

Response to the IFAC Part 2, SMO Self-Assessment Questionnaire

Member Name: Hong Kong Institute of Certified Public Accountants

Country: Hong Kong

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Number	Question Title/Text/Help text	Answer	Comments
IFAC Part 2 SMO Self-Assessment			
1.	SMO 1		
1.1.	Quality Assurance Program		
1.1.1.	<i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.2.	Responsibility for Quality Assurance - Overview		
1.2.1.	<i>Responsibility for Quality Assurance</i> Within your jurisdiction, is your organization responsible for monitoring the quality of the work of your members performing audits of financial statements? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Yes - for all audits of financial statements	HKICPA's practice review programme is operated under the Professional Accountants Ordinance ("PAO"). The quality assurance system is operated by the HKICPA and has two components: The Practice Review Programme

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			<p>and the review of published financial statements of companies listed on the Stock Exchange of Hong Kong Limited through the Professional Standards Monitoring Committee.</p> <p>The Practice Review Programme monitors the compliance by practice units of Hong Kong Standard on Quality Control 1, which includes reviews of practice units' engagements, including those of audits of financial statements of listed entity clients.</p> <p>The Professional Standards Monitoring Committee, which is a non-statutory committee, monitors the compliance of professional standards of the Institute's members who are engaged in the audit or preparation of the financial statements of companies listed on the Stock Exchange of Hong Kong Limited.</p>

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		<p>2○ Yes - for all audits except those of listed entities</p> <p>3○ Our organization shares responsibility for the quality assurance program with another body</p> <p>4○ No, responsibility for quality assurance for all audits rests with another body</p> <p>5○ Other (please describe)</p> <p>6○ Not applicable - no members of our organization perform audits of listed entities</p>	
1.2.6.	<p><i>Quality Assurance (Member Body) All Audits - Scope</i></p> <p>What types of engagements are included in the scope of the quality assurance review program? Select all the answer options that are appropriate.</p>	<p>1☑ Financial statement audit - listed entities (minimum requirement)</p> <p>2☑ Financial statement audit - audit of other than listed entities</p> <p>3☑ Other services (e.g., review, compilation)</p> <p>4□ Insolvency</p> <p>5□ Other (please specify)</p>	The scope covers audits, other assurance and related engagements under paragraph 1 of HKSQC 1.
1.4.	Member - Benchmarking		
1.4.1.	Quality Control Standards and Guidance		
1.4.1.1.	<p><i>Quality Control Standards</i></p> <p>Has your organization established and</p>	1⊙ Yes	

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	published quality control standards requiring firms to implement a system of quality control in accordance with International Standard on Quality Control 1?	20 No	
1.4.1.3.	<i>Quality Control Standards - Name</i> State the name of the relevant quality control standards.	<p>HKICPA issued Hong Kong Standard on Quality Control 1 (HKSQC 1) "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" which is effective on 30 June 2006.</p> <p>Paragraph 99 of HKSQC 1 states, inter-alia, the following:</p> <p>(a) HKSQC 1 conforms with ISQC 1 except that references to IFAC Code of Ethics for Professional Accountants are replaced by HKICPA Statements of Professional Ethics/Code of Ethics for Professional Accountants.</p> <p>(b) With the exception of the difference mentioned under item (a) above, compliance with the requirements of HKSQC 1 ensures compliance with ISQC 1.</p>	

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1.4.1.4.	<i>Other Quality Control Guidance</i> Has your organization established and published other quality control guidance to assist your members to understand the objectives of quality control and to implement and maintain appropriate systems of quality control?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
1.4.1.5.	<i>Other Quality Control Guidance - Name</i> State the name of the other quality control guidance.	A Guide to Quality Control ("Guide")	The purpose of the Guide is to help firms develop an in-house quality control policy manual (with the resources from the Guide) to meet the requirements of HKSQC 1.
1.4.2.	Design of the Quality Assurance Review Program		
1.4.2.1.	<i>Subject of the QA Review Program</i> Who is the subject of the quality assurance review program?	1 <input checked="" type="checkbox"/> Audit firm 2 <input type="checkbox"/> Partner	
1.4.2.2.	<i>Audit Firm</i> As the audit firm is the subject of the quality assurance review program, the quality assurance program should be designed, as required by SMO 1, to obtain reasonable assurance that: - The firm has an adequate system of quality	1 <input checked="" type="radio"/> Yes	

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	<p>control relating to audits of financial statements of listed entities (and of other entities or engagements that are also included in the scope of the review).</p> <ul style="list-style-type: none"> - The firm complies with that system. - The firm and engagement teams have adhered to professional standards and regulatory and legal requirements in performing audits of financial statements selected for review. <p>Does the quality assurance program contain all three of these elements?</p>	<p>2○ No</p>	
1.4.2.5.	<p><i>Publication of Scope</i></p> <p>Does your organization publish a description of the scope and design of its quality assurance review program?</p>	<p>1⊙ Yes</p> <p>2○ No</p>	
1.4.2.7.	<p><i>Name of Documents</i></p> <p>Please name the published document(s) that describe the scope and design of the quality assurance review program.</p>	<p>(a) Two Communication Papers regarding the new Practice Review Programme, which complies with the requirements under SMO 1, were issued in July 2005 and March 2006.</p> <p>(b) Two revised Practice Review Statements regarding the new</p>	<p>1. The Communication Papers</p> <p>(a) The first Communication Paper provided information about the progress on the revision of the Practice Review Programme and invited feedback on the</p>

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		Practice Review Programme were issued in March 2006.	proposed self-assessment questionnaire developed for the new Practice Review Programme.
		(c) The revised Practice Review Procedures Manual regarding the new Practice Review Programme will be issued in April 2006.	(b) The feedback received has been taken into account in the development of the new Practice Review Programme, which has been completed.
			(c) The second Communication Paper aimed at providing information on the key components of the new Practice Review Programme.
			2. The revised Practice Review Statements
			The two revised Practice Review Statements include, under the new Practice Review Programme, the scope of practice review and the procedures to be adopted during the conduct of a practice review, and the conduct members are expected to follow during a

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			<p>practice review.</p> <p>3. The revised Practice Review Procedures Manual</p> <p>The Manual is prepared for practitioners to better understand the emphasis and scope of practice reviews.</p>
1.4.2.8.	<p><i>Location of Documents</i></p> <p>Please indicate where the document(s) that include details on the scope and design of the quality assurance program can be located (e.g., provide internet address or indicate that documents are available from your organization).</p>	<p>1. The following documents are available at HKICPA's web site with the details as follows:</p> <p>(a) First Communication Paper -</p> <p>http://www.hkicpa.org.hk/qa/practice_reviews/comm_doc/PRC_CommPaper.pdf</p> <p>(b) Second Communication Paper -</p> <p>http://www.hkicpa.org.hk/qa/practice_reviews/comm_doc/2ndCommPaper.pdf</p> <p>(c) Revised Practice Review Statements -</p> <p>http://www.hkicpa.org.hk/ebook/m</p>	

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		ain.php and access Update 27. 2. The revised Practice Review Procedures Manual is available from the HKICPA.	
1.4.3.	Review Cycle		
1.4.3.1.	<i>Selection Approach</i> Please select the approach used to select subjects for quality assurance review. Select all the answer options that are appropriate.	1 <input type="checkbox"/> Cycle approach 2 <input checked="" type="checkbox"/> Risk-based approach	
1.4.3.6.	<i>Risk-based Approach</i> Please indicate the risk factors used to determine which firms or partners are reviewed. Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Number of listed entity clients 2 <input checked="" type="checkbox"/> Number of entities considered to be of public interest 3 <input checked="" type="checkbox"/> Past results of quality assurance reviews 4 <input checked="" type="checkbox"/> Failure to meet Continuing Professional Development requirements 5 <input checked="" type="checkbox"/> Independence violations 6 <input checked="" type="checkbox"/> Previously identified deficiencies in the design of, or compliance with the firm's	"Other" factors include public and all relevant information which comes to the attention of HKICPA and indicates an increase in the risk profile of the firm.

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		system of quality control 7 <input checked="" type="checkbox"/> Other (please describe)	
1.4.4.	Implementation of the Quality Assurance Program		
1.4.4.1.	<i>Date of Implementation</i> On what date did the quality assurance review program commence? (provide month/year)	1/1/1993	Practice Review was started in 1993 and the new Practice Review Programme adopting a risk-based approach commenced in March 2006 when the first batch of practice review self-assessment questionnaire was sent out to Big 4 firms. Please refer to paragraph 5.1 of the second Communication Paper (see Question 1.4.2.8) for further details.
1.4.4.2.	<i>Number of Reviews - 2005</i> How many quality assurance reviews were completed during the year ended December 31, 2005 (or other 12 month period ending in 2005)?	13	With a view to making HKICPA's Practice Review Programme more efficient and effective, HKICPA has decided to revise the Practice Review Programme and the majority of development work was conducted in 2005. Accordingly, fewer reviews were completed in 2005.

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1.4.4.3.	<i>Number of Reviews - 2004</i> How many quality assurance reviews were completed during the year ended December 31, 2004 (or other 12 month period ending in 2004)?	52	
1.4.4.4.	<i>Number of Reviews - 2003</i> How many quality assurance reviews were completed during the year ended December 31, 2003 (or other 12 month period ending in 2003)?	29	With a view to making HKICPA's Practice Review Programme more efficient and effective, HKICPA has decided to revise the Practice Review Programme. In this regard, the work regarding design of the practice review self-assessment questionnaire was carried out in 2003. Accordingly, the number of reviews completed in 2003 was lower than that in 2004.
1.4.5.	Quality Assurance Review Team Procedures		
1.4.5.1.	<i>Publication of Review Guidelines</i> Does your organization publish guidelines for procedures to be followed by quality assurance review teams?	1⊙ Yes 2○ No	
1.4.5.2.	<i>Name of Guidelines</i>		

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	State the name of the published document(s) that include the procedures required to be followed by quality assurance review teams.	Reviewer's Manual	The Reviewer's Manual has been revised for use under the new Practice Review Programme
1.4.5.4.	<p><i>Location of Guidelines</i></p> <p>How can the document(s) that include the procedures required to be followed by quality assurance review teams be located (e.g., provide internet address or indicate that documents are available from your organization)?</p>	The Reviewer's Manual is available from the HKICPA.	
1.4.5.5.	<p><i>Content of Guidelines</i></p> <p>SMO 1 requires that the procedures to be performed during the quality assurance review include:</p> <p>a. An assessment of the system of quality control relating to audits of financial statements of listed entities (minimum requirement)</p> <p>b. Sufficient review of the quality control policies and procedures and reviews of engagement working papers to evaluate:</p> <ul style="list-style-type: none"> - The functioning of that system of quality control, and compliance with it; and - The compliance with professional standards and regulatory and legal requirements in respect of audits of financial statements 	1⊙ Yes	

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	<p>c. Review of engagement working papers d. Specific requirements regarding documentation of the review</p> <p>Does your quality assurance review program include requirements for all of these procedures?</p>	2○ No	
1.4.5.7.	<p><i>Review of Engagement Working Papers</i> SMO 1 requires procedures to be performed for the review of engagement working papers, including the evaluation of:</p> <ul style="list-style-type: none"> - The existence and effectiveness of the system of quality control implemented by the subject of the review; - Compliance with professional standards and regulatory and legal requirements in performing the engagement; - The sufficiency and appropriateness of evidence documented in the working papers; and - Whether the auditor's reports are appropriate in the circumstances. <p>Does your quality assurance review program include requirements for all of these procedures?</p>	1⊙ Yes	
		2○ No	
1.4.5.9.	<p><i>Documentation</i> Do the procedures to be performed by the</p>	1⊙ Yes	

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	<p>quality assurance review team require documentation:</p> <ul style="list-style-type: none"> - of evidence supporting the quality assurance review report; and - that establishes that the quality assurance review was carried out in accordance with the established guidelines. <p>Are both of these requirements included in the quality assurance review program?</p>	2○ No	
1.4.6.	The Quality Assurance Review Team		
1.4.6.1.	<p><i>Skills and Competence</i></p> <p>Members of the quality assurance review team should have the necessary competencies to perform expected work. As required by SMO 1, these competencies should include:</p> <ul style="list-style-type: none"> - Appropriate professional education - Relevant professional experience - Specific training on performing quality assurance reviews <p>Does the quality assurance review program require members of the quality assurance review team to have all three of these competencies?</p>	1⊙ Yes	
		2○ No	
1.4.6.3.	<i>Certification/Credentials</i>		

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	Are members of the quality assurance review team required to possess certification or credentials issued by your organization to be eligible to serve as team members?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.6.5.	<i>Quality Assurance Review Team Leader</i> Where more than one reviewer is used to conduct a review, is a quality assurance review team leader assigned for each quality assurance review assignment?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.6.7.	<i>QA Review Team Leader - Responsibilities</i> As required by SMO 1, the responsibilities of the quality assurance review team leader should include: - Supervision of the quality assurance review. - Communication of the quality assurance review team's conclusions to the subject of the review. - Preparation of the quality assurance review report. Does the quality assurance program place all these responsibilities on the review team leader?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
1.4.6.9.	<i>Size of Quality Assurance Review Team</i> Please estimate the average number of	2	

[illegible]

