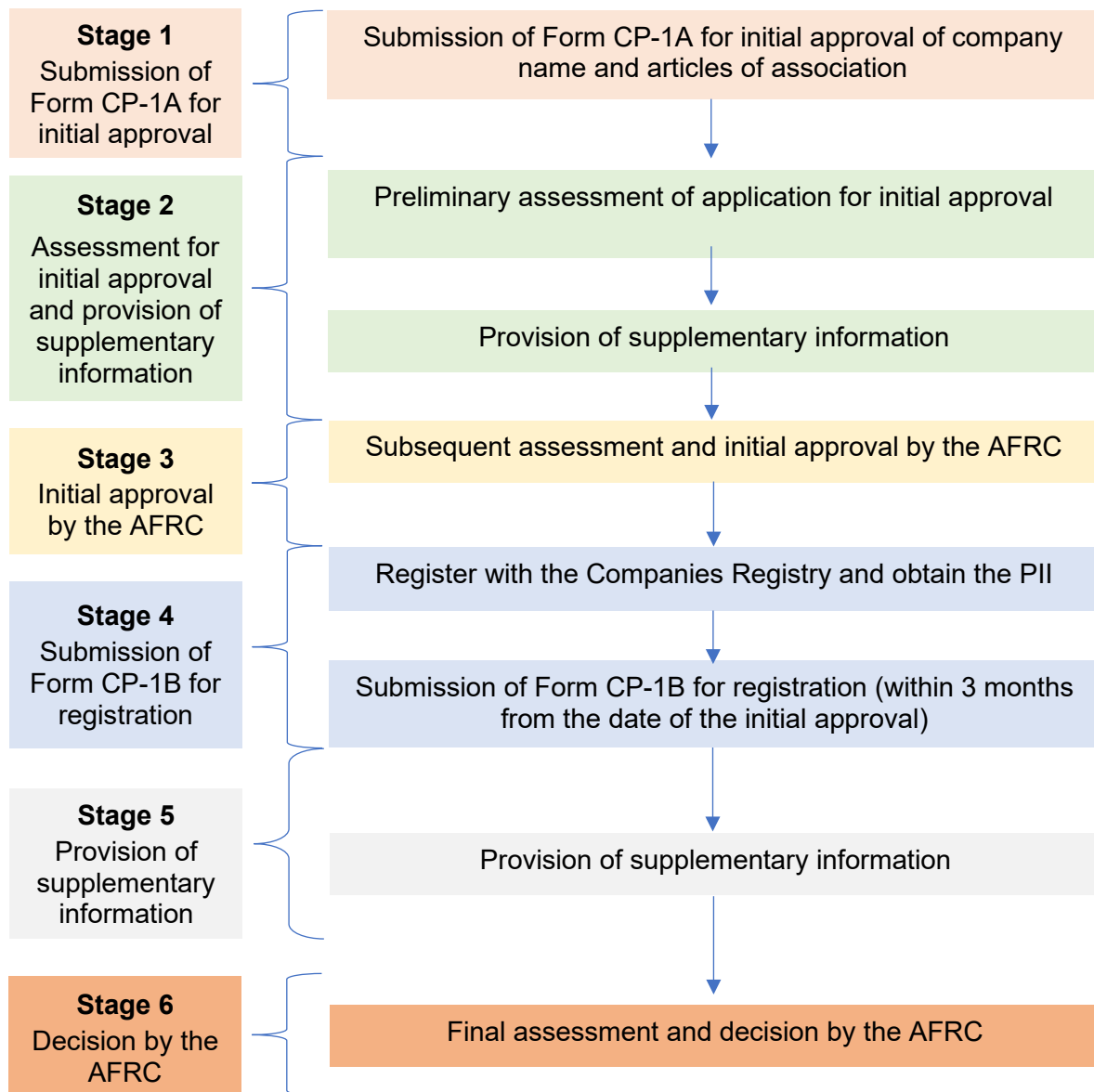
3.2.4 For categories referred to in paragraphs 3.2.3(a) and (b) above, the AFRC will expect that the company name satisfies the following additional criteria:

