## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
</table>

### Part 1

**Preliminary**

1. Short title and commencement ........................................... A295
2. Enactments amended .......................................................... A297

### Part 2

**Amendments to Financial Reporting Council Ordinance (Cap. 588)**

3. Long title amended ............................................................ A299
4. Section 2 amended (interpretation) ........................................ A299
5. Section 3 amended (listed entity) ......................................... A321
6. Section 3A added ............................................................... A325
7. Meaning of various types of auditors and engagements .............. A325
8. Section 4 amended (relevant irregularity) ................................. A329
9. Section 6 amended (establishment of Financial Reporting Council) ........................................... A337
10. Section 7 substituted ........................................................ A339
11. Composition of FRC .......................................................... A339
12. Section 8 repealed (Chief Executive Officer) ......................... A343
Financial Reporting Council (Amendment) Ordinance 2019

Section Page
11. Section 9 amended (functions of Council) ......................... A343
12. Section 10 amended (powers of Council) .......................... A347
13. Section 11 amended (delegations) ..................................... A351
14. Section 12 amended (assistance, etc. to specified authorities under certain circumstances) ...................... A353
15. Section 13 amended (Council may issue guidelines) .......... A361
16. Section 14 amended (directions of Chief Executive) .......... A363
17. Section 15 amended (Council to furnish information) ......... A363
18. Section 16 amended (exemption from taxation) ................. A365
19. Section 17 substituted ................................................... A367
20. Financial years and estimates ......................................... A367
21. Section 18 amended (accounts) ....................................... A367
22. Section 19 amended (Director of Audit as auditor) .......... A369
23. Section 20 amended (reports and statement to be laid before Legislative Council) ........................................ A373
24. Part 3 added .............................................................. A372

Part 3
Registration and Recognition of PIE Auditors
Division 1—Interpretation

20A. Interpretation .......................................................... A375
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Division 2—Registered PIE Auditors</strong></td>
<td></td>
</tr>
<tr>
<td>Subdivision 1—Prohibitions and Offences</td>
<td></td>
</tr>
<tr>
<td>20B. Prohibition on undertaking and carrying out PIE engagement</td>
<td>A377</td>
</tr>
<tr>
<td>20C. Prohibition on holding out as registered PIE auditor</td>
<td>A377</td>
</tr>
<tr>
<td>20D. Prohibition on carrying out activity as engagement partner</td>
<td>A377</td>
</tr>
<tr>
<td>20E. Prohibition on carrying out activity as engagement quality control reviewer</td>
<td>A379</td>
</tr>
<tr>
<td>20F. Offences</td>
<td>A379</td>
</tr>
<tr>
<td><strong>Subdivision 2—Registration</strong></td>
<td></td>
</tr>
<tr>
<td>20G. Application</td>
<td>A379</td>
</tr>
<tr>
<td>20H. Decision on application</td>
<td>A381</td>
</tr>
<tr>
<td>20I. Notification of decision</td>
<td>A383</td>
</tr>
<tr>
<td>20J. Validity of registration</td>
<td>A383</td>
</tr>
<tr>
<td><strong>Subdivision 3—Renewal</strong></td>
<td></td>
</tr>
<tr>
<td>20K. Application</td>
<td>A385</td>
</tr>
<tr>
<td>20L. Decision on application</td>
<td>A385</td>
</tr>
<tr>
<td>20M. Notification of decision</td>
<td>A387</td>
</tr>
<tr>
<td>20N. Current registration remains in force until decision on renewal takes effect</td>
<td>A389</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>20O.</td>
<td>A389</td>
</tr>
<tr>
<td>20P.</td>
<td>A390</td>
</tr>
<tr>
<td>20Q.</td>
<td>A390</td>
</tr>
<tr>
<td>20R.</td>
<td>A392</td>
</tr>
<tr>
<td>20S.</td>
<td>A392</td>
</tr>
<tr>
<td>20T.</td>
<td>A394</td>
</tr>
<tr>
<td>20U.</td>
<td>A398</td>
</tr>
<tr>
<td>20V.</td>
<td>A398</td>
</tr>
<tr>
<td>20W.</td>
<td>A400</td>
</tr>
<tr>
<td>20X.</td>
<td>A400</td>
</tr>
<tr>
<td>20Y.</td>
<td>A402</td>
</tr>
<tr>
<td>20Z.</td>
<td>A404</td>
</tr>
</tbody>
</table>
### 20ZA. Registered PIE auditor to notify changes in registered responsible persons, partners and directors

