

Government announces mechanism for registered practice units of HKICPA to apply for exemption from compulsory quarantine arrangement

The Government announced today (May 18) that certified public accountants (practising), partners, directors or employees of registered practice units of the Hong Kong Institute of Certified Public Accountants (HKICPA) who are required to travel to the Mainland to conduct audit work for companies listed in Hong Kong with Mainland operations may apply for exemption from the compulsory quarantine arrangement.

The Compulsory Quarantine of Certain Persons Arriving at Hong Kong (Amendment) (No.2) Regulation 2020 commenced on April 29, 2020, amending the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C) (the amended Regulation). The expiry date of the amended Regulation has been extended to June 7, 2020. In accordance with the newly added section 4(1)(b) in the amended Regulation, the Chief Secretary for Administration may designate any person or category of persons for exemption from the compulsory quarantine arrangement if he is satisfied that the person's or persons' travelling is necessary for purposes relating to the provision of professional services in the interest of Hong Kong's economic development.

In accordance with the above-mentioned provision, the Chief Secretary for Administration has designated the following category of persons for exemption from the compulsory quarantine arrangement:

Certified public accountants (practising), partners, directors or employees of practice units registered with the HKICPA under the Professional Accountants Ordinance (Cap. 50), who are required to travel to the Mainland to conduct audit work for companies listed on a recognised stock market (as defined by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571)) and having Mainland operations, to assist those companies to fulfil their obligations under relevant Ordinances or other regulatory instruments that govern the operation of the companies or their business.

An exempted person must only travel to and stay in the Mainland area/city where the professional services of auditing are provided for the purpose of provision of the intended professional services of auditing as approved, and must take every precautionary measure to ensure personal hygiene and avoid unnecessary social contact whilst in the Mainland. After returning to Hong Kong, the exempted person will be subject to medical surveillance arranged by the Department of Health for a period of 14 days. The person will be required to wear masks and check body temperature daily,

and report to the Department of Health on any discomfort.

The Financial Services and the Treasury Bureau (FSTB) will consider and approve applications with the administrative support of the HKICPA. The HKICPA will notify eligible registered practice units of the exemption mechanism, the requisite information to support application and the details of the application procedures, and provide them with the application forms. The maximum number of persons for which an eligible registered practice unit may apply for exemption should not exceed two times the number of Hong Kong-listed company clients with Mainland operation requiring its audit work. To apply for an authorisation for exemption, an application form should be completed by the applicant(s) and the respective practice unit. Each application is for a specific audit task and should cover not more than two persons. Information, including the period and the location for which the audit task is conducted, should be provided in the application.

In accordance with the operating procedures prescribed by the FSTB, the HKICPA will be responsible for processing and vetting the applications, verifying the relevant data and setting out recommendations for the FSTB's consideration. After considering the recommendations of the HKICPA and approving the applications, the FSTB will issue authorisation letters to the exempted persons with the conditions for exemption.

All exempted persons should note that currently travellers to the Mainland would still be subject to the 14-day compulsory quarantine requirement imposed by the Mainland authorities. The Government of the Hong Kong Special Administrative Region is discussing with authorities in the Mainland on mutual recognition of COVID-19 testing results conducted by recognised medical laboratories, with a view to exempting the quarantine requirement for Hong Kong travellers to the Mainland. Details of the arrangement will be announced when available.