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1.4.7.3.	<i>Confidentiality Requirements</i> Is the quality assurance review team required to follow professional confidentiality requirements similar to those established for professional accountants performing audits of financial statements?	1Ⓐ Yes 2Ⓐ No	
1.4.8.	Ethical Requirements and QA Review Team		
1.4.8.1.	<i>Fundamental Principles</i> Are the fundamental principles set out in the IFAC Code of Ethics (relevant national ethical requirements) considered in relation to the quality assurance review team's conduct of a review?	1Ⓐ Yes 2Ⓐ No	Reviewers are required to follow the fundamental principles set out in HKICPA Statements of Professional Ethics / Code of Ethics for Professional Accountants.
1.4.8.3.	<i>Consideration of Independence</i> Quality assurance review team members are expected to be independent of the member (i.e., the accountant or firm being reviewed) and the member's clients selected for review. Do those who select and approve a review team determine whether the independence of the quality assurance review team leader and each member of the quality assurance review team has been reasonably assured?	1Ⓐ Yes 2Ⓐ No	
1.4.8.5.	<i>Reciprocal Reviews</i> Where the review is performed by team	1Ⓐ Yes, reciprocal reviews are	

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	members from a single firm (e.g., a "peer review"), please indicate whether firms are permitted to perform reciprocal quality assurance reviews.	permitted 2○ No, reciprocal reviews are not permitted 3● Not applicable - peer review is not used	
1.4.9.	Reporting		
1.4.9.1.	<i>Quality Assurance Review Report</i> Is the quality assurance review team leader required to issue a written quality assurance review report to the reviewed firm or partner upon completion of each quality assurance review assignment?	1● Yes 2○ No	
1.4.9.3.	<i>Contents of Report</i> As required by SMO 1, the quality assurance review report should include the following elements: - The review guidelines (referred to in Question 1.4.5.1) utilized by the quality assurance review team. - Recommendations for areas of improvement at both firm wide and engagement level. Does the quality assurance program require both of these elements to be included in the	1● Yes	

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	report?	2○ No	
1.4.9.5.	<p><i>Contents of Report - Firm</i></p> <p>As required by SMO 1, the quality assurance review report should include the following conclusions:</p> <ul style="list-style-type: none"> - Whether the firm's system of quality control has been designed to meet the requirements of the applicable quality control standards; - Whether the firm has complied with its system of quality control during the period under review; and - Reasons for reaching negative conclusions on either or both of the above. <p>Does the quality assurance program require all of these elements to be included in the report?</p>	<p>1⊙ Yes</p> <p>2○ No</p>	
1.4.9.8.	<p><i>Response to Reporting</i></p> <p>Is the subject of the review required to provide a timely written response to the recommendations and conclusions of the quality assurance review report, including planned actions and expected time of completion or implementation?</p>	<p>1⊙ Yes</p> <p>2○ No</p>	
1.4.9.10.	<p><i>Reporting to the Public</i></p> <p>Does your organization prepare and make</p>	<p>1⊙ Yes</p>	1. HKICPA's Practice Review

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	available to the public (and upon request from regulatory authorities) an annual report summarizing the results of the quality assurance review program?		<p>Committee, set up under the Professional Accountants Ordinance for the administration of HKICPA's practice review programme, issues Operations Reports on an annual basis.</p> <p>2. HKICPA's Practice Review Oversight Board ("PROB") (three out of the total seven members are not members of HKICPA and those three members are also members of the Council of the HKICPA) oversees HKICPA's Practice Review Programme. The PROB prepares an annual report of its activities. The annual report is published for information of the public.</p>
		2○ No	
1.4.10.	Corrective and Disciplinary Actions		
1.4.10.1.	<i>Corrective Actions Required</i> Does your organization require each of its members to make appropriate corrections to its system of quality control, or in its compliance with policies and procedures?	1⊙ Yes	
		2○ No	
1.4.10.3.	<i>Disciplinary Actions</i> If one of your members subsequently fails to	1⊙ Yes	

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	demonstrate compliance with professional standards and regulatory and legal requirements, do you take appropriate disciplinary action?	2○ No	
1.4.10.5.	<i>Linkage with Disciplinary Actions</i> Does your organization clearly establish a link between less than satisfactory results of quality assurance reviews and the initiation of corrective and disciplinary actions under its disciplinary system?	1⊙ Yes 2○ No	
2.	SMO 2		
2.1.	<i>MB Membership Requirements</i> Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.	1☑ Complete a program of professional accountancy education 2☑ Complete a practical experience requirement 3☑ Complete a final assessment of the individual's professional capabilities and competencies	Final assessment refers to the Final Professional Examination of the CPA Qualification Programme ("QP"), the Institute's professional examination for membership admission, which integrates the content and learning outcomes of the 4 modules of the QP.

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		4 <input type="checkbox"/> None of the above	
2.2.	<i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	For details of this requirement please see information provided under 2.14
2.3.	Professional Accountancy Education		
2.3.1.	<i>Professional Accountancy Education Program</i> Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Our organization 2 <input type="checkbox"/> Another IFAC member body 3 <input checked="" type="checkbox"/> Universities 4 <input type="checkbox"/> Approved training institutions 5 <input type="checkbox"/> Government bodies 6 <input type="checkbox"/> Other organizations	
2.3.2.	<i>Describe Other Organizations</i> Where your response in question 2.3.1 indicates another IFAC member body, universities, approved training institutions, and / or other organizations deliver the professional accountancy education program, describe these organizations and their legal authority to deliver the program. (Include the name of the other IFAC member body where relevant).	The universities in Hong Kong offer accountancy degree programmes, completion of which is the requirement for entry to the Institute's CPA Qualification Programme. Regarding their legal authority to deliver the programmes, these universities are mostly government-funded and have self-accrediting status.	

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2.3.3.	<p><i>Prof Accountancy Education Program Follow Up</i></p> <p>Please describe how your organization ensures the professional accountancy education program, delivered by the organization in response to question 2.3.1., meets the required content.</p> <p>Include in your description the specific activities your organization undertakes with regards to the necessary content requirements.</p>	<p>The accountancy degree programmes offered by the universities are accredited by the Institute's Accountancy Accreditation Board to ensure that their content meets the Institute's requirements.</p>	
2.7.	IES 1 Entry Requirements		
2.7.1.	<p><i>Entry Requirements and Equivalency</i></p> <p>Section 2.7 deals with the entry requirements to the professional accountancy education program delivered by your organization.</p> <p>Are the entry requirements to the program equivalent to admissions requirements for a recognized university degree program (or its equivalent)?</p>	<p>1⊙ Entry requirements are at least equivalent to that for admission into a recognized university degree program (or its equivalent)</p> <p>2○ Entry requirements are not equivalent to that for admissions into a recognized university degree program (or its equivalent)</p>	<p>Entry requirements to study the Institute's professional examination i.e. the CPA Qualification Programme (QP) is above that for admissions into a recognised university degree programme. In principle, the entry requirement to the CPA QP is "graduate entry".</p>

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2.7.3.	<i>Process for Checking Equivalency</i> Is there a formal process for assessing whether an individual's experience and knowledge is equivalent to that for admissions into a recognized university?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
2.7.4.	<i>Process For Equivalency Follow Up SMO 2</i> Please explain why a process for checking equivalency has not been developed or is not considered necessary? If there are plans to introduce such a process please provide information about the proposal and the proposed timing for introducing the process.	Please refer to our response under 2.7.1. For entry to our CPA QP, a candidate needs to be a recognized degree holder. Only the academic qualification of a candidate is taken into account when enrolling in our CPA QP and not his/her working experience. We do not accept a candidate who does not hold formal academic qualification and assess his/her experience and knowledge as equivalent for entry to our CPA QP. Relevant accounting degree offered by local universities/tertiary institutions have to undergo a process of accreditation by the Accountancy Accreditation Board of the Institute for their graduates to be eligible for admission to our CPA QP. When a candidate applies to be registered as our QP student, his/her degree qualification is vetted independently by our office to ensure that the competency	

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		requirements for QP entry are met. In determining whether a non-Hong-Kong degree is recognized or not, the Institute will make reference to relevant accreditation authorities or professional bodies of the country concerned to assess each on a case by case basis.	
2.8.	IES 2 Content of Professional Accounting Education Program		
2.8.1.	<p><i>Gaining Accountancy Knowledge</i></p> <p>Section 2.8 deals with the general content of the professional accountancy education program delivered by your organization.</p> <p>What forms of pre-qualification, professional accountancy knowledge are recognized by your organization? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Post-secondary accounting degree</p> <p>2 <input checked="" type="checkbox"/> Post-secondary business or finance degree</p> <p>3 <input checked="" type="checkbox"/> Post-secondary degree in another subject matter</p> <p>4 <input type="checkbox"/> Qualification offered by another IFAC member body</p> <p>5 <input type="checkbox"/> Relevant work experience</p> <p>6 <input checked="" type="checkbox"/> Other</p>	
2.8.2.	<p><i>Describe Other Degree</i></p> <p>Describe in general terms the other degrees</p>	<p>Holders of a recognised non-</p>	

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	and specializations recognized by your organization.	accountancy degree must complete an accredited Conversion Programme.	
2.8.5.	<i>Describe Other</i> Describe the other ways professional accountancy knowledge may be gained that are recognized by your organization.	Holders of a sub-degree qualification must complete the Hong Kong Technicians Examinations plus completion of an accredited Foundation Programme or the Professional Bridging Examinations.	
2.8.6.	<i>Pre-Qualification for Professional Knowledge</i> What is the length of the professional accountancy knowledge component of pre-qualification education? Select the answer option that is the most appropriate.	<p>1○ Two years of full-time study or part-time equivalent</p> <p>2○ Less than two years of full-time study or part-time equivalent</p> <p>3⊙ More than two years of full-time study or part-time equivalent study</p>	
2.8.7.	<i>Length Follow Up</i> Please describe the extent of professional accountancy knowledge that is required as part of the pre-qualification education component. Include in your description factors that were relevant in selecting the	As stated in 2.7.1, the entry requirements to study the Institute's QP is above that for admissions into a recognised university degree programme. In principle, the	

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	extent of knowledge required.	entry requirement to the QP is "graduate entry". Therefore, most of the students would have at least three years of full time degree level study or part-time equivalent study for the professional accountancy knowledge component of pre-qualification education.	
2.8.8.	Pre-Qualification Content		
2.8.8.1.	<p><i>Accounting and Finance</i></p> <p>Section 2.8.8.1 deals with the specific content of the professional accountancy education program delivered by your organization.</p> <p>Which of the following accounting, finance, and related knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Financial accounting and reporting</p> <p>2 <input checked="" type="checkbox"/> Management accounting and control</p>	<p>The item 'control' did not include in the IES 2 paragraph 23 under the accounting, finance and related knowledge component. It also did not include in the 'Glossary of Terms' under the 'Framework for International Education Statements'. We related the term 'control' to IES 2 paragraph 24 sub-section (f) where 'the concepts, methods and processes of control that provide for the accuracy and integrity of financial data and safeguarding of business assets' in checking the box.</p>

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		<input checked="" type="checkbox"/> Control <input checked="" type="checkbox"/> Taxation <input checked="" type="checkbox"/> Business and commercial law <input checked="" type="checkbox"/> Audit and assurance <input checked="" type="checkbox"/> Finance and financial management <input checked="" type="checkbox"/> Professional values and ethics <input type="checkbox"/> None of the above	
2.8.8.3.	<i>Organizational and Business Knowledge</i> Which of the following organizational and business knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.	<input checked="" type="checkbox"/> Economics <input checked="" type="checkbox"/> Business environment <input checked="" type="checkbox"/> Corporate governance <input checked="" type="checkbox"/> Business ethics <input checked="" type="checkbox"/> Financial markets <input checked="" type="checkbox"/> Quantitative methods <input checked="" type="checkbox"/> Organizational behavior <input checked="" type="checkbox"/> Management and strategic decision making <input checked="" type="checkbox"/> Marketing <input type="checkbox"/> International business and globalization <input type="checkbox"/> None of the above	
2.8.8.5.	<i>Information Technology</i> Which of the following information technology (IT) subject areas and competences are required prior to qualification? Select all the answer options	<input checked="" type="checkbox"/> General knowledge of IT	

Number	Question Title/Text/Help text	Answer	Comments
	that are appropriate.	<p>2<input checked="" type="checkbox"/> IT control knowledge</p> <p>3<input checked="" type="checkbox"/> IT control competences</p> <p>4<input checked="" type="checkbox"/> IT user competences</p> <p>5<input checked="" type="checkbox"/> One of, or a mixture of, the competences of, the roles of manager, evaluator or designer of information systems</p> <p>6<input type="checkbox"/> None of the above</p>	
2.8.8.7.	<i>Additional Content by Requirement</i> Are there additional content requirements specified by law or regulation, or your organization?	<p>1<input type="checkbox"/> Yes, as required by law or regulation</p> <p>2<input checked="" type="checkbox"/> Yes, as determined to be necessary by our organization</p> <p>3<input type="checkbox"/> No</p>	
2.8.8.8.	<i>Additional Content - Describe</i> Describe the additional content required by law / regulation or determined to be necessary by your organization including whether this requirement applies to all professional accountants or those operating in public practice or employed in business.	The business environment in PRC is included in the QP and is determined to be necessary by the Institute. This requirement applies to all professional accountants.	
2.9.	IES 3 Professional Skills		
2.9.1.	<i>Development of Intellectual Skills</i> Section 2.9 deals with the professional skills required by the professional accountancy education program delivered by your organization.	1 <input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry	