#### Division 3—Recognized PIE Auditors

#### Subdivision 1—Prohibitions and Offences

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZB.</td>
<td>A407</td>
</tr>
<tr>
<td>20ZC.</td>
<td>A409</td>
</tr>
<tr>
<td>20ZD.</td>
<td>A408</td>
</tr>
</tbody>
</table>

#### Subdivision 2—Recognition

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZE.</td>
<td>A409</td>
</tr>
<tr>
<td>20ZF.</td>
<td>A411</td>
</tr>
<tr>
<td>20ZG.</td>
<td>A412</td>
</tr>
<tr>
<td>20ZH.</td>
<td>A412</td>
</tr>
<tr>
<td>20ZI.</td>
<td>A414</td>
</tr>
<tr>
<td>20ZJ.</td>
<td>A416</td>
</tr>
</tbody>
</table>

#### Subdivision 3—Renewal

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZK.</td>
<td>A416</td>
</tr>
<tr>
<td>20ZL.</td>
<td>A418</td>
</tr>
<tr>
<td>20ZM.</td>
<td>A418</td>
</tr>
</tbody>
</table>
### Section 20ZN. Current recognition remains in force until decision on renewal takes effect ........................................ A421

### Section 20ZO. Validity of renewed recognition ........................................ A421

#### Subdivision 4—Supplementary Recognition and Renewal Provisions

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZP. Applicant to provide information</td>
<td>A423</td>
</tr>
<tr>
<td>20ZQ. Offences to provide false or misleading information</td>
<td>A423</td>
</tr>
</tbody>
</table>

### Section 20ZP. Applicant to provide information

**Applicant to provide information**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZP.</td>
<td>A422</td>
</tr>
</tbody>
</table>

### Section 20ZQ. Offences to provide false or misleading information

**Offences to provide false or misleading information**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZQ.</td>
<td>A422</td>
</tr>
</tbody>
</table>

#### Subdivision 5—Recognition Conditions, Revocation and Suspension

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZR. FRC may impose or amend conditions</td>
<td>A425</td>
</tr>
<tr>
<td>20ZS. Recognition may be revoked or suspended on non-disciplinary grounds</td>
<td>A427</td>
</tr>
</tbody>
</table>

#### Subdivision 6—Miscellaneous

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZT. Recognition of Mainland auditors endorsed in accordance with mutual recognition agreement</td>
<td>A429</td>
</tr>
<tr>
<td>20ZU. Overseas entity to notify termination of appointment of recognized PIE auditors</td>
<td>A431</td>
</tr>
<tr>
<td>20ZV. Failure to meet certain requirements after recognition</td>
<td>A433</td>
</tr>
<tr>
<td>20ZW. Recognized PIE auditor to notify changes in particulars</td>
<td>A435</td>
</tr>
</tbody>
</table>
### Division 4—Register of PIE Auditors

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ZX. HKICPA Registrar to establish and maintain register of PIE auditors</td>
<td>A435</td>
</tr>
<tr>
<td>20ZY. Inspection of PIE auditors register etc.</td>
<td>A439</td>
</tr>
</tbody>
</table>

### Part 3A

**Inspection and Investigation in relation to PIE Auditors, Non-PIE Auditors, etc.**

#### Division 1—Preliminary

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>25. Section 21 substituted</td>
<td>A443</td>
</tr>
<tr>
<td>21. Interpretation</td>
<td>A443</td>
</tr>
</tbody>
</table>

