

Gazettal of three pieces of subsidiary legislation for commencement of new regulatory regime of accounting profession

The Government published in the Gazette today (May 6) three pieces of subsidiary legislation, namely the Financial Reporting Council (Amendment) Ordinance 2021 (Commencement) Notice (Commencement Notice), the Accounting and Financial Reporting Council (Transitional and Saving Provisions and Consequential Amendments) Regulation and the Accounting and Financial Reporting Council Ordinance (Amendment of Schedule 3B) Notice 2022 (Schedule 3B Amendment Notice), for the commencement of the new regulatory regime of the accounting profession.

The Financial Reporting Council (Amendment) Ordinance 2021 (Amendment Ordinance), which was enacted by the Legislative Council on October 22, 2021, enables the Financial Reporting Council to become a full-fledged independent regulatory body for the accounting profession under the new name of Accounting and Financial Reporting Council (AFRC) with expanded statutory functions. These functions include the issuance of practising certificates to certified public accountants; registration of accounting practice units and local Public Interest Entities auditors; and inspection, investigation and discipline of the accounting profession. The AFRC will also oversee the Hong Kong Institute of Certified Public Accountants (HKICPA)'s performance in its various statutory professional functions.

The Commencement Notice seeks to appoint October 1, 2022, as the commencement date for the Amendment Ordinance, except for the provisions relating to the establishment of the statutory Advisory Committee under the AFRC and the Secretary for Financial Services and the Treasury's power to make transitional and saving provisions consequent on the Amendment Ordinance by regulation which will commence in advance on July 4, 2022. The Regulation seeks to provide for the transitional arrangements for the handling of pending or ongoing cases upon commencement of the new regime to ensure that the cases will be dealt with by the AFRC and the HKICPA respectively in a clear and orderly manner, and the consequential amendments to relevant ordinances and subsidiary legislation. Meanwhile, the Schedule 3B Amendment Notice will set the fees levels for the issuance of practising certificates, registration of practice units and the relevant renewal as identical to the HKICPA's existing levels for collection by the AFRC from October 1, 2023.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "Going forward, the AFRC and the HKICPA will strive for the effective regulation and long-term development of the accounting profession in Hong Kong. We will maintain close liaison with the profession to assist its transition to the new regime and address its development needs."

The three pieces of subsidiary legislation will be tabled before the Legislative Council at its sitting on May 11, 2022, for negative vetting.