Number	Question Title/Text/Help text	Answer	Comments
	At what points in the professional accountancy education program are intellectual skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 14.	<p>requirements</p> <p>2☑ Through specific professional accountancy education course content</p> <p>3☑ Through practical experience requirement</p> <p>4☐ Other (please describe)</p>	
2.9.2.	<p><i>Intellectual Skills</i></p> <p>Describe the specific intellectual skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	<p>Candidates are expected to achieve all the six levels of intellectual skills as defined under IES 3 paragraph 14 at the point of qualification.</p> <p>The QP comprises the Professional Programme (PP) and the Final Professional Examination (FPE). The skills are assessed under PP which comprises a sequence of four core modules, each requiring approximately 120 hours of self-study over a period of 15 weeks, together with participation in four prescribed workshops and</p>	

Number	Question Title/Text/Help text	Answer	Comments
		successful completion of a module examination. The module examinations aim to test the application and integration of previously acquired knowledge and skills to multi-topic practical questions or mini cases, short questions and essay questions extending across the whole syllabus. Workshop assessments and module examination account for 20 per cent and 80 per cent of the overall marks for a module respectively.	
2.9.3.	<p><i>Development of Technical and Functional Skills</i></p> <p>At what points in the professional accountancy education program are technical and functional skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 15.</p>	<p>1 <input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.4.	<i>Technical and Functional Skills</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Describe the specific technical and functional skills candidates are required to have at the point of qualification and how these skills are assessed.	Candidates are expected to achieve technical and functional skills as defined under IES 3 paragraph 15 at the point of qualification. The assessment methods have been detailed in 2.9.2 above.	
2.9.5.	<i>Development of Personal Skills</i> At what points in the professional accountancy education program are personal skills developed? Select all the answer options that are appropriate. In responding to this question IES 3 paragraphs 13 and 16.	<p>1<input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2<input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3<input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4<input type="checkbox"/> Other (please describe)</p>	
2.9.6.	<i>Personal Skills</i> Describe the specific personal skills candidates are required to have at the point of qualification and how these skills are assessed.	Candidates are expected to achieve personal skills as defined under IES 3 paragraph 16 at the point of qualification. The assessment methods have been detailed in 2.9.2 above.	
2.9.7.	<i>Dev of Interpersonal and Communication Skills</i> At what points in the professional accountancy education program are	1 <input checked="" type="checkbox"/> As part of general education and / or as part of the	

Number	Question Title/Text/Help text	Answer	Comments
	interpersonal and communication skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 17.	<p>professional accountancy education program entry requirements</p> <p>2<input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3<input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4<input type="checkbox"/> Other (please describe)</p>	
2.9.8.	<p><i>Interpersonal and Communication Skills</i></p> <p>Describe the specific interpersonal and communication skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	Candidates are expected to achieve interpersonal and communications skills as defined under IES 3 paragraph 17 at the point of qualification. The assessment methods have been detailed in 2.9.2 above.	
2.9.9.	<p><i>Dev of Organizational and Business Mngt Skills</i></p> <p>At what points in the professional accountancy education program are organizational and business management skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 18.</p>	<p>1<input checked="" type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2<input checked="" type="checkbox"/> Through specific professional accountancy education course</p>	

Number	Question Title/Text/Help text	Answer	Comments
		content 3 <input checked="" type="checkbox"/> Through practical experience requirement 4 <input type="checkbox"/> Other (please describe)	
2.9.10.	<i>Organizational and Business Management Skills</i> Describe the specific organizational and business management skills candidates are required to have at the point of qualification and how these skills are assessed.	Candidates are expected to achieve organizational and business management skills as defined under IES 3 paragraph 18 at the point of qualification. The assessment methods have been detailed in 2.9.2 above.	
2.10.	IES 4 Professional Values, Ethics and Attitudes		
2.10.1.	<i>Content for Values, Ethics and Attitudes</i> Section 2.10 deals with professional ethics, values, and attitude content and requirements of the professional accountancy education program delivered by your organization. Does the professional accountancy education program include coverage of values, ethics and attitudes?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.10.2.	Values, Ethics and Attitudes in Content		
2.10.2.1.	<i>Program Content for Values, Ethics and Attitudes</i> Which of the following are included in the	1 <input checked="" type="checkbox"/> The nature of ethics	

Number	Question Title/Text/Help text	Answer	Comments
	program content? Select all the answer options that are appropriate.	<p>2☑ Differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks</p> <p>3☑ Compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality</p> <p>4☑ Professional behavior and compliance with technical standards</p> <p>5☑ Concepts of independence, skepticism, accountability and public expectations</p> <p>6☑ Ethics and the profession: social responsibility</p> <p>7☑ Ethics and law, including the relationship between laws, regulations and the public interest</p> <p>8☑ Consequences of unethical behavior to the individual, to the profession and to society at large</p> <p>9☑ Ethics in relation to business and good governance</p> <p>10 Ethics and the individual</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<input checked="" type="checkbox"/> professional accountant: whistle blowing, conflicts of interest, ethical dilemmas and their resolution. 11 None of the above <input type="checkbox"/>	
2.10.2.3.	<i>IFAC Code of Ethics</i> Is the program content based on the relevant sections of the IFAC Code of Ethics?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	The Code of Ethics for Professional Accountants issued by the Institute is comparable with the IFAC Code of Ethics for Professional Accountants. The Code is included in the Learning Outcomes of Module C Auditing and Information Management of the QP.
2.10.2.4.	<i>Workplace Learning Development</i> At what points in the professional accountancy education program are values, ethics, attitudes and adherence to them developed? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> As part of general education and / or as part of the program entry requirements 2 <input checked="" type="checkbox"/> Through specific program course content 3 <input checked="" type="checkbox"/> Through practical experience requirement	

Number	Question Title/Text/Help text	Answer	Comments
		4 <input type="checkbox"/> Other (please describe)	
2.11.	IES 5 Practical Experience Requirement		
2.11.1.	<p><i>Approved Provider</i></p> <p>Section 2.11 deals with the practical experience requirement established by your organization.</p> <p>Does the practical experience requirement have to be obtained with approved providers or employers?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
2.11.2.	<p><i>Provider Characteristics</i></p> <p>Please describe the characteristics set by your organization for recognizing approved providers.</p>	<p>The Institute accredits employers on a corporate level (Authorised Employers) and supervisors on an individual level (Authorised Supervisors) to train the prospective members. The prospective members must acquire their practical experience under Authorised Employers/Authorised Supervisors complying with the Institute's Practical Experience Framework requirements. The Authorised Employer/Authorised Supervisor assesses the prospective member's performance and achievement of the required competencies, and signs off their training records for the Institute's membership admission.</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>Public accountancy firms/practices, commercial and industrial companies/entities and public organisations which have a detailed training framework in place to ensure that prospective members attain the appropriate type and level of practical experience for membership admission are eligible to apply for registration as an Authorised Employer. The organisation must have a member of the Institute in a senior management position who takes overall responsibility of the Authorised Employer registration. It nominates its staff (i.e. Counselors) to train/supervise the prospective members, and they act as the mentors of the prospective members. Individuals with at least 3 years of membership with the Institute or an accountancy body accepted by the Council of the Institute (i.e. CICA, CPAA, ICAA, ICAEW, ICAI, ICANZ, ICAS, ICAZ and SAICA) are eligible for nomination as a Counselor of an Authorised Employer.</p>	

Number	Question Title/Text/Help text	Answer	Comments
		Individuals who are sole practitioners or working in commerce and industry where employer authorisation may not be appropriate can apply to the Institute for registration as an Authorised Supervisor to train prospective members. An Authorised Supervisor serves as a mentor to the prospective member. The qualifications an Authorised Supervisor are the same as a Counselor of an Authorised Employer.	
2.11.4.	<i>Length of Practical Experience</i> What is the required length of pre-qualification practical experience? Select the answer option that is most appropriate.	<p>1 <input checked="" type="radio"/> Three years</p> <p>2 <input type="radio"/> Less than three years</p> <p>3 <input type="radio"/> More than three years</p>	<p>Under the law, the length of practical experience required for holders of different academic qualifications is as follows:-</p> <ul style="list-style-type: none"> - Approved degree holders: 3 years - Approved accountancy diploma holders: 4 years - Holders of other academic qualifications: 5 years

Number	Question Title/Text/Help text	Answer	Comments
2.11.6.	Practical Application SMO 2		
2.11.6.1.	<i>Practical Application</i> Where relevant graduate (beyond under-graduate, e.g., masters) professional education has a strong element of practical accounting application, may any portion of the professional education be contributed to the practical experience requirement?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
2.11.7.	Timing of Experience		
2.11.7.1.	<i>Pre or Post Qualification Experience</i> The practical experience for accountants may be obtained (select all the answer options that are appropriate):	1 <input checked="" type="checkbox"/> Before the professional accountancy education program of study 2 <input checked="" type="checkbox"/> At the same time as the professional accountancy education program of study 3 <input checked="" type="checkbox"/> After the professional accountancy education program of study	
2.11.7.2.	<i>Describe Pre or Post Experience</i> Describe the length of practical experience that may be obtained pre-qualification and / or post-qualification.	Depending on their academic qualifications, prospective members are required to obtain 3 - 5 years of practical experience for the Institute's membership admission. There is no prescribed length of pre-qualification or post-qualification experience. However, regardless of when the prospective member acquires the experience, it	

Number	Question Title/Text/Help text	Answer	Comments
		must be full time and continuous with the same employer for at least 12 months in order to be counted as part of the practical experience for membership admission.	
2.12.	IES 5 Monitoring of Practical Experience Requirement		
2.12.1.	<i>Monitoring of Practical Experience</i> Is the period of practical experience monitored?	1 <input type="radio"/> Yes 2 <input type="radio"/> No	
2.12.3.	<i>Monitoring Practical Experience</i> How is the practical experience requirement (or practical application) monitored and assessed? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Mentoring system	The Counselor of an Authorised Employer or the Authorised Supervisor serves as a mentor to the prospective member. Under the Institute's Practical Experience Framework, the prospective member is required to meet the prescribed type and level of competencies during the training period. The monitoring and assessment of the prospective member's performance are done by his/her Counselor (in the case of an Authorised Employer) or Authorised Supervisor.

Number	Question Title/Text/Help text	Answer	Comments
		<p>2 <input checked="" type="checkbox"/> Approved training employers and organizations</p> <p>3 <input checked="" type="checkbox"/> Self-declaration required from the candidate</p> <p>4 <input checked="" type="checkbox"/> Record of the practical experience is kept and submitted to the member body when applying for membership</p> <p>5 <input checked="" type="checkbox"/> An assessment is made by the mentor or employer</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	The prospective member completes the training records for the Authorised Employer's Counselor/Authorised Supervisor's review and sign-off, and submits the signed training records to the Institute to apply for membership admission.
2.13.	IES 6 Assessment of Prof Capabilities and Competence		
2.13.1.	<p><i>Assessment by IFAC Body or Other</i></p> <p>Section 2.13 deals with the final assessment requirements established by your organization.</p> <p>Select all the organizations involved in conducting the final assessment.</p>	<p>1 <input checked="" type="checkbox"/> Our organization (including training entities that are affiliated with our organization or a subsidiary of our organization).</p>	

Number	Question Title/Text/Help text	Answer	Comments
	<p>If the final assessment is conducted jointly between various organizations, select all those that have some responsibility for conducting the final assessment and in the Comment Box, describe the nature of their respective roles and responsibilities.</p>	<p>2 <input type="checkbox"/> Another IFAC member body 3 <input type="checkbox"/> Government or regulatory body 4 <input type="checkbox"/> Other</p>	
2.13.4.	<p><i>Characteristics of Assessment</i> Which of the following characteristics are applicable to the final assessment process? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Uniform for all students 2 <input checked="" type="checkbox"/> Given simultaneously where it is being held in more than once location in the country 3 <input checked="" type="checkbox"/> Assessment is set and assessed only by qualified or approved individuals 4 <input type="checkbox"/> None of the above</p>	
2.13.5.	<p><i>Qualifying for Final Assessment</i> What requirements must the candidate satisfy to take the final assessment? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Specified pre-qualification requirements relating to professional knowledge, professional skills, and professional values, ethics, and attitudes 2 <input type="checkbox"/> Specified practical experience</p>	<p>Must complete all 4 professional core modules before taking FPE.</p>

Number	Question Title/Text/Help text	Answer	Comments
		requirements 3 <input checked="" type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
2.13.6.	<i>Timing Considerations for Final Assessment</i> Is there a requirement or restriction for completing the final assessment? For example, some organization may require the candidate to take the final examination within a specified number of years of meeting the pre-assessment requirements.	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.13.7.	<i>Requirement or Restrictions</i> Describe the requirements or restrictions relating to when the final assessment must be undertaken.	A pass in the Final Professional Examination (FPE) must be obtained within four attempts or within a period of three years from the date of the first attempt of the FPE. The whole QP must be completed within 10 years from date of registration as a student.	
2.13.8.	<i>Assess Professional Knowledge</i> Describe in general terms how required professional knowledge (e.g. technical knowledge about accounting, finance, audit, financial reporting, legislative requirements, information technology etc) is assessed during the final assessment.	The Final Professional Examination (FPE) comprises a six-hour open-book 'multi-disciplinary' examination held in two sessions, each of three hours' duration plus half an hour reading time. The purpose of the examination is to test the competence of the candidate in integrating	