#### Division 2—Inspection in relation to PIE Auditors

**Subdivision 1—Conduct of Inspection**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>21A. FRC may appoint inspectors</td>
<td>A445</td>
</tr>
<tr>
<td>21B. FRC may direct inspection to be carried out for ascertaining compliance</td>
<td>A445</td>
</tr>
<tr>
<td>21C. Powers of inspector</td>
<td>A447</td>
</tr>
<tr>
<td>21D. Inspector may require answer to be verified by statutory declaration</td>
<td>A451</td>
</tr>
<tr>
<td>21E. FRC may require information for determining frequency of inspection etc.</td>
<td>A451</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>21F. Offences relating to sections 21C and 21D</td>
<td>A453</td>
</tr>
<tr>
<td><strong>Subdivision 2—Inspection Report</strong></td>
<td></td>
</tr>
<tr>
<td>21G. Inspection report</td>
<td>A457</td>
</tr>
<tr>
<td>21H. FRC’s power to take follow-up action</td>
<td>A459</td>
</tr>
<tr>
<td>27. Part 3A, Division 3 and Subdivision 1 headings added</td>
<td>A461</td>
</tr>
<tr>
<td><strong>Division 3—Investigation in relation to PIE Auditors, Non-PIE Auditors, etc.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Subdivision 1—Audit Investigation Board and Investigators</strong></td>
<td></td>
</tr>
<tr>
<td>28. Section 22 amended (Audit Investigation Board)</td>
<td>A461</td>
</tr>
<tr>
<td>29. Section 22A added</td>
<td>A463</td>
</tr>
<tr>
<td>22A. FRC may appoint investigators</td>
<td>A463</td>
</tr>
<tr>
<td>30. Part 3A, Division 3, Subdivision 2 heading added</td>
<td>A465</td>
</tr>
<tr>
<td><strong>Subdivision 2—Conduct of Investigation</strong></td>
<td></td>
</tr>
<tr>
<td>23. FRC may direct investigation to be carried out in relation to PIE auditors etc.</td>
<td>A465</td>
</tr>
<tr>
<td>31. Section 23 substituted</td>
<td>A465</td>
</tr>
<tr>
<td>Sections 23A and 23B added</td>
<td>A465</td>
</tr>
<tr>
<td>23A. FRC may direct investigation to be carried out in relation to non-PIE auditors</td>
<td>A467</td>
</tr>
<tr>
<td>23B. FRC may direct investigation to be suspended</td>
<td>A467</td>
</tr>
</tbody>
</table>
Financial Reporting Council (Amendment) Ordinance 2019

Section Page
33. Section 24 amended (Council to notify certain bodies of powers under Divisions 2 and 3 being exercisable) A469
34. Heading before section 25 repealed A471
35. Sections 25 and 26 substituted A471
25. Powers of investigator A472
26. Investigator may require explanation etc. to be verified by statutory declaration A474
36. Sections 27 and 28 repealed A475
37. Heading before section 29 repealed A476
38. Section 29 amended (investigator to consult before imposing certain requirements under Division 2) A477
39. Section 30 amended (use of incriminating evidence in proceedings) A479
40. Section 31 amended (offences relating to requirements under Division 2) A481
41. Part 3A, Division 3, Subdivision 3 added A489

Subdivision 3—Findings of Investigation
31A. Investigation report A489
31B. Action by FRC in relation to investigation A493
31C. Costs and expenses of investigation A495
42. Part 3A, Division 4 heading added A495
Section 32 amended (Court of First Instance to inquire into failure to comply with requirements under Division 2) ............................................................................................. A494

Section 33 amended (inspection of records or documents seized, etc.) .............................................................................. A498

Section 34 amended (magistrate’s warrants) ........................................... A500

Section 34 amended (magistrate’s warrants) ........................................... A502

Sections 35, 36 and 37 repealed .......................................................... A504

Parts 3B and 3C added ......................................................................... A504

Disciplinary Matters Regarding PIE Auditors and Registered Responsible Persons

Division 1—Misconduct

37A. Misconduct by PIE auditors .............................................. A504
37B. Misconduct by registered responsible persons .... A506
37C. Whether act or omission likely to be prejudicial to interest of investing public etc. ...... A508