- (a) where the company name is a personalised name:
 - (i) the name is sufficiently indicative of the names of the full-time practising member directors, but not any other persons; and
 - (ii) where the applicant has only one member, the name should include the initials or other names of the member in addition to his or her surname (e.g. "A.B. Chan Certified Public Accountants (Practising) Co. Ltd." instead of "Chan Certified Public Accountants (Practising) Co. Ltd."); and
- (b) where the company name is the name of an overseas / international accountancy practice registered outside Hong Kong:
 - (i) the applicant should be properly authorised by the overseas / international accountancy practice concerned to use the name; and
 - (ii) the overseas / international accountancy practice concerned should be duly registered under the jurisdiction of an accountancy body accepted by the AFRC (i.e. an International Federation of Accountants (**IFAC**) member).

3.2.5 Where a practising member director of the proposed corporate practice has more than one mode of practice, the number of CPA firm / corporate practice names under which the practising member director is registered as a sole practitioner, a partner, a director or an authorized signatory of a CPA firm must in no case exceed three.

3.3 Application process

3.3.1 The application process can be summarised as follows:



Stage 1 – Submission of Form CP-1A for initial approval

3.3.2 A company must apply for initial approval of the proposed company name and articles of association by submitting a completed “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**) online.

Supporting documents

3.3.3 The application must include the following supporting documents, which are to be submitted online:

- (a) the draft articles of association of the applicant (with all modifications to the Model Articles clearly marked in red);
- (b) where the proposed name is:
 - (i) the name of an overseas / international accountancy practice registered outside Hong Kong:
 - (A) an official letter of consent from the overseas / international accountancy practice concerned giving its authorisation for the applicant to register the name with the AFRC;
 - (B) documentary proof, e.g. practising certificate or license, that the overseas / international accountancy practice concerned is a registered practice under the jurisdiction of an accountancy body accepted by the AFRC (i.e. an IFAC member);
 - (C) background information of the overseas / international accountancy practice concerned, including the location of its head office, contact details and details regarding the structure and composition of the practice; and
 - (D) arrangements, if any, between the overseas / international accountancy practice concerned and the applicant for the latter to act as their representative in Hong Kong; or
 - (ii) a non-personalised (trading) name, a letter from the proposed managing director of the applicant providing the reasons for adopting such words or characters and/or the meaning of the words or characters to be used in the proposed English and/or Chinese name(s);
- (c) where the proposed practising member director is currently practising on a part-time basis or will resign / has resigned from the present / last employment and intends to practise on a full-time basis in the name of the applicant, documentary evidence to prove the resignation of the proposed practising member director from the present or last employment and that he or she will not engage in other full-time employment upon the registration of the corporate practice; and
- (d) where the applicant has a proposed non-practising member director, copies of the proposed non-practising member director's identity document (for example, Hong Kong identity card or passport) and certificate of registration as a CPA issued by the HKICPA.

Application fee

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

- 3.3.5 The AFRC will send an acknowledgement to the applicant, upon receipt of both the application form and payment of application fee.

Stage 2 – Assessment for initial approval and provision of supplementary information

Preliminary assessment of the application for initial approval

- 3.3.6 The AFRC will check whether the application form and supporting documents are complete and appropriate for its assessment.

Provision of supplementary information

- 3.3.7 The AFRC may require the provision of supplementary information which it considers relevant to the application.
- 3.3.8 The applicant is ordinarily required to respond within 10 business days of the request. Where appropriate, the AFRC may also invite the applicant to a meeting to obtain clarification. Applicants are encouraged to prepare well for the meeting.
- 3.3.9 If the applicant fails to submit the requested information to the AFRC within the stipulated deadline, the AFRC will send the first reminder. If there is still no reply after another 10 business days, a second reminder will be issued. Should the applicant continue not to respond after two reminders, the AFRC may proceed to assess the registration application based on the available information. In such cases, the application will likely be refused on the basis that there is insufficient information to satisfy the AFRC that the registration criteria have been met.