Number	Question Title/Text/Help text	Answer	Comments
		professional skills and knowledge across all areas of accounting and related fields, and in the analysis and solution of complex professional problems or situations, as covered in the 4 modules.	
2.13.9.	<i>Assess Professional Skills</i> Describe in general terms how required professional skills (e.g. ability to solve problems, make decisions, exercise judgment, personal skills, interpersonal and communication skills, organizational and business management skills etc) are assessed during the final assessment.	Professional Skills are also assessed in the same way as Professional Knowledge as detailed in 2.13.8.	
2.13.10.	<i>Assess Professional Values, Ethics, Attitudes</i> Describe in general terms how required professional values, ethics, and attitudes are assessed during the final assessment.	As FPE consists of case studies and essay questions, candidates are required to examine the ethical pronouncements and demonstrate that they have the professional values and attitudes in attempting the FPE.	
2.13.11.	<i>Recorded or Oral Format</i> Is the final assessment conducted through:	1⊙ Recorded format with recorded (e.g. written) response required 2○ Oral format with oral responses	

Number	Question Title/Text/Help text	Answer	Comments
		3○ Both recorded and oral response formats	
2.13.13.	<i>Assessment Formats</i> What formats are used in conducting the final assessment (select all the answer options that are appropriate)?	1□ Multiple choice questions 2☑ Case studies 3☑ Technical questions 4□ Thesis 5□ Other (please describe) 6□ None of the above	
2.13.14.	<i>Reliability and Validity</i> Describe in general terms the procedures in place to ensure the final assessments are reliable and valid. Include a description of how the assessment questions are set and by whom and also how reviewers / assessors are selected.	The Examinations are set by the practitioners and/or academics appointed by the Examinations Board of the Institute, supported by the secretariat staff. The draft Examination papers are reviewed by the Assessors, appointed by the Examinations Board, and members from relevant Moderation Sub-group set up under the Examinations Board. Finally, the relevant Sub-group under the Examinations Board will moderate and approve the final Examination papers.	
2.13.15.	<i>Frequency of Final Assessments</i> How many times in a year is the final assessment offered? Select the answer	1○ Yearly (or once a year)	

Number	Question Title/Text/Help text	Answer	Comments
	option that is the most appropriate.	<input checked="" type="radio"/> 2 Half yearly (or twice a year) <input type="radio"/> 3 Three sessions a year <input type="radio"/> 4 Four sessions a year <input type="radio"/> 5 Five sessions a year <input type="radio"/> 6 Other (please describe the frequency of the examinations)	
2.14.	IES 7 Continuing Professional Development - CPD		
2.14.1.	<p><i>Responsibility for CPD Requirements</i></p> <p>Section 2.14 deals with the continuous professional development requirements established by your organization.</p> <p>Who establishes the continuous professional development requirements applicable to your members? Select all the answer options that are appropriate.</p>	<input checked="" type="checkbox"/> 1 Our organization <input type="checkbox"/> 2 Another organization (state the name of the organization including whether it is an IFAC member body) <input type="checkbox"/> 3 Law and / or regulation (state the name of the law / regulation) <input type="checkbox"/> 4 Other (please describe)	
2.14.2.	<p><i>CPD and Professional Accountants</i></p> <p>Which membership categories are required to maintain professional competence through continuous professional</p>	<input checked="" type="checkbox"/> 1 All our qualified members	<p>All except retired members. Retired members, for the purpose of exemption from</p>

Number	Question Title/Text/Help text	Answer	Comments
	development? Select all the answer options that are appropriate.	<p>2 <input type="checkbox"/> Qualified members who perform audits of listed entities</p> <p>3 <input type="checkbox"/> Qualified members who perform audits of entities other than listed entities</p> <p>4 <input type="checkbox"/> Qualified members who provide services (other than audit) to the public</p> <p>5 <input type="checkbox"/> Qualified members who are employed in business</p> <p>6 <input type="checkbox"/> Other (please describe)</p>	<p>the CPD requirements, are members who are above 55 years of age and no longer in full time employment. Exemption does not apply to those retired members who are holding directorship of listed companies and/or practising certificates. A Practising Certificate (PC) holder, irrespective of his/her mode of practice, is not regarded as having retired from public practice.</p>
2.14.3.	Requirement - CPD		
2.14.3.1.	<p><i>Type of CPD Requirement</i></p> <p>Which of the following answer options describes the way the continuous professional development is structured?</p>	<p>1 <input checked="" type="checkbox"/> Members must satisfy a number of hours of continuous professional</p>	<p>All members of the Institute, except retired members, are required to:</p>

Number	Question Title/Text/Help text	Answer	Comments
	Select all the answer options that are appropriate.	development a year or over a number of years	<p>(1) Complete at least 120 hours of relevant professional development activity in each rolling three-year period, of which 60 hours or equivalent learning units should be verifiable (please refer to Explanatory Note I below);</p> <p>(2) Complete at least 20 hours of the 120 hours (mentioned in (1) above) in each year; and</p> <p>(3) Track and measure learning activities to meet the above requirements.</p>
		<p>2 <input type="checkbox"/> All members are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>3 <input type="checkbox"/> Members working in specialist areas or areas of high risk to the public are to satisfy specified content requirements (e.g. specified courses or knowledge content)</p> <p>4 <input type="checkbox"/> Other</p>	
2.14.3.3.	<i>Hours of Continuous Professional</i>		

Number	Question Title/Text/Help text	Answer	Comments
	<p><i>Development</i></p> <p>Which one of the following answer options best describes the continuous professional development hours required?</p>	<p>1 <input checked="" type="radio"/> Members have to complete a minimum of 120 hours or equivalent learning units of relevant professional development activity over a three-year rolling period.</p>	<p>Within the 120 hours of relevant professional development activity in each rolling three-year period, half of these hours, i.e. 60 hours or equivalent learning units should be verifiable and at least 20 hours of the 120 hours mentioned above should be achieved in each year.</p> <p>Verifiable CPD Hour This means that the learning is able to be objectively verified by a competent source. Examples of evidence of verification include:</p> <ul style="list-style-type: none"> - Course outlines, teaching materials - Attendance record, registration form or confirmation of registration from provider - Confirmation of participation by an instructor, mentor or tutor - Confirmation by an employer of participation in

Number	Question Title/Text/Help text	Answer	Comments
		<p>an in-house programme - Independent assessment that a learning activity has occurred</p> <p>2○ Members have to complete a minimum of 20 hours or equivalent learning units in each year</p> <p>3○ Other</p>	
2.14.3.8.	<p><i>Monitoring of CPD</i></p> <p>Is there a process to monitor whether your members who are qualified as professional accountants meet the continuous professional development requirements?</p>	<p>1○ Yes, there is a monitoring process for CPD requirements</p> <p>2○ No, there is no monitoring process for CPD requirements</p>	<p>All members, including retired members, are required to submit a Declaration of CPD Compliance at the time of their annual membership renewal. Retired members who claim exemption from the CPD requirements are also required to confirm their retirement status through the annual CPD declaration.</p>
2.14.4.	Monitoring of CPD Requirement		
2.14.4.1.	<p><i>Monitoring Process SMO 2</i></p> <p>Which of the following elements does the monitoring process include? Select all the answer options that are appropriate.</p>	<p>1☑ Professional accountants are required to submit a declaration</p>	<p>(1) Professional Accountants are required to submit evidence for verification only</p>

Number	Question Title/Text/Help text	Answer	Comments
			<p>if they have been selected for the annual audit of their CPD compliance.</p> <p>(2) Compliance monitored through a quality assurance review program only applies to practicing firms.</p> <p>(3) Annual Audit Exercise An annual audit on members' compliance with the CPD requirements is conducted by the Institute. Members selected for audit are required to submit to the Institute their CPD records for a rolling three-year period together with supporting documentary evidence within a reasonable period of time.</p> <p>(4) Monitoring by Practice Units As part of the monitoring process, Practice Units (as defined in the Professional Accountants Ordinance of the Institute) are required to include CPD and its monitoring framework in</p>

Number	Question Title/Text/Help text	Answer	Comments
			<p>their quality assurance programmes so that CPD activities are tracked as part of their time recording systems. (Similar consideration has been set in paragraph 77 of the Hong Kong Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements" issued by the Institute.) CPD documents of Practice Units may be subject to review and assessment in practice inspection programmes.</p>
		<p>2☑ Professional accountants are required to submit evidence</p> <p>3☑ Our organization audits a sample of professional accountants to check compliance</p> <p>4☑ Compliance is monitored through firm quality control standards</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>5<input checked="" type="checkbox"/> Compliance is monitored through a quality assurance review program</p> <p>6<input type="checkbox"/> Other (please describe)</p> <p>7<input type="checkbox"/> None of the above</p>	
2.14.4.2.	<p><i>Declaration and CPD SMO 2</i></p> <p>Describe the matters addressed in the declaration (select all that apply):</p>	<p>1<input checked="" type="checkbox"/> Professional accountant's obligation to meet ethical obligations</p> <p>2<input checked="" type="checkbox"/> Professional accountant's obligation to maintain knowledge</p> <p>3<input checked="" type="checkbox"/> Professional accountant's obligation to maintain skills to perform competently</p> <p>4<input checked="" type="checkbox"/> Compliance with CPD requirement</p> <p>5<input type="checkbox"/> Other (please describe)</p>	<p>The Institute's Declaration Form requires members to declare that they understand the CPD requirements and obligations of a CPA under the Institute's CPD Statement 1.500, which includes very specific references on the various obligations required of a Professional Accountant as indicated in the boxes in this question.</p>
2.14.4.3.	<p><i>Sanctions SMO 2</i></p> <p>Where a professional accountant does not satisfy the CPD requirements (within a reasonable period of encouraging the</p>	<p>1<input checked="" type="radio"/> Yes, sanctions or actions for non-compliance are imposed</p>	<p>Normally, if members indicated in their annual CPD Declaration that for certain</p>

Number	Question Title/Text/Help text	Answer	Comments
	professional accountant to meet the requirements), are sanctions or other non-compliance actions, such as expulsion or denial of the right to practice, imposed?	20 No, sanctions or other non-compliance actions are not imposed	reason(s) they had not complied with the CPD requirements the Institute would give them two to three months to make up the shortfall. After which if they are still unable to comply with the requirements, the renewal of their membership will not be granted (i.e. they will be expelled from the Institute.)
2.14.4.4.	<i>Sanction Types and CPD</i> Describe the nature and extent of the sanction, expulsions or denial of the right to practice.	Consequence of Non-Compliance Compliance with the CPD requirements is a condition for renewal of membership registration or issue of a Practising Certificate. Members of the Institute are required to declare whether they had complied with the CPD requirements at the time of their annual membership renewal. If they failed to comply with the CPD requirements of the Institute, their registration as a Certified Public Accountant will not be renewed or the issue of a Practising Certificate	If members have been found to have not complied with the CPD requirements they would be referred to the Council for consideration of action to be taken against them for false declaration (as they had already declared compliance). Alternatively, if members did not respond to the Institute's request for submission of information and/or evidence to substantiate their compliance of the CPD

Number	Question Title/Text/Help text	Answer	Comments
		(i.e. denial of the right to practice) will be refused by the Institute.	requirements (if they had been selected in the annual audit exercise), their membership registration with the Institute will not be renewed.
2.15.	<i>Activities to Promote IESs SMO 2</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.	<p>IAESB and other IFAC pronouncements are highlighted in the Institute's Journal, A Plus, and may be publicised through our e-Circular to members/member practices.</p> <p>Promotion for CPA Qualification Programme (QP) - The QP promotional campaigns include talks and exhibitions held at universities, visiting employers, and our Journals and advertisements in newspapers and university publications, direct mailing campaign to overseas returnees.</p> <p>Promotion and implementation of the Institute's Practical Experience Framework complying with IES 5 - The Institute has actively invited its member practices and members to</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>register as Authorised Employers and Authorise Supervisors. Recruitment drive among listed companies has also been conducted. Also, a 3-hour self-study training programme has been developed to help the Authorised Employers/Authorised Supervisors understand their roles and responsibilities, the training process and documentation required, and equip them with the necessary training/coaching skills. The training programme, in CD-Rom, online and printed format, comes together with a support manual. It is distributed to all Authorised Employers/Authorised Supervisors upon approval of their registration. Information update sessions are also held for them from time to time. The Institute also briefs its registered students enrolling to the QP on the Practical Experience Framework requirements at the orientation sessions and provides them with the training programme and support manual as well.</p>	
3.	SMO 3		

Number	Question Title/Text/Help text	Answer	Comments
3.1.	<p><i>Auditing Standards in Law/Regulation</i></p> <p>Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p>	<p>1 <input type="checkbox"/> Yes for audits of listed entities</p> <p>2 <input type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input checked="" type="checkbox"/> No for audits of listed entities</p> <p>4 <input checked="" type="checkbox"/> No for audits of non-listed entities</p>	
3.2.	Responsibility for Private Sector Auditing Standards		
3.2.1.	<p><i>Auditing Standards - Private Sector</i></p> <p>Is there only one set of auditing standards or</p>	1 <input checked="" type="radio"/> The auditing standards for	