Division 2—Sanctions

37D. Sanctions for misconduct by PIE auditors ............. A509
37E. Sanctions for misconduct by registered responsible persons ........................................ A510
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>37F.</td>
<td>Other cases .................................................. A513</td>
</tr>
<tr>
<td>37G.</td>
<td>FRC to inform sanctions imposed ........................ A519</td>
</tr>
<tr>
<td>37H.</td>
<td>Guidelines for exercise of power to impose pecuniary penalty ........................................ A519</td>
</tr>
<tr>
<td>37I.</td>
<td>FRC’s power to take action in place of or in addition to imposing sanctions with consent ....... A521</td>
</tr>
<tr>
<td>37J.</td>
<td>Pecuniary penalty order ........................................ A523</td>
</tr>
<tr>
<td>37K.</td>
<td>Disclosure of sanctions etc. ................................. A525</td>
</tr>
<tr>
<td>37L.</td>
<td>FRC may have regard to any information or material when making decisions ......................... A527</td>
</tr>
<tr>
<td>37M.</td>
<td>Interpretation .................................................. A527</td>
</tr>
<tr>
<td>37N.</td>
<td>Establishment of Public Interest Entities Auditors Review Tribunal ........................................ A529</td>
</tr>
<tr>
<td>37O.</td>
<td>Jurisdiction of Tribunal ........................................ A529</td>
</tr>
<tr>
<td>37P.</td>
<td>Establishment of additional tribunals ......................... A531</td>
</tr>
<tr>
<td>37Q.</td>
<td>Application for review of specified decision ............ A531</td>
</tr>
</tbody>
</table>
Section | Page |
--- | --- |
37R. | Extension of time for review application | A531 |
37S. | Withdrawal of review application | A533 |
37T. | Determination of review | A533 |
37U. | Powers of Tribunal | A535 |
37V. | Sittings of Tribunal to be held in public | A539 |
37W. | Use of incriminating evidence given for purpose of review | A541 |
37X. | Contempt dealt with by Tribunal | A543 |
37Y. | Costs | A543 |
37Z. | Determination and order of Tribunal | A545 |
37ZA. | Form and proof of determination or order of Tribunal | A547 |
37ZB. | Registration of determination or order of Tribunal | A547 |
37ZC. | No other right of appeal | A549 |
37ZD. | Time when specified decision takes effect | A549 |
37ZE. | Application for stay of execution of determination or order of Tribunal | A551 |

Division 4—Taking Effect of Specified Decisions and Stay of Execution of Determinations or Orders of Tribunal

Division 5—Appeals to Court of Appeal

37ZF. | Party may appeal against Tribunal's determination | A553 |
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>37ZG. Application for leave to appeal</td>
<td>A553</td>
</tr>
<tr>
<td>37ZH. Powers of Court of Appeal</td>
<td>A554</td>
</tr>
<tr>
<td>37ZI. No stay of execution of Tribunal’s determination on appeal</td>
<td>A555</td>
</tr>
</tbody>
</table>

**Division 6—Miscellaneous**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>37ZJ. Power of Chief Justice to make rules</td>
<td>A557</td>
</tr>
<tr>
<td>49. Section 38 amended (interpretation)</td>
<td>A559</td>
</tr>
<tr>
<td>50. Section 39 amended (Financial Reporting Review Panel)</td>
<td>A560</td>
</tr>
<tr>
<td>51. Section 40 amended (initiating enquiry concerning relevant non-compliance)</td>
<td>A561</td>
</tr>
<tr>
<td>52. Section 42 amended (Council to notify certain bodies of powers under Division 2 being exercisable)</td>
<td>A564</td>
</tr>
<tr>
<td>53. Section 43 amended (powers to require production of records and documents and provision of information and explanation)</td>
<td>A565</td>
</tr>
<tr>
<td>54. Section 44 amended (use of incriminating evidence in proceedings)</td>
<td>A566</td>
</tr>
<tr>
<td>55. Section 45 amended (Court of First Instance to inquire into failure to comply with requirements under section 43)</td>
<td>A569</td>
</tr>
<tr>
<td>56. Section 46 amended (inspection of records or documents seized, etc.)</td>
<td>A570</td>
</tr>
<tr>
<td>57. Section 47 amended (enquiry reports)</td>
<td>A571</td>
</tr>
</tbody>
</table>
### Financial Reporting Council (Amendment) Ordinance 2019