Processing time

- 3.3.10 The AFRC will typically make a decision within 60 business days from the receipt of all necessary information.
- 3.3.11 While the AFRC will strive to adhere to this timetable, the time taken may be extended due to 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) the 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 – Subsequent assessment and initial approval by the AFRC

- 3.3.12 The AFRC will consider all information in its possession (whether provided by the applicant or not) to decide on the application for initial approval.
- 3.3.13 The AFRC will inform the applicant of its decision by written notice sent to the applicant's registered e-mail address, except when the application is refused. If the application is refused, the decision notice, including a statement of reasons for the decision will be sent by both e-mail and post.

Stage 4 – Submission of Form CP-1B for registration

- 3.3.14 A company must apply to be registered as a corporate practice by submitting a completed "Application for Registration of a Corporate Practice" (**Form CP-1B**) online, within three months from the date of the initial approval, and after:
- (a) the applicant is registered with the Companies Registry¹; and
 - (b) the applicant has obtained the necessary PII².
- 3.3.15 The company name (both in English and Chinese, if applicable) must be the same as that approved in the initial approval.
- 3.3.16 The members / directors of the applicant must also be the same as the proposed members / directors set out in the application for initial approval. If there is a change in the members / directors, the company must submit a new application.

Supporting documents

- 3.3.17 The application must include the following supporting documents, which are to be submitted online:
- (a) the articles of association of the applicant (it should be identical to the one submitted for the initial approval);
 - (b) the Certificate of Incorporation of the applicant;
 - (c) a certification issued by the insurance broker of the HKICPA PII Master Policy together with the PII cover note of the applicant in a form satisfactory to the AFRC;
 - (d) where the applicant is the landlord of the registered office, documentary evidence to prove the ownership of the property such as land search results;
 - (e) where the applicant is not the landlord of the registered office, a letter of consent from the landlord or leaseholder authorising the use of his or her or its premises as the applicant's registered office;

¹ The applicant must produce a copy of the written notice of the initial approval issued by the AFRC when applying to the Companies Registry for registration of the company.

² The applicant is advised to take steps to secure insurance terms and coverage applicable to the corporate practice at an early stage when registration is contemplated.

- (f) a copy of each of the following forms and documents submitted to the Companies Registry:
 - (i) Form NNC1 – Incorporation Form (Company Limited by Shares); and
 - (ii) Form NSC1 – Return of Allotments, where applicable; and
- (g) where the applicant has only one member and has appointed a reserve director, a copy of Form ND5 – Notice of Change of Reserve Director (Nomination / Cessation) submitted to the Companies Registry.

Stage 5 – Provision of supplementary information

3.3.18 The AFRC may require the provision of supplementary information as described in paragraphs 3.3.7 to 3.3.9 above.

Processing time

3.3.19 The AFRC will typically make a decision within 30 business days from the receipt of all necessary information.

3.3.20 While the AFRC will strive to adhere to this timetable, the time taken may be extended due to factors set out in paragraph 3.3.11 above.

Stage 6 – Decision by the AFRC

3.3.21 The AFRC will consider all information in its possession (whether provided by the applicant or not) to decide on the registration application.

3.3.22 The AFRC will inform the applicant of its decision by written notice sent to the applicant's registered e-mail address, except when the registration application is refused. In the case of refusal, the decision notice, including a statement of reasons for the decision will be sent by both e-mail and post.

3.3.23 For applications granted, the AFRC will issue an electronic registration certificate and provide the login details of a user account to the applicant.

3.3.24 The registration as a corporate practice will take effect on the day specified in the written notice and expire on 31 December of the year in which the registration takes effect.

3.3.25 An applicant who is aggrieved by the AFRC's decision may apply to the Accounting and Financial Reporting Review Tribunal for a review of that decision within 21 days after the AFRC issued the written notice to the applicant. The application for review must state the grounds for the application.

3.4 Post-registration filing requirements

- 3.4.1 The applicant, upon being registered as a corporate practice, must provide the AFRC with a copy of the Business Registration Certificate of the applicant within six months from the effective date of the registration.

