

Gazettal of Financial Reporting Council (Amendment) Ordinance 2019

The Government published in the Gazette today (February 15) the Financial Reporting Council (Amendment) Ordinance 2019 in an effort to enhance the regulatory regime for auditors of listed entities.

The Amendment Ordinance enables the Financial Reporting Council (FRC) to become a comprehensive and independent oversight body regulating auditors of listed entities, and to be responsible for the inspection, investigation and disciplinary functions with regard to these auditors. Under the new regime, the Hong Kong Institute of Certified Public Accountants will continue to perform the statutory functions of registration, setting requirements for continuing professional development, and also setting standards on professional ethics, auditing and assurance in respect of relevant auditors, subject to oversight by the FRC.

The Amendment Ordinance ensures that Hong Kong's regulatory regime for auditors of listed entities is benchmarked against international standards and practice, and will also enable Hong Kong to be eligible for joining the International Forum of Independent Audit Regulators, which is an important forum for international co-operation on the regulation of auditors.

A government spokesperson said, "The Amendment Ordinance enhances the existing regulatory regime for auditors of listed entities, allowing it to be independent from the audit profession, thereby providing better protection to investors. This is crucial to strengthening Hong Kong's status as an international financial centre and capital market. We are working closely with relevant parties on the preparations for implementing the new regulatory regime as soon as practicable."

The Amendment Ordinance was enacted by the Legislative Council on January 30, 2019, and will commence operation on a day to be appointed by the Secretary for Financial Services and the Treasury by notice published in the Gazette.