

Press Release

20 August 2025

AFRC concludes 2024-25 oversight of HKICPA's specified functions and recommends improvement for professional training and development

The Accounting and Financial Reporting Council (**AFRC**) today released the [Annual Oversight Report \(Report\)](#) on the Hong Kong Institute of Certified Public Accountants' (**HKICPA**) performance of specified functions for the assessment period from 1 April 2024 to 31 March 2025. The HKICPA has made notable progress in addressing the AFRC's previous recommendations. However, concerns remain regarding its members' compliance with continuing professional development (**CPD**) requirements.

AFRC's Oversight Mandate

The AFRC has a statutory duty to oversee the HKICPA's performance of its [Specified Functions](#), which include issuing professional standards, registering certified public accountants (**CPAs**), and setting CPD requirements. Our assessment focused on assessing the accountability, integrity, and effectiveness of the HKICPA in fulfilling these responsibilities.

This year's assessment involved observing 40 meetings relating to the Specified Functions, reviewing quarterly activity reports, conducting on-site assessments, and engaging in discussions with the HKICPA's leadership and committee members.

AFRC Findings and Recommendations

The AFRC commends the HKICPA for its continued efforts to enhance the accounting profession's relevance and impact — from issuing sustainability disclosure and assurance standards and building capacity in these areas, to enabling the adoption of technologies and actively advancing talent acquisition.

The AFRC is encouraged to see that the HKICPA has addressed the majority of its earlier recommendations, with only one item still in progress. The outstanding issue relates to CPD compliance. HKICPA's efforts have brought the non-compliance rate down from 32% in 2023 to 17% in 2025, showing clear progress, though the rate remains relatively high. To support continued improvement, the AFRC has recommended stronger deterrent measures and enhanced communication. We will continue to work closely with the HKICPA to monitor developments.

The Report has also outlined five new observations with corresponding recommendations to further strengthen professional standards. These comprise:

- Enhancing standard-setting process by improving stakeholder representation and the timeliness of publications;
- Refining the project classification framework to reinforce governance over local guidance projects;
- Aligning CPD requirements with international practices by mandating ethics training for all CPAs, and accounting and auditing technical training for practising certificate holders;
- Implementing more targeted CPD trainings to better support small- and medium-sized practices and CPAs in business; and
- Enhancing the assessment criteria and guidelines for evaluating accredited programmes.

Ms Janey Lai, CEO of the AFRC remarked, “It is encouraging to see meaningful progress has been made by the HKICPA. While concerns around compliance with continuing professional development requirements persist, they highlight the need for ongoing vigilance and oversight. As the regulator, our oversight plays an important role in equipping CPAs to navigate future challenges and deliver sustained value in today’s dynamic and rapidly evolving environment.”

End

About the Accounting and Financial Reporting Council

The Accounting and Financial Reporting Council (**AFRC**) is an independent body established under the Accounting and Financial Reporting Council Ordinance. As an independent regulator, the AFRC leads the accounting profession by upholding professional standards, safeguarding the public interest, and promoting the profession's healthy development.

For more information about the statutory functions of the AFRC, please visit www.afr.org.hk.

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