3.5 Continuing practice requirements upon registration

- 3.5.1 The corporate practice must observe the following requirements in respect of its audit reports and audit engagement letters upon being registered as a corporate practice:
- (a) an audit report issued by the corporate practice shall be signed by a practising member director of the corporate practice;
 - (b) the audit report shall state the name of the corporate practice and be signed in the name of the corporate practice. The report shall identify the practising member director responsible for the performance of the audit engagement contemplated by such report and state his or her full name and practising certificate number; and
 - (c) the audit engagement letter shall identify the practising member director appointed by the corporate practice to be responsible for the performance of the audit engagement contemplated by the audit report.
- 3.5.2 Each of the members / directors of the corporate practice shall be responsible for and accountable to the AFRC for the conduct of the corporate practice, and that they shall be severally liable to disciplinary action for any failure by the corporate practice to comply with professional standards and other rules and any of them as may be amended from time to time which apply to all CPAs.

Chapter 4 Renewal application for a corporate practice

4.1 Introduction

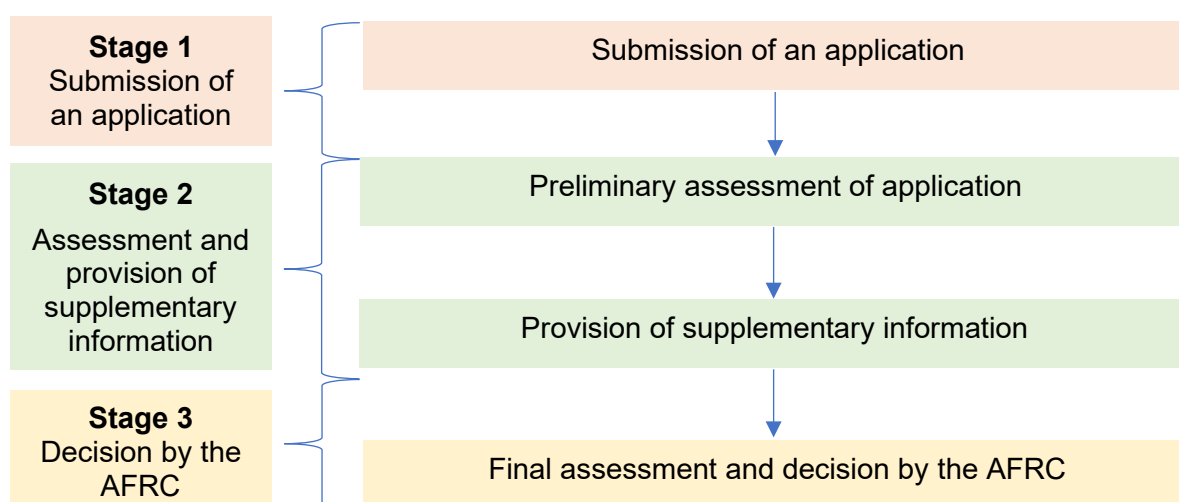
4.1.1 To renew its registration, a registered corporate practice must apply to the AFRC between 1 November and 15 December (both dates inclusive) of the year in which the current registration expires.

4.2 Renewal criteria

4.2.1 The AFRC will not grant a renewal application unless the criteria set out in paragraph 3.2.1 above are met. Onus is placed on the applicant to satisfy the AFRC that the application should be granted.

4.3 Application process

4.3.1 The application process can be summarised as follows.



Stage 1 – Submission of an application

4.3.2 A corporate practice must apply to renew its registration as a corporate practice by submitting a completed “Renewal Application for a Corporate Practice” (**Form CP-2**) online.

Application fee

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

Stage 2 – Preliminary assessment and provision of supplementary information

4.3.4 The AFRC will first check whether the application form and supporting documents are complete and appropriate for its assessment. The AFRC may require provision of supplementary information as described in paragraphs 3.3.7 to 3.3.9 above.

Processing time

- 4.3.5 The AFRC will typically make a decision within 30 business days from the receipt of all necessary information. While the AFRC will strive to adhere to this timeline, the time taken may be extended due to factors set out in paragraph 3.3.11 above.
- 4.3.6 For the corporate practice who submitted a renewal application within the timeline but the application is not finally determined before the expiry of the current registration, its current registration will remain in force until the day on which:
- (a) the renewal takes effect if the renewal application is granted; or
 - (b) the refusal takes effect if the renewal application is refused.