**Ord. No. 3 of 2019**  
**A284**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>58.</td>
<td>Section 48 amended (Council’s powers to close case, suspend enquiry and follow up, etc.)</td>
</tr>
<tr>
<td>59.</td>
<td>Part 4, Division 4 heading amended (Council’s powers to secure removal of relevant non-compliance)</td>
</tr>
<tr>
<td>60.</td>
<td>Section 49 amended (Council to give notice to operator of listed entities to secure removal of relevant non-compliance)</td>
</tr>
<tr>
<td>61.</td>
<td>Section 50 amended (Council may apply to Court of First Instance to secure removal of relevant non-compliance)</td>
</tr>
<tr>
<td>62.</td>
<td>Part 4A added</td>
</tr>
</tbody>
</table>

#### Part 4A

**Levies**

<table>
<thead>
<tr>
<th>Levies</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>50A.</td>
<td>Levies payable by sellers and purchasers of securities</td>
</tr>
<tr>
<td>50B.</td>
<td>Levies payable by PIEs</td>
</tr>
<tr>
<td>50C.</td>
<td>Levies payable by PIE auditors</td>
</tr>
<tr>
<td>50D.</td>
<td>Reduction of levies</td>
</tr>
<tr>
<td>50E.</td>
<td>Levies paid not refundable</td>
</tr>
<tr>
<td>50F.</td>
<td>FRC may recover levy as civil debt</td>
</tr>
<tr>
<td>50G.</td>
<td>FRC may authorize persons to inspect accounts etc.</td>
</tr>
<tr>
<td>63.</td>
<td>Section 51 amended (preservation of secrecy)</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td><strong>64.</strong></td>
<td>Section 52 amended (protection of informers)</td>
</tr>
<tr>
<td><strong>65.</strong></td>
<td>Section 53 amended (avoidance of conflict of interests)</td>
</tr>
<tr>
<td><strong>66.</strong></td>
<td>Section 54 amended (immunity)</td>
</tr>
<tr>
<td><strong>67.</strong></td>
<td>Section 55 amended (immunity in respect of communication with Council by auditors of listed entities)</td>
</tr>
<tr>
<td><strong>68.</strong></td>
<td>Section 57 amended (production of information in information systems)</td>
</tr>
<tr>
<td><strong>69.</strong></td>
<td>Section 58 amended (lien claimed on records or documents)</td>
</tr>
<tr>
<td><strong>70.</strong></td>
<td>Section 59 amended (destruction of documents, etc.)</td>
</tr>
<tr>
<td><strong>71.</strong></td>
<td>Section 59A added</td>
</tr>
<tr>
<td><strong>72.</strong></td>
<td>Chief Executive in Council may make regulations</td>
</tr>
<tr>
<td><strong>73.</strong></td>
<td>FRC may make regulations</td>
</tr>
<tr>
<td><strong>74.</strong></td>
<td>FRC must publish draft regulations</td>
</tr>
<tr>
<td><strong>75.</strong></td>
<td>FRC may specify forms</td>
</tr>
</tbody>
</table>
### Part 7

**Savings and Transitional Arrangements for Financial Reporting Council (Amendment) Ordinance 2019**

#### Division 1—Interpretation

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>87.</td>
<td>Interpretation</td>
</tr>
</tbody>
</table>

**Division 2—Auditors Having Undertaken but Not Yet Completed PIE Engagements before 2019 Ordinance Commencement Date etc.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>88.</td>
<td>Practice units having undertaken but not yet completed PIE engagements before 2019 Ordinance commencement date</td>
</tr>
<tr>
<td>89.</td>
<td>Persons performing functions as responsible persons before 2019 Ordinance commencement date</td>
</tr>
<tr>
<td>90.</td>
<td>Overseas auditors having undertaken but not yet completed PIE engagements before 2019 Ordinance commencement date</td>
</tr>
<tr>
<td>91.</td>
<td>Information of registered PIE auditors (provisional) etc. to be entered in PIE auditors register</td>
</tr>
</tbody>
</table>