Number	Question Title/Text/Help text	Answer	Comments
	are the auditing standards applicable to listed entities different from non-listed entities?	<p>listed entities and non-listed entities are the same set of standards</p> <p>2○ The auditing standards for listed entities and non-listed entities are not the same set of standards</p>	
3.2.6.	<i>Responsibility for Auditing Standards</i> Who has the authority for establishing the auditing standards for listed and non-listed entities?	<p>1⊙ Our organization</p> <p>2○ Another IFAC member body</p> <p>3○ Joint process between our organization and another IFAC member body or other organization</p> <p>4○ Another organization</p>	
3.3.	Member Body SMO 3		
3.3.1.	<i>MB Convergence Objective SMO 3</i> Has convergence with IAASB pronouncements been established as an objective?	<p>1⊙ Yes</p> <p>2○ No</p>	
3.3.3.	<i>MB Convergence Implemented SMO 3</i> Has the convergence objective for auditing standards been implemented?	<p>1⊙ Yes</p> <p>2○ No</p>	
3.6.	Incorporation of Auditing Standards		
3.6.1.	<i>Incorporation Approach SMO 3</i> Where your response indicates that convergence with IAASB pronouncements	<p>1⊙ IAASB pronouncements are adopted as drafted without</p>	<p>1. Rename in HKICPA name.</p> <p>2. Footnotes or appendices</p>

Number	Question Title/Text/Help text	Answer	Comments
	<p>has been implemented, which of the following best describes the approach is used to incorporate the IAASB pronouncements into national standards? Select the answer option that is most appropriate.</p> <p>Help text: Answer Option 1 and reference to "adopted without amendment" Select this option where IAASB pronouncements are adopted as drafted except for changes to: Rename the IAASB pronouncement to a national standard name; Translate the IAASB pronouncement into another language; Apply an effective date that differs from the IAASB pronouncement.</p> <p>Answer Option 2 and 3 reference to "Differences" In responding to this question, "differences" may include: Requirements in addition to those specified in the IAASB pronouncement or ISA; Deletion of a basic principle, essential procedure, and / or related guidance specified in the IAASB pronouncement or ISA; Modification of a requirement specified in</p>	<p>amendments (refer Help Text)</p> <p>2○ IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements (refer Help Text)</p>	<p>are added where appropriate by the HKICPA's Auditing and Assurance Standards Committee to provide local guidance or reflect local legislation. 3. Apply same effective date.</p>

Number	Question Title/Text/Help text	Answer	Comments
	the IAASB pronouncement or ISA (e.g. an ISA requirement was not deleted in full because a similar requirement was included).	<p>3○ Existing national standards are compared with IAASB pronouncements to eliminate to the extent possible differences between the national standard and the IAASB pronouncement (refer Help Text)</p> <p>4○ Other</p>	
3.6.2.	Adoption SMO 3		
3.6.2.1.	<i>IAASB Pronouncements Adopted</i> Which of the following IAASB pronouncements have been adopted? Select all the answer options that are appropriate.	<p>1☑ International Standard on Quality Control 1</p> <p>2☑ International Standards on Auditing</p> <p>3☑ International Auditing Practices Statements</p> <p>4☑ International Standards on Assurance Engagements</p> <p>5☑ International Standards on Review Engagements</p> <p>6☑ International Standards on Related Services</p>	
3.6.2.2.	<i>Name of Standards SMO 3</i> When the IAASB pronouncements are adopted, are the IAASB pronouncements	1○ IAASB pronouncements are adopted without changes to	

Number	Question Title/Text/Help text	Answer	Comments
	renamed as national standards and pronouncements?	the pronouncement's name 2⊙ IAASB pronouncements are adopted with changes to their names	
3.6.2.3.	<i>Name of National Auditing Standards</i> State the name of the national auditing standards and pronouncements.	Hong Kong Standard on Quality Control 1 Hong Kong Standards on Auditing Hong Kong Standards on Assurance Engagements Hong Kong Standards on Review Engagements Hong Kong Standards on Related Services	All standards retain the IAASB numbering and title except that International is retitled Hong Kong. For example, ISA 200 becomes HKSA 200.
3.6.2.4.	<i>Information - Adopted Standards SMO 3</i> Is information publicly available describing: The IAASB pronouncements that have been adopted; Whether the adopted IAASB pronouncement is the version in effect as at September 30, 2005; The effective date set by your organization where it differs from the IAASB pronouncement?	1⊙ Yes 2⊙ No	Effective date follows that set by IAASB. But no mention that the adopted IAASB pronouncement is the version in effect as at 30 September 2005 because convergence process is on going.
3.6.2.5.	<i>Submit Information - Adopted SMO 3</i> If the standard-setter has issued information about the status of adopted ISAs and other IAASB pronouncements and it is available	1⊙ The information is available and in English and will be submitted to Compliance	Comparative information is provided further below and also available on the internet

Number	Question Title/Text/Help text	Answer	Comments
	<p>in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the SMO 3: Comparison with IAASB Pronouncements report by clicking on the link and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 3: Comparison with IAASB Pronouncements" report.</p> <p>Help text:</p>	<p>Staff</p> <p>2○ The "SMO 3: Comparison with IAASB Pronouncements" report will be completed and submitted to Compliance Staff</p>	<p>at http://www.hicpa.org.hk/index.php?mainLocation=/professionaltechnical/assurance/dueprocess/dueprocess.php</p>
3.10.	Translation SMO 3		
3.10.1.	<p><i>Translation of IAASB Pronouncements</i></p> <p>Are the IAASB pronouncements translated into a national language?</p>	<p>1○ No as English is the national language or a widely spoken language</p> <p>2○ Yes, the IAASB pronouncements are translated</p> <p>3○ No and English is not an</p>	

Number	Question Title/Text/Help text	Answer	Comments
		official language or is not widely spoken	
3.11.	<p><i>Activities to Promote IAASB Pronouncements</i></p> <p>Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.</p>	Continuing Professional Development Seminars are organized by the HKICPA to promote and assist in the implementation of IAASB pronouncements	
4.	SMO 4		
4.1.	Responsibility and National Ethical Requirements		
4.1.1.	<p><i>IFAC MB and Ethical Requirements</i></p> <p>Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members?</p> <p>Help text: In some countries, ethical requirements may be established on a regional, provincial, or state basis. Where this is the case in your country for the ethical requirements that apply to your members, please contact Compliance Staff for further instruction.</p>	<p>1☉ Yes, our organization does establish ethical requirements</p> <p>2○ No, our organization does not establish ethical requirements</p>	
4.1.2.	<p><i>IFAC MB and Convergence with IFAC Code</i></p> <p>Has your organization implemented convergence with the IFAC Code of Ethics as an objective?</p>	1☉ Yes	

Number	Question Title/Text/Help text	Answer	Comments
		2○ No	
4.1.9.	<p><i>IFAC MB Approach to Ethics</i></p> <p>Which of the following options best describes your organization's activities to incorporate the IFAC Code?</p> <p>For the purposes of the Part 2 SMO 4 module, modifications include: Deletion/omission of concepts, principles, or guidance that are established in the IFAC Code; Inclusion of concepts, principles, or guidance that are not in the IFAC Code; Other amendments that give rise to differences between your organization's ethical requirements and the IFAC Code.</p>	<p>1○ Our organization adopted the IFAC Code as issued without modifications</p> <p>2⊙ Our organization adopted the IFAC Code but with modifications</p> <p>3○ Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p> <p>4○ Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of</p>	

Number	Question Title/Text/Help text	Answer	Comments
Ethics			
4.1.10.	<i>IFAC MB and Code - Eliminate Differences</i> Describe the process used to adopt the IFAC Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code.	The HKICPA adopts almost verbatim the IFAC Code. The modifications either comprise a stricter view taken by the Institute on some of the examples under Section 290 or are guidance that reflects the legal requirements in Hong Kong.	
4.2.	MB and Version of IFAC Code		
4.2.1.	<i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?	1○ The IFAC Code currently in effect, revised and issued in June 2004 2○ A version issued prior to 2004 3⊙ The revised IFAC Code issued and in effect June 30, 2006	
4.3.	<i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?	1⊙ Yes 2○ No	
4.4.	Gov / Reg Bodies and Ethical Requirements		

Number	Question Title/Text/Help text	Answer	Comments
4.4.1.	<p><i>Gov/Reg Bodies - Ethical Requirements</i></p> <p>Where ethical requirements applicable to your members are established in law or regulation, do they include any of the following types of laws and regulations? Select all the answer options that are appropriate.</p>	<p>1 <input type="checkbox"/> There is a law / regulation (e.g. Audit Law, Accountants Law) that sets out ethical requirements to be complied with by all professional accountants</p> <p>2 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit listed entities</p> <p>3 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who audit entities other than listed entities</p> <p>4 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements to be complied with by professional accountants who provide services to the public (other than as auditors of listed or other entities)</p> <p>5 <input type="checkbox"/> There is a law / regulation that sets out ethical requirements for professional</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>accountants employed in business</p> <p>6 <input checked="" type="checkbox"/> None of the above</p>	
4.4.2.	<p><i>Gov/Reg Bodies - Other Law/Reg</i></p> <p>Please describe in general terms the types of laws / regulations that establish ethical requirements that are applicable to your members.</p>	<p>Auditors are required to report to the regulators directly matters relating to their clients which are in a regulated industry, e.g. financial institutions or entities in the securities and futures business, in certain cases. These includes failure of their clients to comply certain regulatory requirements, matters that adversely affects the financial position of its client, a proposal to include a qualification or adverse statement in their report on the financial statements of the client, etc.</p>	
4.4.7.	<p><i>Gov/Reg and Convergence</i></p> <p>Please explain whether your organization has undertaken any activities to promote the IFAC Code of Ethics to the relevant government or regulatory body that sets ethical requirements. Include in your explanation descriptions of any specific activities and the outcome or the reasons why such activities have not been undertaken.</p>	<p>The HKICPA is the principle body which sets ethical requirements for our members. The Government and some of the relevant regulatory bodies that sets ethical requirements applicable to HKICPA members are represented on the HKICPA Ethics Committee and are therefore well aware of the development of the HKICPA Code</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>of Ethics which is modelled on the IFAC Code of Ethics.</p> <p>The Institute wrote specifically to many regulatory bodies, including the relevant regulatory bodies mentioned above, when the HKICPA Code of Ethics was issued as an exposure draft to convey the message that the HKICPA is going to adopt the IFAC Code of Ethics and invite their comments.</p>	
4.5.	<p><i>Comparison of Requirements SMO 4</i></p> <p>Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements; Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements; Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not</p>	<p>1 ☉ Yes, our organization has this information and it will be submitted</p>	<p>Also available on the internet at http://www.hkicpa.org.hk/ehandbook/main.php Volume I, Code of Ethics for Professional Accountants, pages 173 - 174.</p>

Number	Question Title/Text/Help text	Answer	Comments
	<p>addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p>	<p>2○ This information will be submitted by another IFAC member body</p> <p>3○ No, the information is not available</p>	
4.11.	<p><i>Translation of IFAC Code</i></p> <p>Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options that are appropriate.</p>	<p>1☑ No, as English is an official language or widely spoken language</p> <p>2□ Yes, our organization has translated the IFAC Code</p> <p>3□ Yes, a government, regulatory, or other body has translated the IFAC Code</p> <p>4□ No, the IFAC Code has not been translated and English is not an official language or widely spoken language</p>	
4.15.	<p><i>Activities to Promote IFAC Code of Ethics</i></p> <p>Please describe the activities your organization undertakes to promote and</p>	<p>Promotion to the public include press release issued and press</p>	

Number	Question Title/Text/Help text	Answer	Comments
	assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.	conference held upon the issue of the HKICPA Code of Ethics. Promotion to HKICPA members include e-circulars to HKCIPA members and write-up in technical publications. Technical update classes were held by the HKICPA to assist in implementing the HKICPA Code of Ethics.	
5.	SMO 5		
5.1.	<i>Public Sector Accounting Standards - Objective</i> Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p> <p>3 <input type="radio"/> Information is not available or not known</p>	However, HK Government has a medium term target to adopt the principles set out in IPSASs in its accrual-based accounts.
5.2.	IPSASs Convergence Follow Up		
5.2.1.	<i>Public Sector Accounting Standards - Cash/Accrual</i> Do the national public sector accounting standards require financial statements to be prepared on a cash basis or accrual basis?	1 <input type="radio"/> Cash	There are currently no national public sector accounting standards in Hong Kong. HK Government prepares two set of accounts, one on a cash basis and the other on an accrual basis.