Stage 3 – Decision by the AFRC

- 4.3.7 The AFRC will consider all information in its possession (whether provided by the applicant or not) to decide on the renewal application. The AFRC will inform the applicant of its decision in the manner described in paragraphs 3.3.22 above.
- 4.3.8 The renewal of registration of a corporate practice will take effect on the day specified in the written notice and expire on 31 December of the year in which the renewal takes effect.
- 4.3.9 An applicant who is aggrieved by the AFRC's decision may apply to the Accounting and Financial Reporting Review Tribunal for a review of that decision within 21 days after the AFRC issued the written notice to the applicant. The application for review must state the grounds for the application.

Chapter 5 Notification requirements

5.1 Introduction

5.1.1 A corporate practice must observe the following notification requirements.

5.2 Change in particulars of a corporate practice

Change in name

5.2.1 A corporate practice intending to change its name must obtain the AFRC's approval on the proposed name before making the change.

5.2.2 The corporate practice must apply for a change in name by submitting a completed "Notification for Change in Particulars of a Corporate Practice" (**Form CP-3**) online, together with the supporting documents specified in paragraph 3.3.3(b) above.

5.2.3 The AFRC will consider all available information in its possession (whether provided by the corporate practice or not) to decide on the application and inform the corporate practice of its decision by written notice.

5.2.4 If the AFRC approves the proposed name, the corporate practice may proceed to change its name. The corporate practice must notify the AFRC of the change by submitting the following documents online within 14 days of the change:

- (a) a copy of the special resolution sanctioning the change of name at a general meeting;
- (b) copies of notices or returns required by the Companies Ordinance (Cap. 622);
- (c) a copy of the Certificate of Incorporation bearing the new name of the corporate practice;
- (d) a copy of the Business Registration Certificate bearing the new name of the corporate practice;
- (e) specimen signatures of the new name of the corporate practice signed by all members / directors on a separate sheet; and
- (f) a certification issued by the insurance broker of the HKICPA PII Master Policy that the name insured in the PII policy has been amended.

5.2.5 A person who fails to notify the AFRC as required in paragraph 5.2.4 above without reasonable excuse commits an offence.

Change in address of registered office, telephone number or electronic mail address

- 5.2.6 A corporate practice must notify the AFRC of any change in its address of registered office, telephone number or electronic mail address within 14 days of the change. The notification must be made by submitting a completed “Notification for Change in Particulars of a Corporate Practice” (**Form CP-3**) online. A person who fails to notify the AFRC without reasonable excuse commits an offence.
- 5.2.7 Where a corporate practice changes its address of registered office, the notification form should be accompanied by:
- (a) documentary evidence to prove the ownership of the property such as land search results, if the corporate practice is the landlord of the registered office;
 - (b) a letter of consent from the landlord or leaseholder authorising the use of his or her or its premises as the corporate practice’s registered office, if the corporate practice is not the landlord of the registered office;
 - (c) a copy of the board resolution of the corporate practice sanctioning the change of registered office;
 - (d) a copy of Form NR1 – Notice of Change of Address of Registered Office as submitted to the Companies Registry; and
 - (e) a copy of the Business Registration Certificate bearing the new address of registered office.

5.3 Change in composition of a corporate practice

- 5.3.1 A corporate practice must notify the AFRC of any change in its members / directors composition within 14 days of the change. The notification must be made by submitting a completed “Notification for Change in Particulars of a Corporate Practice” (**Form CP-3**) online.
- 5.3.2 The application must include the following supporting documents, which are to be submitted online:
- (a) a copy of the stamped “Bought and Sold Note” and “Instrument of Transfer” concerning any share transfer (as may be applicable);
 - (b) a copy of the following forms submitted to the Companies Registry (as may be applicable):
 - (i) Form ND2A – Notice of Change of Company Secretary and Director (Appointment / Cessation);
 - (ii) Form ND4 – Notice of Resignation of Company Secretary and Director; and
 - (iii) Form NSC1 – Return of Allotments;
 - (c) where the change is related to an appointment of a practising member director:
 - (i) a certification letter from the insurance broker of the HKICPA PII Master Policy confirming that after the change in composition, the