**Division 3—Investigations Initiated before 2019 Ordinance Commencement Date etc.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>92.</td>
<td>Investigations initiated before 2019 Ordinance commencement date</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>93. Investigations may be initiated in relation to audits etc. completed before 2019 Ordinance commencement date</td>
<td>A640</td>
</tr>
<tr>
<td>76. Schedule 1 amended (definitions of relevant financial report and relevant requirement)</td>
<td>A641</td>
</tr>
<tr>
<td>77. Schedule 1A added</td>
<td>A643</td>
</tr>
<tr>
<td>Schedule 1A PIE Engagements and Non-PIE Engagements</td>
<td>A645</td>
</tr>
<tr>
<td>78. Schedule 2 substituted</td>
<td>A649</td>
</tr>
<tr>
<td>Schedule 2 Financial Reporting Council</td>
<td>A649</td>
</tr>
<tr>
<td>79. Schedule 3 repealed (provisions relating to Chief Executive Officer of Council)</td>
<td>A671</td>
</tr>
<tr>
<td>80. Schedules 3A and 3B added</td>
<td>A671</td>
</tr>
<tr>
<td>Schedule 3A Non-delegable Functions of FRC</td>
<td>A671</td>
</tr>
<tr>
<td>Schedule 3B Fees</td>
<td>A675</td>
</tr>
<tr>
<td>81. Schedule 4 amended (provisions relating to Investigation Board and its members)</td>
<td>A677</td>
</tr>
<tr>
<td>82. Schedule 4A added</td>
<td>A683</td>
</tr>
<tr>
<td>Schedule 4A Provisions Relating to Tribunal</td>
<td>A685</td>
</tr>
<tr>
<td>83. Schedule 5 amended (provisions relating to Review Panel and its members)</td>
<td>A701</td>
</tr>
<tr>
<td>84. Schedule 6 amended (provisions relating to Review Committee and its members)</td>
<td>A705</td>
</tr>
</tbody>
</table>
### Financial Reporting Council (Amendment) Ordinance 2019

**Ord. No. 3 of 2019**  
A293

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>85.</td>
<td>Schedule 7 added</td>
</tr>
<tr>
<td></td>
<td>Schedule 7 Calculation of Levies</td>
</tr>
</tbody>
</table>

#### Part 3

**Related and Consequential Amendments**

#### Division 1—Amendments to Professional Accountants Ordinance (Cap. 50)

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>86.</td>
<td>Section 32B amended (Council’s powers under this Part)</td>
</tr>
<tr>
<td>87.</td>
<td>Section 32BA added</td>
</tr>
<tr>
<td>32BA.</td>
<td>Practice reviews not to be carried out or continued in relation to PIE engagements</td>
</tr>
<tr>
<td>88.</td>
<td>Section 34 amended (disciplinary provisions)</td>
</tr>
<tr>
<td>89.</td>
<td>Section 42CA amended (referral of matter to FRC)</td>
</tr>
<tr>
<td>90.</td>
<td>Section 52 amended (Council may delegate)</td>
</tr>
</tbody>
</table>

#### Division 2—Amendment to Resolution of the Legislative Council Establishing Companies Registry Trading Fund (Cap. 430 sub. leg. B)

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>91.</td>
<td>Schedule 1 amended (services to be provided by the trading fund)</td>
</tr>
</tbody>
</table>
An Ordinance to amend the Financial Reporting Council Ordinance to enhance the independence of the regulatory regime for auditors of listed entities; to regulate those auditors through registration, recognition, inspection, investigation and disciplinary sanction; to provide for a review and appeal mechanism regarding decisions made against those auditors; to provide for the new composition and functions of the Financial Reporting Council; to provide for the levies payable to the Council; and to provide for transitional and related matters.

Enacted by the Legislative Council.

