

Press Release
27 September 2019

**The Financial Reporting Council and
the Hong Kong Institute of Certified Public Accountants
sign a Statement of Protocol on Oversight Arrangements**

(27 September 2019, Hong Kong) The Financial Reporting Council (FRC) and the Hong Kong Institute of Certified Public Accountants (HKICPA) signed a Statement of Protocol on Oversight Arrangements (the Statement of Protocol) today which marks a new page of collaboration in anticipation of the commencement of the Financial Reporting Council (Amendment) Ordinance 2019 (the Amendment Ordinance) on 1 October 2019.

Under the Amendment Ordinance, the FRC is vested with direct powers of inspection, investigation, discipline concerning auditors of Public Interest Entities (PIE) and recognition of overseas PIE auditors, and powers of oversight of the performance of the HKICPA in relation to registration of, setting of continuing professional development (CPD) requirements, and setting of standards on professional ethics, auditing and assurance for registered PIE auditors.

The Statement of Protocol was signed by Ms Wincey Lam, Acting CEO of the FRC, and Ms Margaret Chan, Chief Executive and Registrar of the HKICPA, in the presence of Ms Winnie Ng, Deputy Secretary for Financial Services and the Treasury (Financial Services), Dr Kelvin Wong, Chairman of the FRC, and Mr Patrick Law, President of the HKICPA at the signing ceremony held at the FRC.

Under the Statement of Protocol, the FRC will have access to information in relation to the HKICPA's performance of the registration of PIE auditors, matters concerning the setting of CPD requirements for PIE auditors and the setting of standards on professional ethics, auditing and assurance for registered PIE auditors. Periodic activity reports in relation to the oversight functions will be provided by the HKICPA to the FRC, who will conduct regular assessments of the HKICPA's performance in the respective areas.

Dr Kelvin Wong, Chairman of the FRC remarked, "The Statement signed today will facilitate the FRC in discharging our statutory oversight duty effectively as the

independent auditor regulator of Hong Kong. Charged with the oversight responsibility, the FRC looks forward to working closely and effectively with the HKICPA so as to improve the quality and competence of the PIE auditors and the competitiveness of the entire audit profession in the long run. We would like to express our heartfelt thanks to the Financial Services and the Treasury Bureau for their continued support.”

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Note to editors

About the FRC

When the Financial Reporting Council (Amendment) Ordinance 2019 takes effect, the FRC will become the independent listed entity auditor regulator for Hong Kong with direct powers of inspection, investigation and discipline concerning auditors of listed entities, recognition of overseas auditors of listed entities and powers of oversight of the performance of the Hong Kong Institute of Certified Public Accountants in respect of their functions for registration, setting of standards on professional ethics and auditing and assurance; and setting of continuing professional development requirements in relation to PIE auditors. The FRC is committed to achieving its mission of upholding the quality of financial reporting of listed entities in Hong Kong. For more information, please visit www.frc.org.hk.

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