- corporate practice still satisfies the “*Corporate Practices (Professional Indemnity) Rules*” issued by the HKICPA; and
- (ii) documentary evidence to prove the resignation from the present / last employment of the practising member director and that he or she will not engage in other full-time employment, if the practising member director is currently practising on a part-time basis or will resign / has resigned from the present / last employment and intends to practise on a full-time basis in the name of the corporate practice; and
- (d) where the change is related to an appointment of a non-practising member director:
- (i) a copy of his or her identity document (for example, Hong Kong identity card or passport);
 - (ii) a copy of his or her certificate of registration as a CPA issued by the HKICPA; and
 - (iii) a certificate letter from the insurance broker of the HKICPA PII Master Policy confirming that after the change in composition, the corporate practice still satisfies the “*Corporate Practices (Professional Indemnity) Rules*” issued by the HKICPA.
- (e) where the change is related to the death of a member / director, a copy of the death certificate of the member / director.

5.3.3 The corporate practice must ensure that its members / directors composition complies with the requirements set out in paragraphs 3.2.1(b) to (f) above.

5.3.4 The corporate practice must check whether a change of the articles of association is necessary. Please refer to paragraphs 5.8.1 to 5.8.7 below for the relevant procedures.

5.4 Change in particulars of any non-practising member director

5.4.1 A corporate practice must notify the AFRC of any changes in the full name, business address, telephone number or electronic mail address of its non-practising member directors within 14 days of the change.

5.4.2 The notification must be made by submitting a completed “Notification for Change in Particulars of a Corporate Practice” (**Form CP-3**) online, together with the following supporting documents:

- (a) a copy of Form ND2B – Notice of Change in Particulars of Company Secretary and Director submitted to the Companies Registry; and
- (b) where the non-practising member director changes his or her name, copies of his or her new identity document and the certificate of registration as a CPA issued by the HKICPA bearing the new name of the non-practising member director.

5.5 Incapacity, disqualification or involuntary absence of any member / director

5.5.1 A corporate practice must notify the AFRC, in writing by ways specified in paragraph 2.1.4 above, of the incapacity, disqualification or involuntary absence of any member / director within 14 days of its occurrence.

5.6 Change in reserve director of the sole member corporate practice

5.6.1 A sole member corporate practice must notify the AFRC of the appointment and/or cessation of the reserve director within 14 days of its occurrence.

5.6.2 The notification must be made by submitting a completed “Notification for Change in Particulars of a Corporate Practice” (**Form CP-3**) online, together with a copy of Form ND5 – Notice of Change of Reserve Director (Nomination / Cessation) submitted to the Companies Registry and a declaration signed by the reserve director.

5.7 Insolvency events and devolution of shares

5.7.1 A corporate practice must notify the AFRC, in writing by ways specified in paragraph 2.1.4 above, of the occurrence of any of the following events within 14 days of its occurrence:

- (a) the appointment of a receiver;
- (b) the passing of a special resolution for a voluntary winding-up of the corporate practice;
- (c) the corporate practice is notified of the presentation of a petition for a compulsory winding-up of the corporate practice;
- (d) the making of a statutory declaration by the directors for a creditors’ voluntary winding-up under section 228A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); and
- (e) where the corporate practice has only one member, the devolution of any share held in the corporate practice.

5.8 Amendment to the articles of association

5.8.1 A corporate practice intending to change its articles of association should first obtain the AFRC’s approval on the proposed amendments before making the change. The relevant criteria are set out in paragraph 3.2.1(h) above.

5.8.2 The corporate practice must submit a completed “Notification for Change in Particulars of a Corporate Practice” (**Form CP-3**) online, together with a copy of the proposed articles of association (with all proposed amendments clearly marked in red). While the deadline for notifying the AFRC is the day on which notice of the members’ meeting for the proposed amendments is given to the members of the corporate practice, corporate practices are advised to obtain the AFRC’s approval on the proposed amendments first before taking steps to convene a meeting.