Number	Question Title/Text/Help text	Answer	Comments
		2○ Accrual 3⊙ Both cash and accrual are permitted	
5.2.2.	<i>Convergence Plans Follow Up SMO 5</i> Does the government have plans to converge national public sector accounting standards with IPSASs?	1○ Yes 2⊙ No 3○ Information is not available or not known	HK Government has no plan to issue national public sector accounting standards. Please see also our answer to 5.4 below.
5.4.	<i>Activities to Promote IPSASB Pronouncements</i> Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.	The HKICPA is developing a paper to invite comments on whether the HKICPA should address the issue of public sector accounting. In the case where there is a general support for the HKICPA to consider public sector accounting issues, and the Government agrees to use public sector accounting standards issued by the HKICPA, the next step is to consider the way forward, given the time delay between the issuing of each IFRS and the equivalent IPSAS.	
6.	SMO 6		
6.1.	<i>Investigation and Discipline Program</i>		

Number	Question Title/Text/Help text	Answer	Comments
	In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
6.3.	Responsibility for Investigation and Discipline		
6.3.1.	<i>Body Responsible for Investigation and Discipline</i> Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.	1 <input checked="" type="radio"/> Yes, our organization has this responsibility	
		2 <input type="radio"/> No, responsibility for investigation and discipline rests solely with an external body	
		3 <input type="radio"/> Our organization shares responsibility for investigation and discipline with an external body	
		4 <input type="radio"/> Other	
6.5.	SMO 6 - Detailed Assessment		
6.5.1.	Rules and Procedures for Investigation and Discipline		
6.5.1.1.	<i>Rules and Procedures</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Does your organization establish in its constitution or rules the provisions and processes for the investigating and disciplining your members?	1 <input checked="" type="radio"/> Yes	
		2 <input type="radio"/> No	
6.5.1.3.	<p><i>Misconduct</i></p> <p>In your jurisdiction, which of the following are considered "misconduct" as described in SMO 6 paragraph 4? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Criminal activity</p> <p>2 <input checked="" type="checkbox"/> Acts or omissions likely to bring the accountancy profession into disrepute</p> <p>3 <input checked="" type="checkbox"/> Breaches of professional standards</p> <p>4 <input checked="" type="checkbox"/> Breaches of ethical requirements</p> <p>5 <input checked="" type="checkbox"/> Gross professional negligence</p> <p>6 <input checked="" type="checkbox"/> A number of less serious instances of professional negligence that, cumulatively, may indicate unfitness to exercise practicing rights</p> <p>7 <input checked="" type="checkbox"/> Unsatisfactory work</p> <p>8 <input type="checkbox"/> Other (please describe)</p>	
6.5.2.	<p><i>Types of Sanctions</i></p> <p>Which of the following actions can be imposed by those who judge such issues: Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Reprimand</p> <p>2 <input checked="" type="checkbox"/> Loss or restriction of practice</p>	

Number	Question Title/Text/Help text	Answer	Comments
		rights 3 <input checked="" type="checkbox"/> Fine/payment of costs 4 <input checked="" type="checkbox"/> Loss of professional title (designation) 5 <input checked="" type="checkbox"/> Exclusion from membership 6 <input type="checkbox"/> Other (please describe)	
6.5.3.	Provision of Information and Guidance to Members		
6.5.3.1.	<i>Information and Guidance</i> Does your organization make each member fully aware of: - All provisions of the ethical code and other applicable professional standards, rules and requirements (and any amendments), whether issued by IFAC or at the national level by the member body and - Consequences of non-compliance?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.5.3.2.	<i>Information and Guidance Description</i> Provide a brief description of how your organization meets this requirement of SMO 6.	Members' Handbook, is available in paper and electronic formats, is provided to all members. It contains the Code of Ethics and all professional requirements. Members are advised of every update (approximately monthly).	
6.5.4.	Obligations to Report to Outside Bodies		
6.5.4.1.	<i>Reporting to Outside Bodies</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Is your organization obligated under local laws to report possible involvement in serious crimes and offences by its individual members or member firms to the appropriate public authority and disclose related information to that authority?	1 <input type="radio"/> Yes	<p>Relevant legislation is the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405), the Organized and Serious Crimes Ordinance (Cap. 455) and the United Nations Anti-Terrorism Ordinance (Cap. 575) whereby a person who knows or suspects that any property (in whole or in part, directly or indirectly) represents either the proceeds of crime or terrorist property, must disclose that knowledge or suspicion to a person authorized under the legislation.</p> <p>Legislation can be viewed on the Bilingual Laws Information System of the Hong Kong government: http://www.legislation.gov.hk/eng/index.htm</p>
		2 <input type="radio"/> No	
6.5.5.	<i>Approach to Proceedings</i> What type of approach does your organization use to initiate investigation and discipline proceedings? Select all the answer	1 <input checked="" type="checkbox"/> Information-based	

Number	Question Title/Text/Help text	Answer	Comments
	options that are appropriate.	2 <input checked="" type="checkbox"/> Complaints-based 3 <input type="checkbox"/> Other (please describe) 4 <input type="checkbox"/> None of the above	
6.5.6.	Investigative Powers and Processes		
6.5.6.1.	<i>Powers</i> Does your organization have all required powers so that authorized personnel can carry out an effective investigation?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.5.6.3.	<i>Cooperation of Members</i> Do the powers to carry out an effective investigation include: Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> A requirement for members (and member firms) to co-operate in the investigation of complaints and to respond promptly to all communications from the member body 2 <input checked="" type="checkbox"/> Provision for sanctions in the event of failure to comply 3 <input type="checkbox"/> None of the above	
6.5.6.6.	<i>Expertise and Resource</i> Does your organization maintain appropriate expertise and adequate financial and other resources to enable timely investigative and disciplinary action?	1 <input checked="" type="radio"/> Yes (please describe) 2 <input type="radio"/> No	A team of CPAs and volunteer CPAs

Number	Question Title/Text/Help text	Answer	Comments
6.5.6.8.	<p><i>Independence and Subject of Investigation</i></p> <p>Does your organization in all cases, confirm at the start of the investigation that any individual chosen to assist in an investigation is independent from (a) the subject of the investigation, and (b) anyone connected with or interested in the matter investigated?</p> <p>Help text: If a conflict exists at the start of an investigation, or arises during the investigation, the chosen individual should immediately withdraw. Similar considerations apply equally to anyone else connected with the investigation and hearing of cases.</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
6.5.6.10.	<p><i>Infrastructure</i></p> <p>Which of the following best describes your organization's investigation and discipline infrastructure? Select all the answer options that are appropriate.</p>	<p>1 <input type="radio"/> One committee/panel to investigate the complaint and a separate committee/tribunal to administer disciplinary action</p> <p>2 <input type="radio"/> A single committee/panel to conduct the investigation and administer disciplinary action.</p> <p>3 <input checked="" type="radio"/> Other</p>	
6.5.6.11.	<p><i>Other Type of Infrastructure</i></p> <p>Describe the investigation and disciplinary infrastructure.</p>	Section 41 of the Professional Accountants Ordinance (Cap 50) provides for an appeal against a	

Number	Question Title/Text/Help text	Answer	Comments
		Disciplinary Committee decision to the Court of Appeal. A Court of Appeal decision can be subject to an appeal to the Court of Final Appeal.	
6.5.6.12.	<i>Independent Review</i> Has your organization established and does it maintain a process for the independent review of complaints by clients and others where it has been decided by the investigation committee that the matter will not be referred to a disciplinary hearing?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
6.5.6.13.	<i>Independent Review Follow Up</i> Please explain why your organization has not established and maintained such a process.	Complaints are considered by the Complaints Oversight Committee which has lay members. The final decision on whether a matter should be referred to the Disciplinary Panels rests with Council, where 25% of its members are lay persons appointed by the Government. If the Council decides not to refer the complaint to the Disciplinary Panels, the complainant who is aggrieved by the Council's decision may request the Council to refer the	

Number	Question Title/Text/Help text	Answer	Comments
		complaint to the Disciplinary Panels, whereupon the Council shall, unless it is of the opinion that no prima facie case has been shown for the complaint, or that the complaint is frivolous or vexatious, refer the complaint to the Disciplinary Panels.	
6.5.7.	The Disciplinary Process		
6.5.7.1.	<i>Composition of Tribunal</i> Does the tribunal responsible for the disciplinary hearing contain a balance of professional expertise and outside judgment (e.g., composed of accountants and non-accountants)?	1 <input checked="" type="radio"/> Yes (please describe) 2 <input type="radio"/> No	Disciplinary Committees consist of five persons with the majority of members, including the chairman, being lay person.
6.5.7.3.	<i>Conflicts</i> Are members of the investigation committee or the disciplinary tribunal permitted to serve on both at the same time, or in relation to the same case?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
6.5.7.5.	<i>Independence of Tribunal</i> Briefly describe how the disciplinary tribunal exhibits independence.	The Disciplinary Committee is independent of Council.	Members of Disciplinary Committee (DC) are appointed by the Government-appointed Disciplinary Committee Convenor from two Panels

Number	Question Title/Text/Help text	Answer	Comments
			<p>(members of Disciplinary Panel A are lay persons appointed by the Government and members of Disciplinary Panel B are appointed by the Council of the Institute). A majority of DC members, including the chairman, are lay persons.</p> <p>Members of DC are required to sign a declaration of independence.</p>
6.5.7.6.	<p><i>Appeals Process</i></p> <p>Does your organization's rules:</p> <p>Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Permit a qualified lawyer or other person chosen by the defendant to accompany and represent the defendant at all disciplinary hearings and to advise him or her throughout the investigative and disciplinary process</p> <p>2 <input checked="" type="checkbox"/> Permit the defendant to appeal the conviction and any imposed sanction</p> <p>3 <input checked="" type="checkbox"/> Permit any order made against the defendant to be suspended by the tribunal that convicted the defendant, pending the hearing of that</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>appeal</p> <p>4 <input type="checkbox"/> Prohibit the appeal tribunal from including a prosecutor or a member of the first tribunal, or any other individual who was concerned with the original conviction</p> <p>5 <input type="checkbox"/> Require that the same procedures apply to the appeal process as apply to hearings before the disciplinary tribunal</p> <p>6 <input type="checkbox"/> None of the above</p>	
6.5.7.7.	<p><i>Appeals Process Follow Up</i></p> <p>Please explain why your organization has not established the rules that were not selected.</p>	An appeal is to a court of law.	
6.5.8.	Administrative Processes		
6.5.8.1.	<p><i>Elements of Administrative Processes</i></p> <p>As a part of Investigation and Discipline administrative processes does your organization:</p> <p>Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Establish time limits for disposal (completion) of all cases</p> <p>2 <input checked="" type="checkbox"/> Maintain and operate tracking mechanisms, to ensure that all investigations and prosecutions are promptly</p>	Retention period under consideration.

Number	Question Title/Text/Help text	Answer	Comments
		<p>handled, and that all necessary action is taken at the appropriate stage</p> <p>3 <input checked="" type="checkbox"/> Maintain a procedure requiring (a) notification to all persons employed or otherwise participating in the investigative and disciplinary processes (or having access to information concerning such processes) of the importance of maintaining confidentiality, and (b) a binding agreement to maintain that confidentiality</p> <p>4 <input checked="" type="checkbox"/> Maintain secure and confidential facilities for the storage of case papers and other evidence</p> <p>5 <input checked="" type="checkbox"/> Maintain records of all investigation and disciplinary proceedings</p> <p>6 <input type="checkbox"/> None of the above</p>	
6.5.8.3.	Case Numbers		
6.5.8.3.1.	<i>2005 Heard Case Numbers</i> Indicate the number of cases heard in 2005.	7	
6.5.8.3.2.	<i>2004 Heard Case Numbers</i> Indicate the number of cases heard in 2004.	7	
6.5.8.3.3.	<i>2003 Heard Case Numbers</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Indicate the number of cases heard in 2003.	7	
6.5.8.3.4.	<i>2005 Completed Case Numbers</i> Indicate the number of cases completed in 2005.	98	
6.5.8.3.5.	<i>2004 Completed Case Numbers</i> Indicate the number of cases completed in 2004.	109	
6.5.8.3.6.	<i>2003 Completed Case Numbers</i> Indicate the number of cases completed in 2003.	59	
6.5.8.3.7.	<i>Average time required for disposal of cases</i> Indicate the average time (in months) required for the disposal (completion) of a case. This number should include both the time spent on (a) the investigation of the complaints and (b) the disciplinary proceedings.	15	<p>On average, the time required for completion of a complaint case is 15 months.</p> <p>The time spent on disciplinary proceedings depends on the complexity of the complainant's allegations and the respondent's defence. Judicial review initiated by the respondent may delay the completion of the disciplinary proceedings.</p>
7.	SMO 7		
7.1.	<i>Accounting Standards in Law/Regulation</i>		

Number	Question Title/Text/Help text	Answer	Comments
	<p>Does law or regulation establish the set of accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p>	<p>1 <input checked="" type="checkbox"/> Yes, for financial statements of listed entities</p>	<p>The Listing Rules in Hong Kong require listed companies in Hong Kong to prepare financial statements in accordance with Hong Kong Financial Reporting Standards (HKFRSs) or International Financial Reporting Standards.</p> <p>The Hong Kong Institute of Certified Public Accountants (HKICPA) is empowered by law to issue professional pronouncements to be observed by its members. The professional pronouncements issued by the HKICPA in respect of financial reporting are primarily HKFRSs and Financial Reporting Framework and Financial Reporting Standard for Small and Medium-sized Entities (SME-FRF and SME-FRS).</p> <p>For companies incorporated under the Hong Kong Companies Ordinance (CO) other than those that fall within section 141D of the</p>

Number	Question Title/Text/Help text	Answer	Comments
			<p>CO, the CO requires their accounts to show a true and fair view. Based on a legal opinion obtained, accounts would not show a true and fair view as required by the CO if the accounts are materially deviated from HKFRSs.</p> <p>Section 141D of the CO allows companies incorporated under the CO that meet certain specific conditions to prepare accounts showing a true and correct view instead of a true and fair view. The application conditions under section 141D are:</p> <ol style="list-style-type: none"> 1. All shareholders must agree in writing 2. Not listed companies, banks, insurance companies, licencees carrying on business in a regulated activity. 3. Not a subsidiary nor a holding company <p>With effect for accounting periods beginning on or after</p>

