

Press Release
21 March 2012

The Process Review Panel for the Financial Reporting Council published its 2011 Annual Report

(21 March 2012, Hong Kong) The Financial Reporting Council (the "FRC") is pleased to note that the Process Review Panel for the FRC (the "PRP") published its 2011 Annual Report today and concluded that the FRC had handled the cases in accordance with its internal procedures in 2010.

The third review cycle of the PRP covered the FRC's work in 2010. Based on the discussion at the case review session, the PRP had provided the following recommendations to the FRC.

In respect of applications for extension of time by listed entities, auditors or reporting accountants concerned for complying with the FRC's requests for information, the PRP recommended that the FRC should consider laying down objective principles to determine whether an extension should be granted to the applicant in order to prevent the parties under investigation or enquiry from repeatedly seeking time extension.

The PRP also recommended that the FRC should update the complainant on the progress of the review of complaint at an appropriate juncture if an investigation or enquiry had been initiated.

The PRP noted that following the introduction of the risk-based financial statements review programme in 2011, internal procedures had been prepared to provide guidance for conducting such reviews. The PRP commended the FRC for the measure and recommended that it should continue to review and modify its internal procedures and guidelines as and when new initiatives are launched in the future.

The FRC accepted the PRP's recommendations and will take appropriate follow-up actions. The FRC looks forward to continuing its cooperation with the PRP in the future.

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Note to editors

About the FRC

The FRC is a statutory body established in December 2006 under the Financial Reporting Council Ordinance. The FRC is entrusted with the statutory responsibilities to conduct independent investigations into possible auditing or reporting irregularities in relation to listed entities and to enquire into possible non-compliance with accounting requirements on the part of listed entities. The FRC has 11 members with a variety of professional backgrounds and the majority of whom, including the Chairman, are lay persons. For more information, please visit www.frc.org.hk.