Part 1

Preliminary

1. Short title and commencement

(1) This Ordinance may be cited as the Financial Reporting Council (Amendment) Ordinance 2019.
(2) This Ordinance comes into operation on a day to be appointed by the Secretary for Financial Services and the Treasury by notice published in the Gazette.
2. **Enactments amended**

The enactments specified in Parts 2 and 3 are amended as set out in those Parts.
Amendments to Financial Reporting Council Ordinance (Cap. 588)

3. Long title amended
The long title—

Repeal
everything after “An Ordinance”

Substitute
“to establish a Financial Reporting Council acting in the public interest as an independent oversight body of auditors of listed entities; to regulate those auditors through registration, recognition, inspection, investigation and disciplinary sanction; to provide for a review and appeal mechanism regarding decisions made against those auditors; to provide for enquiries into non-compliances with regulatory requirements for financial reports of listed entities; to provide for the levies payable to the Council; and to provide for related matters.”.

4. Section 2 amended (interpretation)
(1) Section 2(1), definition of listing document, paragraph (a), after “listed corporation”—

Add
“or a corporation seeking to be listed”.

(2) Section 2(1), definition of listing document, paragraph (b), after “investment scheme”—

Add
“or a collective investment scheme seeking to be listed”.

Part 2
Financial Reporting Council (Amendment) Ordinance 2019

Ord. No. 3 of 2019
A299
Section 2(1), definition of "manager", before "listed"—
Add
“collective investment scheme or”.

Section 2(1), English text, definition of "public officer", paragraph (b)(i)—
Repeal
"chairman"
Substitute
"chairperson".

Section 2(1), definition of "related person"—
Repeal
"Council" (wherever appearing)
Substitute
"FRC".

Section 2(1), definition of "relevant undertaking", paragraphs (a)(ii)(A) and (b)(i)—
Repeal
“to be issued”
Substitute
“to have been issued”.

Section 2(1)—
Repeal the definition of "responsible person"
Substitute
“responsible person (責任人)—
(a) in relation to a collective investment scheme or listed collective investment scheme, means—
(i) the manager of the scheme; or
(2) the person appointed as the trustee, or custodian, of the property of the scheme; or

(b) in relation to a practice unit or registered PIE auditor, means—

(i) an engagement partner of the unit or auditor;

(ii) an engagement quality control reviewer of the unit or auditor; or

(iii) a quality control system responsible person of the unit or auditor;”.

(8) Section 2(1), definition of shadow director—

Repeal

everything after “but a person” and before “in a professional”

Substitute

“is not to be regarded as a shadow director only because the directors act on advice given by the person”.

(9) Section 2(1), definition of specified report, paragraph (a), after “listed corporation”—

Add

“or a corporation seeking to be listed”.

(10) Section 2(1), definition of specified report, paragraph (b)—

Repeal

“listed entity,”

Substitute

“listed corporation or listed collective investment scheme, or a corporation or collective investment scheme seeking to be listed,.”.
Part 2

Section 4

Financial Reporting Council (Amendment) Ordinance 2019

Ord. No. 3 of 2019

(11) Section 2(1), definition of specified report, paragraph (b)(i) and (ii)—
Repeal
“entity”
Substitute
“corporation or scheme”.

(12) Section 2(1)—
(a) definition of appointed member;
(b) definition of associated undertaking;
(c) definition of audit working paper;
(d) definition of auditor;
(e) definition of Council;
(f) definition of lay person;
(g) definition of relevant time;
(h) definition of reporting accountant;
(i) definition of Secretary—
Repeal the definitions.