Number	Question Title/Text/Help text	Answer	Comments
			<p>1 January 2005, compliance with the SME-FRF and SME-FRS is necessary in order for accounts to give a true and correct view.</p> <p>Accordingly, companies incorporated under the CO would follow HKFRSs or SME-FRF and SME-FRS, as appropriate, even though the CO does not directly establish the set of accounting standards to be used for preparation of financial statements.</p>
		<p>2 <input type="checkbox"/> Yes, for financial statements of non-listed entities</p> <p>3 <input type="checkbox"/> No, for financial statements of listed entities</p> <p>4 <input checked="" type="checkbox"/> No, for financial statements of non-listed entities</p>	
7.2.	Responsibility for Private Sector Accounting Standards		
7.2.4.	<i>Standard-Setter - Non-Listed SMO 7</i> Who has the authority establishing the accounting standards for non-listed entities?	<p>1 <input checked="" type="radio"/> Our organization</p> <p>2 <input type="radio"/> Another IFAC member body</p> <p>3 <input type="radio"/> Joint process between our</p>	See comment on question 7.1

Number	Question Title/Text/Help text	Answer	Comments
		organization and another IFAC member body 4○ Another organization	
7.5.	Member Body - Non-Listed SMO 7		
7.5.1.	<p><i>MB Convergence Objective - Non-Listed SMO 7</i></p> <p>Where national accounting standards for non-listed entities are established by your organization, has convergence with IFRSs and other IASB pronouncements been established as an objective? Select all the answer options that are appropriate.</p>	<p>1<input checked="" type="checkbox"/> Yes, for IFRSs</p> <p>2<input type="checkbox"/> Yes, for other IASB pronouncements</p> <p>3<input type="checkbox"/> No, convergence has not been established as an objective</p>	<p>HKFRSs are converged with IFRSs. The SME-FRF and SME-FRS are principally based on historical cost convention and therefore not converged with IFRSs. The SME-FRF and SME-FRS can only be used for certain small and medium sized companies falling within the scope of the SME-FRF.</p>
7.5.3.	<p><i>MB Convergence Implemented - Non-Listed SMO 7</i></p> <p>Has the convergence objective for non-listed entities been implemented? Select all the answer options that are appropriate.</p>	<p>1<input checked="" type="checkbox"/> Yes, for IFRSs</p>	<p>HKFRSs are fully converged with IFRSs. However, the SME-FRF and SME-FRS are principally based on historical cost convention and therefore are not converged with IFRSs. However, the SME-FRS and SME-FRS apply</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>2 <input type="checkbox"/> Yes, for other IASB pronouncements</p> <p>3 <input type="checkbox"/> No, the convergence objective has not been implemented</p>	only to certain small and medium sized entities falling within the scope of the SME-FRF.
7.6.	Incorporation of Accounting Standards		
7.6.1.	<p><i>Incorporation Approach SMO 7</i></p> <p>Where your response indicates that convergence with IFRSs and other IASB pronouncements has been implemented, which of the following best describes the approach is used to incorporate IFRSs and other IASB pronouncements into national standards? Select the answer option that is most appropriate.</p> <p>Help text: Answer Option 1 and reference to "adopted without amendment" Select this option where IFRSs are adopted as drafted except for changes to: Rename the IFRS to a national standard name; Translate the IFRS into another language; Apply an effective date that differs from the IFRS.</p> <p>Answer Option 2 and 3 - "Differences"</p>	<p>1 <input checked="" type="radio"/> IFRSs are adopted as drafted without amendments except to rename the IFRS as a national standard and / or to translate it into another language</p> <p>2 <input type="radio"/> IFRSs are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements</p>	

Number	Question Title/Text/Help text	Answer	Comments
	<p>In responding to this question, "differences" may include:</p> <p>Requirements in addition to those specified in the IFRS;</p> <p>Deletion of main principle and / or related guidance specified in the IFRS;</p> <p>Modification of a requirement specified in the IFRS (e.g. an IFRS requirement was not deleted in full because a similar requirement was included).</p>	<p>3○ Existing national standards are compared with IFRSs to eliminate to the extent possible differences between the national standard and the IFRS</p> <p>4○ Other</p>	
7.6.2.	Adoption SMO 7		
7.6.2.1.	<p><i>IASB Pronouncements Adopted</i></p> <p>Which of the following IASB pronouncements have been adopted or incorporated? Select all the answer options that are appropriate.</p>	<p>1☑ International Financial Reporting Standards (including International Accounting Standards)</p> <p>2☑ The International Financial Reporting Interpretations Committee (IFRIC) Interpretations</p> <p>3☑ The Standing Interpretation Committee (SIC) Interpretations</p> <p>4☑ Framework for the</p>	

Number	Question Title/Text/Help text	Answer	Comments
		Preparation and Presentation of the Financial Statements	
7.6.2.2.	<i>IASB Related Documentation Adopted</i> IASB requires the standards to be read in the context of related documentation including: Bases for Conclusions, Implementation Guidance, Application Guidance, Appendices and Illustrative Examples. Have the related documentation issued by IASB been adopted? Select the answer option that is most appropriate.	<p>1 <input checked="" type="radio"/> Yes, for all the related documentation</p> <p>2 <input type="radio"/> Yes, for some of the related documentation (describe what types of related documentation have been adopted)</p> <p>3 <input type="radio"/> No</p>	
7.6.2.3.	<i>Name of Standards SMO 7</i> When the IFRSs and/or other IASB pronouncements are adopted, does your organization rename the standards or do the standards retain their names as issued by the IASB? Select all the answer options that are appropriate.	<p>1 <input type="radio"/> IFRSs are adopted as named by the IASB</p> <p>2 <input checked="" type="radio"/> IFRSs are renamed</p>	
7.6.2.4.	<i>State National Standards Name SMO 7</i> State the name of the national accounting standards.	All standards and interpretations retain their IASB numbering and title except that International is replaced by Hong Kong. For	

Number	Question Title/Text/Help text	Answer	Comments
		example, IFRS 1 becomes HKFRS 1.	
7.6.2.5.	<p><i>Information About Adopted Standards SMO 7</i></p> <p>Is information publicly available describing: IFRSs and other IASB pronouncements that have been adopted; Whether the adopted IFRS or IASB pronouncement is the version in effect as at September 30, 2005; The effective date set by your organization where it differs from the IFRSs or IASB pronouncement?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	<p>Effective dates are those set by the IASB, so the date of September 30, 2005, is not relevant.</p>
7.6.2.6.	<p><i>Submit Information - Adopted SMO 7</i></p> <p>If the standard-setter has issued information about the status of adopted IFRSs and other IASB pronouncements and it is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the SMO 7 Comparison with IASB Pronouncements.doc report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be</p>	<p>1 <input checked="" type="radio"/> The information is available and in English and will be submitted to Compliance Staff</p>	<p>Comparative information is provided further below and also at http://www.hkicpa.org.hk/professionaltechnical/accounting/dueprocess/concordance.pdf</p>

Number	Question Title/Text/Help text	Answer	Comments
	submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report. Help text:	2○ The "SMO 7: Comparison with IASB Pronouncements" report will be completed and submitted to Compliance Staff	
7.8.	Law/Reg and Accounting Standards		
7.8.3.	<i>Accounting Standards for Listed</i> Does the law/regulation require the use of International Financial Reporting Standards issued by the International Accounting Standards Board for preparation of financial statements of listed entities? Select the answer option that is most appropriate.	1○ The law/regulation simply refers to International Financial Reporting Standards as the accounting standards (without bringing in the full or partial text of individual IFRSs) 2○ For listed entities, the law/regulation contains the full text of each IFRS 3○ For listed entities, the law/regulation contains the main principles of the IFRSs 4⊙ For listed entities, the law / regulation has a requirement to use IFRSs using another approach (please describe) 5○ For listed entities, the law / regulation requires the use of national standards with no reference to IFRSs	Listing rules in Hong Kong require listed companies to prepare financial statements in accordance with either HKFRSs or IFRSs.

Number	Question Title/Text/Help text	Answer	Comments
7.8.9.	<i>MB Responsibilities and IASB SMO 7</i> Does your organization have responsibility for any of the following activities? Select all the answer options that are appropriate.	<p>1 <input checked="" type="checkbox"/> Develop other authoritative pronouncements</p> <p>2 <input type="checkbox"/> Promulgate the IFRSs established by law / regulation (e.g. by publishing or communicating the standards to the public)</p> <p>3 <input type="checkbox"/> Other (please describe)</p> <p>4 <input type="checkbox"/> None of the above</p>	
7.8.10.	<i>Authoritative Pronouncements and Law/Reg SMO 7</i> Please state the name of the other authoritative pronouncements and describe their purpose.	<p>1. Hong Kong Companies Ordinance setting out certain provisions concerning accounts and group accounts.</p> <p>2. the SME-FRF and SME-FRS</p> <p>3. Hong Kong Accounting Guidelines (AG)</p> <p>- AG1 Preparation and Presentation of Accounts from Incomplete Records</p> <p>- AG5 Merger Accounting for Common Control Combinations</p> <p>- AG7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars</p> <p>4. Hong Kong Accounting Bulletins (AB)</p> <p>- AB1 Disclosure of Loans to</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>Officers</p> <p>- AB3 Guidance on Disclosure of Directors' Remuneration</p> <p>AG and AB have a lower authority than Standards and Interpretations. If there is any inconsistency between AG/AB and Standards/Interpretations, the latter prevail.</p>	
7.8.11.	<p><i>Describe Activities and Law/Reg SMO 7</i></p> <p>Describe your organization's activities for promulgating and / or implementing the standards.</p>	<p>Standards are included in the Members' Handbook in electronics and hardcopy formats and updated at least monthly. Members and the public are advised by a range of communications media include press releases, seminars, forums</p>	
7.9.	Law/Reg and IASB Pronouncements		
7.9.1.	<p><i>Incorporation into Law/Reg SMO 7</i></p> <p>Is information publicly available about IFRSs and other IASB pronouncements that have been established into law/regulation, including:</p> <p>IFRSs and other IASB pronouncements that have been established into law / regulation; Whether the IFRS or IASB pronouncement established into law / regulation is the version in effect as at September 30, 2005;</p>	<p>1 ☉ Yes</p>	<p>Listing rules in Hong Kong require listing entities to prepare accounts in compliance with HKFRSs or IFRSs. It is presumed that the version of IFRSs that are effective on the date of application should be used.</p>

Number	Question Title/Text/Help text	Answer	Comments
	<p>The effective date set by law / regulation where it differs from the IFRS or IASB pronouncement;</p> <p>The differences between IFRSs and IASB pronouncements and what was established into law / regulation; and</p> <p>The reasons for the differences?</p>	2○ No	
7.9.2.	<p><i>Incorporation Description - Law/Reg SMO 7</i></p> <p>If the information about the status of IFRSs and other IASB pronouncements that have been established into law is available in English, indicate this in your response and submit a copy of the information to Compliance Staff.</p> <p>If this information is not available, complete the SMO 7 Comparison with IASB Pronouncements.doc SMO 7: Comparison with IASB Pronouncements report and submit it in Word format to Compliance Staff.</p> <p>Indicate whether your organization will be submitting available information or the "SMO 7: Comparison with IASB Pronouncements" report.</p>	<p>1○ Yes, information is available and in English and will be submitted to Compliance Staff</p> <p>2○ No, information is not available; however our organization or jointly with</p>	<p>Information is available on the HKICPA website at http://www.hicpa.org.hk/professionaltechnical/accounting/dueprocess/concordance.pdf</p>

Number	Question Title/Text/Help text	Answer	Comments
		<p>another IFAC member / associate will complete the "SMO 7: Comparison with IASB Pronouncements" and submit it to Compliance Staff</p> <p>3○ No, information is not available</p>	
7.10.	Translation SMO 7		
7.10.1.	<p><i>Translation of IFRSs</i></p> <p>Are the IFRSs and other IASB pronouncements translated into national language?</p>	<p>1⊙ No, as English is an official language or widely spoken language</p> <p>2○ Yes, the IFRSs are translated</p> <p>3○ No and English is not an official language or is not widely spoken</p>	
7.11.	<p><i>Promotion Activities SMO 7</i></p> <p>Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.</p>	<p>Activities include:</p> <p>Arrange a wide range of CPD events, provide comments on exposure drafts, raise issues relevant to Hong Kong directly with the IASB, encourage visits by IASB members and staff to Hong Kong, participate in IASB project teams, support the Hong Kong member of the SAC</p>	
8.	Certification of Chief Executive		
8.1.	<p><i>Complete Certification</i></p> <p>Once all required questions have been</p>	<p>1☑ Yes, the Certification of Chief Executive has been submitted</p>	

Number	Question Title/Text/Help text	Answer	Comments
	completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click Part 2 SMO Self Assessment Certification.doc to download a copy of the Certification form.	2□	



Comparison Table of
Hong Kong Auditing Standards^{1,2}
and
International Auditing Standards³
as at 30 June 2006

