

Press Release

28 June 2021

Collection of FRC levy by Hong Kong Exchanges and Clearing Limited

As the independent auditor regulator of Hong Kong, the Financial Reporting Council (FRC) is committed to safeguarding public interest through upholding the quality of financial reporting of listed entities in Hong Kong.

Pursuant to Part 4A (sections 50A to 50G) - Levies and Schedule 7 of the Financial Reporting Council Ordinance (FRCO), levies will be payable by (i) sellers and purchasers of securities (i.e. FRC Transaction Levy); (ii) public interest entities (PIEs); and (iii) PIE auditors. With the provision of the Government's seed capital for the FRC in August 2019, the payment of levies has been exempted for the period from 1 October 2019 to 31 December 2021. The levies will be payable starting from 1 January 2022.

Sections 50A and 50B of the FRCO require that sellers and purchasers of securities and PIEs must pay the levies to Hong Kong Exchanges and Clearing Limited (HKEX), who shall collect such levies on behalf of the FRC, in the way and within the time specified by the HKEX. In this connection, The Stock Exchange of Hong Kong Limited (SEHK), a wholly-owned subsidiary of HKEX, today issued a [circular](#) for SEHK Exchange Participants regarding preparation for collection of FRC Transaction Levy by SEHK Exchange Participants.

For more details about the FRC levies, please click [here](#).

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About the Financial Reporting Council

The FRC is the full-fledged independent regulator of listed entity auditors for Hong Kong. We are committed to upholding the quality of financial reporting of listed entities of Hong Kong so as to enhance investor protection and strengthen investor confidence in corporate reporting.

For more information about the statutory functions of the FRC, please visit www.frc.org.hk.

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