- 5.8.3 The AFRC will consider all available information in its possession (whether provided by the corporate practice or not) to decide on the application and inform the corporate practice of its decision by written notice.
- 5.8.4 If the AFRC approves the proposed amendments, the corporate practice may proceed to change the articles of association.
- 5.8.5 If the proposed amendments 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, notify the AFRC of the approval by submitting the following documents online:
- (a) the special resolution of the corporate practice sanctioning the proposed change of the articles of association;
 - (b) Form NAA1 – Notice of Alteration of Company's Articles as submitted to the Companies Registry; and
 - (c) the printed articles of association as amended.
- 5.8.6 If the corporate practice fails to notify the AFRC as required in paragraph 5.8.5 above, the AFRC may:
- (a) revoke the registration of the practice; or
 - (b) suspend the registration of the corporate practice for a period of time, or until the occurrence of an event, that the AFRC considers appropriate.
- 5.8.7 The procedures set out in paragraphs 6.1.2 to 6.1.3 below will be followed if the AFRC decides to revoke or suspend the registration of the corporate practice.

5.9 Cessation of compliance with registration requirements

- 5.9.1 A corporate practice must notify the AFRC in writing by ways specified in paragraph 2.1.4 above within 14 days if it ceases to comply with any of the registration requirements set out in paragraphs 3.2.1(a), (b), (c)(i), (c)(ii), (d)(i), (d)(ii), (d)(iii), (d)(vi), (g) and (h) above.
- 5.9.2 On receipt of the notice, the AFRC may impose any condition in relation to the registration of the corporate practice for the purpose of requiring the practice to comply with the requirement concerned.
- 5.9.3 The corporate practice commits an offence if it fails to comply with the condition imposed by the AFRC within the period specified by the AFRC without reasonable excuse.

5.10 Offence of fraudulent procurement of registration of corporate practice

- 5.10.1 According to 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 the person or any other person as a

corporate practice by means of any misleading, false or fraudulent representation or statement, whether made orally or in writing.

5.10.2 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.

Chapter 6 Revocation or suspension of registration on non-disciplinary grounds

6.1 Mandatory revocation

- 6.1.1 The AFRC must revoke the registration of a corporate practice if the practice has commenced to be wound up.
- 6.1.2 If the AFRC decides to revoke the registration of the corporate practice, the AFRC will inform the practice of its decision by written notice. The written notice will include a statement of reasons for the decision.
- 6.1.3 The certificate of registration issued to the corporate practice is cancelled with effect from the date on which the revocation takes effect.

6.2 Discretionary revocation or suspension

- 6.2.1 The AFRC may revoke or suspend (for a period of time or until the occurrence of an event) the registration of a corporate practice if:
- (a) the corporate practice ceases to be a company limited by shares of which every member and every director is a natural person;
 - (b) the AFRC is satisfied that the corporate practice has been registered by mistake, or in consequence of any misleading, false or fraudulent statement, declaration or representation, whether made orally or in writing; or
 - (c) the corporate practice requests the AFRC to do so.
- 6.2.2 Where the corporate practice intends to cease practice, the corporate practice must submit a completed “Application for De-registration of a Corporate Practice” (**Form CP-4**) online, together with:
- (a) a copy of the special resolution of the corporate practice in respect of the application; and
 - (b) a certification issued by the insurance broker of the HKICPA PII Master Policy certifying that a run-off cover for the corporate practice has been obtained in accordance with the “*Corporate Practices (Professional Indemnity) Rules*” issued by the HKICPA.
- 6.2.3 If the AFRC decides to revoke or suspend the registration of the corporate practice, the procedures set out in paragraphs 6.1.2 to 6.1.3 above apply.
- 6.2.4 The corporate practice must provide the following documents to the AFRC within three months of the revocation notice online:
- (a) if the company will be de-registered – copies of the documents filed with the Companies Registry for the de-registration; or
 - (b) if the company will not be de-registered – documentary proof showing that:
 - (i) the company name has removed any reference to “Certified Public Accountants” or “Certified Public Accountants (Practising)”; and

- (ii) the object clause of the articles of association has excluded the carrying on of a business and the performance of the functions of a CPA (practising).

Chapter 7 Maintenance of public register

7.1 Introduction

7.1.1 The AFRC must establish and maintain the register of corporate practices (**Register**) which contains, in relation to each corporate practice:

- (a) the full name of the practice;
- (b) the address of the registered office of the practice; and
- (c) any other particulars that the AFRC considers appropriate.

7.2 Inspection of the Register

7.2.1 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 published on the AFRC website at www.afrc.org.hk.