IAASB	Hong Kong (New)	Title	Hong Kong (Old)	Title
International Preface	HK Preface	Preface to the International Standards on Quality Control, Auditing, Assurance and Related Services / Preface to Hong Kong Standards on Quality Control, Auditing, Assurance and Related Services	SAS 010	The scope and authority of auditing pronouncements
International Standards on Quality Control / Hong Kong Standards on Quality Control				
ISQC 1	HKSQC 1	Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements	-	-
International Framework	HK Framework	International Framework for Assurance Engagements / Hong Kong Framework for Assurance Engagements	SAE 100	Framework for assurance engagements intended to provide either a high or moderate level of assurance
AUDITS OF HISTORICAL FINANCIAL INFORMATION				
International Standards on Auditing / Hong Kong Standards on Auditing				
ISA 200	HKSA 200	Objective and General Principles Governing an Audit of Financial Statements	SAS 100	Objective and general principles governing an audit of financial statements
ISA 210	HKSA 210	Terms of Audit Engagements	SAS 140	Engagement letters
ISA 220	HKSA 220	Quality Control for Audits of Historical Financial Information	SAS 240	Quality control for audit work
ISA 230	HKSA 230	Audit Documentation	SAS 230	Documentation
ISA 240	HKSA 240	The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements	SAS 110	The auditors' responsibility to consider fraud and error in an audit of financial statements
ISA 250	HKSA 250	Consideration of Laws and Regulations in an Audit of Financial Statements	SAS 120	Consideration of laws and regulations in an audit of financial statements
ISA 260	HKSA 260	Communications of Audit Matters with Those Charged With Governance	SAS 610	Communications of audit matters with those charged with governance
ISA 300	HKSA 300	Planning an Audit of Financial Statements	SAS 200	Planning
ISA 310	-	Knowledge of the Business	SAS 210	Knowledge of the business
ISA 315	HKSA 315	Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement	-	
ISA 320	HKSA 320	Audit Materiality	SAS 220	Audit materiality
ISA 330	HKSA 330	The Auditor's Procedures in Response to Assessed Risks	-	
ISA 402	HKSA 402	Audit Considerations Relating to Entities Using Service Organizations	SAS 480	Audit considerations relating to entities using service organizations
ISA 500	HKSA 500	Audit Evidence	SAS 400	Audit evidence

ISA 501	HKSA 501	Audit Evidence - Additional Considerations for Specific Items	SAS 401	Audit evidence - considerations for specific items
ISA 505	HKSA 505	External Confirmations	SAS 402	External confirmations
ISA 510	HKSA 510	Initial Engagements – Opening Balances	SAS 450	Opening balances and comparatives
ISA 520	HKSA 520	Analytical Procedures	SAS 410 SAS 470	Analytical procedures Overall review of financial statements
ISA 530	HKSA 530	Audit Sampling and Other Means of Testing	SAS 430	Audit sampling
ISA 540	HKSA 540	Audit of Accounting Estimates	SAS 420	Audit of accounting estimates
ISA 545	HKSA 545	Auditing Fair Values Measurements and Disclosures	SAS 421	Auditing fair value measurements and disclosures
ISA 550	HKSA 550	Related Parties	SAS 460	Related parties
ISA 560	HKSA 560	Subsequent Events	SAS 150	Subsequent events
ISA 570	HKSA 570	Going Concern	SAS 130	Going concern
ISA 580	HKSA 580	Management Representations	SAS 440	Representations by management
ISA 600	<i>Note 1</i>	Using the Work of Another Auditor	SAS 510	Principal auditors and other auditors
ISA 610	HKSA 610	Considering the Work of Internal Audit	SAS 500A	Considering the work of internal auditing
ISA 620	HKSA 620	Using the Work of an Expert	SAS 520	Using the work of an expert
ISA 700	<i>Note 1</i>	The Auditor's Report on Financial Statements	SAS 600	Auditors' report on financial statements
ISA 710	HKSA 710	Comparatives	SAS 450	Opening balances and comparatives
ISA 720	HKSA 720	Other Information in Documents Containing Audited Financial Statements	SAS 160	Other information in documents containing audited financial statements
ISA 800	<i>Note 1</i>	The Auditor's Report on Special Purpose Audit Engagements	-	-
REVIEWS OF HISTORICAL FINANCIAL INFORMATION				
International Standards on Review Engagements / Hong Kong Standards on Review Engagements				
ISRE 2400	HKSRE 2400	Engagement to Review Financial Statements	SAS 700 <i>(Note 2)</i>	Engagements to review interim financial reports
ASSURANCE ENGAGEMENTS OTHER THAN AUDITS OR REVIEWS OF HISTORICAL FINANCIAL INFORMATION				
International Standards on Assurance Engagements / Hong Kong Standards on Assurance Engagements				
ISAE 3000	HKSAE 3000	Assurance Engagements Other Than Audits or Reviews of Historical Financial Information	SAE 200	High level assurance engagements
ISAE 3400	<i>(ED SAS 730)</i> <i>Note 1</i>	The Examination of Prospective Financial Information	-	-
RELATED SERVICES				
International Standards on Related Services / Hong Kong Standards on Related Services				
ISRS 4400	HKSRS 4400	Engagements to Perform Agreed-Upon Procedures Regarding Financial Information	SAS 710	Engagements to perform agreed-upon procedures regarding financial information
ISRS 4410	HKSRS 4410	Engagements to Compile Financial Statements	SAS 720	Engagements to compile financial information

- 1 To view Hong Kong Auditing Standards, click here
www.hkicpa.org.hk/ebook/main.php
- 2 To view Hong Kong Auditing Exposure Drafts, click here
www.hkicpa.org.hk/index.php?mainLocation=/professionaltechnical/assurance/exposuredraft/exposedraft.php
- 3 To view International Auditing Standards issued by the IAASB, click here for registration
www.ifac.org/Store/Details.tmpl?SID=95705605132866&Cart=1047351440225386

Note 1 – ISAs 600, 700 and 800 are currently under revision by the IAASB which will be adopted by the HKICPA once they are revised by the IAASB. ISAE 3400 (Previously ISA 810) was issued as an Exposure Draft of proposed SAS 730 and will be finalized as part of the HKSIR series.

Note 2 – Notwithstanding the issue of HKSRE 2400, SAS 700 is applicable for engagements where listed issuer's auditors are engaged to review the interim financial statements if an audit committee has not been formed or the audit committee has requested auditors to assist in the review process.



Comparison Table of Hong Kong PNs¹ and IAPSS²
as at 26 January 2005

	Title		Title	Remarks
IAPS 1000	Inter-Bank Confirmation Procedures	PN 1000	Inter-bank confirmation procedures	
IAPS 1004	The Relationship Between Bank Supervisors and Banks' External Auditors	PN 830	Reports by Auditors Under the Banking Ordinance	PN 830 issued in January 2005
IAPS 1005	The Special Considerations in the Audit of Small Entities			Under consideration
IAPS 1006	Audits of the Financial Statements of Banks			Not adopted as local PN
IAPS 1008	Risk Assessments and Internal Control – CIS Characteristics and Considerations			Not adopted as it will be withdrawn upon the withdrawal of ISA 400
IAPS 1010	The Consideration of Environmental Matters in the Audit of Financial Statements	PN 1010	The consideration of environmental matters in the audit of financial statements	
IAPS 1012	Auditing Derivative Financial Instruments	PN 1012	Auditing derivative financial instruments	
IAPS 1013	Electronic Commerce – Effect on the Audit of Financial Statements	PN 1013	Electronic commerce – Effect on the audit of financial statements	
IAPS 1014	Reporting by Auditors on Compliance with International Financial Reporting Standards			ED issued in December 2003

¹ To view HKICPA PNs, click here
<http://www.hkicpa.org.hk/ebook/main.php>

² To view IAASB pronouncements, including IAPSSs, click here for registration
<http://www.ifac.org/Store/Details.tmpl?SID=95705605132866&Cart=1047351440225386>

Table of Concordance – HK Standards and Interpretations with International Standard and Interpretations (Updated to 18 March 2006)

Unless indicated otherwise in the notes below, HK Standards and Interpretations are converged with the respective International Standards and Interpretations without any modification.

FRAMEWORK

	Title	IASB equivalent
FRAMEWORK	Framework for the Preparation and Presentation of Financial Statements	IASB Framework

HONG KONG FINANCIAL REPORTING STANDARDS (HKFRS)

HKFRS No.	Title	IFRS No.
HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standards	IFRS 1
HKFRSs 1 & 6 Amendments	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources	IFRS 1 & 6 Amendments
HKFRS 2	Share-based Payment	IFRS 2
HKFRS 3	Business Combinations	IFRS 3
HKFRS 4	Insurance Contracts	IFRS 4
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations	IFRS 5
HKFRS 6	Exploration for and Evaluation of Mineral Resources	IFRS 6
HKFRS 7	Financial Instruments: Disclosures	IFRS 7

HONG KONG ACCOUNTING STANDARDS (HKAS)

HKAS No.	Title	IAS No.
HKAS 1	Presentation of Financial Statements	IAS 1
HKAS 1 Amendment	Capital Disclosures	IAS 1 Amendment
HKAS 2	Inventories	IAS 2
HKAS 7	Cash Flow Statements	IAS 7
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8
HKAS 10	Events after the Balance Sheet Date	IAS 10
HKAS 11	Construction Contracts	IAS 11
HKAS 12	Income Taxes	IAS 12
HKAS 14	Segment Reporting	IAS 14
HKAS 16	Property, Plant and Equipment	IAS 16
HKAS 17	Leases	IAS 17
HKAS 18	Revenue	IAS 18
HKAS 19	Employee Benefits	IAS 19
HKAS 19 Amendment	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	IAS 19 Amendment

HKAS 20	Accounting for Government Grants and Disclosure of Government Assistance	IAS 20
HKAS 21	The Effects of Changes in Foreign Exchange Rates	IAS 21
HKAS 21 Amendment	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation	IAS 21 Amendment
HKAS 23	Borrowing Costs	IAS 23
HKAS 24	Related Party Disclosures	IAS 24
HKAS 26	Accounting and Reporting by Retirement Benefit Plans	IAS 26
HKAS 27	Consolidated and Separate Financial Statements	IAS 27
HKAS 28	Investments in Associates	IAS 28
HKAS 29	Financial Reporting in Hyperinflationary Economies	IAS 29
HKAS 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions <i>(will be withdrawn when HKFRS 7 becomes effective)</i>	IAS 30
HKAS 31	Interests in Joint Ventures	IAS 31
HKAS 32	Financial Instruments: Disclosure and Presentation	IAS 32
HKAS 33	Earnings Per Share	IAS 33
HKAS 34	Interim Financial Reporting	IAS 34
HKAS 36	Impairment of Assets	IAS 36
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets	IAS 37
HKAS 38	Intangible Assets	IAS 38
HKAS 39	Financial Instruments: Recognition and Measurement	IAS 39
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities	IAS 39 Amendment
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions	IAS 39 Amendment
HKAS 39 Amendment	The Fair Value Option	IAS 39 Amendment
HKAS 39 & HKFRS 4 Amendments	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts	IAS 39 & IFRS 4 Amendments
HKAS 40	Investment Property	IAS 40
HKAS 41	Agriculture	IAS 41

HONG KONG (IFRIC) INTERPRETATIONS (HK(IFRIC)-Int)*

HKFRS-Int No.	Title	IFRS-Int No.
HKFRS-Int 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	IFRS-Int 1
HKFRS-Int 2	Members' Shares in Co-operative Entities and Similar Instruments	IFRS-Int 2
HKFRS-Int 4	Determining whether an Arrangement contains a Lease	IFRS-Int 4
HKFRS-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	IFRS-Int 5

HK(IFRIC)-Int 6	<u>Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment</u>	IFRS-Int 6
HK(IFRIC)-Int 7	<u>Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies</u>	IFRS-Int 7

HONG KONG (SIC) INTERPRETATIONS (HK(SIC)-Int)

HK-Int No.	Title	Previous SIC No.
HKAS-Int 10	<u>Government Assistance – No Specific Relation to Operating Activities</u>	SIC 10
HKAS-Int 12	<u>Consolidation – Special Purpose Entities</u>	SIC 12
HKAS-Int 12 Amendment	<u>Scope of HKAS-Int 12 Consolidation – Special Purpose Entities</u>	SIC 12 Amendment
HKAS-Int 13	<u>Jointly Controlled Entities – Non-Monetary Contributions by Venturers</u>	SIC 13
HKAS-Int 15	<u>Operating Leases – Incentives</u>	SIC 15
HKAS-Int 21	<u>Income Taxes – Recovery of Revalued Non-Depreciable Assets</u>	SIC 21
HKAS-Int 25	<u>Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders</u>	SIC 25
HKAS-Int 27	<u>Evaluating the Substance of Transaction Involving the Legal Form of a Lease</u>	SIC 27
HKAS-Int 29	<u>Disclosure – Service Concession Arrangements</u>	SIC 29
HKAS-Int 31	<u>Revenue – Barter Transactions Involving Advertising Services</u>	SIC 31
HKAS-Int 32	<u>Intangible Assets – Web Site Costs</u>	SIC 32

Notes: - HKAS 27 and HKFRS 3 contain certain special provisions for Hong Kong incorporated companies in order to recognize the constraints for using the legal definition of subsidiary for the purposes of group accounts. However, with effect for annual periods beginning on or after 1 January 2006, the special provisions will cease to apply following the changes in the law to enable a company to now adopt the definition of subsidiary fully in those Standards for the purposes of group accounts.

- SIC-7 *Introduction of Euro* is not adopted in Hong Kong.