(13) Section 2(1)—
(a) before the definition of audit—
Add
“2019 Amending Ordinance (《2019年修訂條例》) means the Financial Reporting Council (Amendment) Ordinance 2019 (3 of 2019);
2019 Ordinance commencement date (《2019年條例》生效日期) means the day on which section 23 of the 2019 Amending Ordinance comes into operation;”;
(b) Add in alphabetical order
Part 2
Section 4

Financial Reporting Council (Amendment) Ordinance 2019

“certified public accountant (會計師) has the meaning given by section 2(1) of the Professional Accountants Ordinance (Cap. 50);
certified public accountant (practising) (執業會計師) has the meaning given by section 2(1) of the Professional Accountants Ordinance (Cap. 50);
complete (完成)—see section 3A(3);
corporate practice (執業法團) has the meaning given by section 2(1) of the Professional Accountants Ordinance (Cap. 50);
decision authority (作決定當局)—
(a) in relation to a decision referred to in paragraph (a) of the definition of specified decision—means the HKICPA Council; or
(b) in relation to a decision referred to in paragraph (b) of the definition of specified decision—means the FRC;
engagement partner (項目合夥人), in relation to a practice unit or registered PIE auditor, means a partner or other person authorized by the unit or auditor to be responsible for the PIE engagements carried out by the unit or auditor;
engagement quality control review (項目質素監控審覈), in relation to a practice unit or registered PIE auditor, means a process designed by the unit or auditor to provide an objective evaluation of any significant judgement made and conclusion reached in formulating the reports of the PIE engagements carried out by the unit or auditor;
失當行為 (misconduct)—

(a) 就公眾利益實體核數師而言——參閱第 37A 條；或
(b) 就註冊公眾利益實體核數師的註冊負責人而言——參閱第 37B 條；

作決定當局 (decision authority)—

(a) 就指定決定的定義 (a) 段提及的決定而言——指公會理事會；或
(b) 就指定決定的定義 (b) 段提及的決定而言——指財匯局；

完成 (complete)—參閱第 3A(3) 條；

承擔 (undertake)—參閱第 3A(2) 條；

非公眾利益實體 (non-PIE)—參閱第 3 條；

非公眾利益實體核數師 (non-PIE auditor)—參閱第 3A 條；

非公眾利益實體項目 (non-PIE engagement)—參閱第 3A 條；

非執業人士 (non-practitioner) 指符合以下說明的個人：該人不是 (及在過去 3 年內的任何時間亦不曾是)——

(a) 執業會計師；或
(b) 某執業單位的合夥人、董事、代理人或僱員；

engagement quality control reviewer (項目質素監控審視員), in relation to a practice unit or registered PIE auditor, means a person authorized by the unit or auditor to oversee the engagement quality control reviews carried out in relation to the PIE engagements carried out by the unit or auditor;

FRC (財匯局) means the Financial Reporting Council established by section 6(1);

HKICPA Council (公會理事會) means the Council of the HKICPA established by section 10(1) of the Professional Accountants Ordinance (Cap. 50);

HKICPA Registrar (公會註冊主任) means the Registrar appointed under section 21 of the Professional Accountants Ordinance (Cap. 50);

inspector (查察員) means a person appointed as an inspector under section 21A;

investigator (調查員) means—

(a) the Investigation Board; or
(b) a person appointed as an investigator under section 22A;

list of registered responsible persons (註冊負責人名單), in relation to a registered PIE auditor, means the list of registered responsible persons of the auditor, as recorded in the PIE auditors register;

listed collective investment scheme (上市集體投資計劃)—see section 3;

listed corporation (上市法團)—see section 3;
Part 2
Section 4

listed corporation (equity) (上市股權法團)—see section 3;
listed entity (上市實體)—see section 3;
misconduct (失當行為)—
  (a) for a PIE auditor—see section 37A; or
  (b) for a registered responsible person of a registered PIE auditor—see section 37B;
non-PIE (非公眾利益實體)—see section 3;
non-PIE auditor (非公眾利益實體核數師)—see section 3A;
non-PIE engagement (非公眾利益實體項目)—see section 3A;
non-practitioner (非執業人士) means an individual who is not, and has not at any time within the previous 3 years been—
  (a) a certified public accountant (practising); or
  (b) a partner, director, agent or employee of a practice unit;
overseas entity (境外實體) means—
  (a) a collective investment scheme constituted under the laws of any place outside Hong Kong; or
  (b) a body corporate incorporated outside Hong Kong, whether or not the scheme or body is a listed entity;

party (一方), in relation to a review of a specified decision, means—
查察員 (inspector) 指根據第 21A 條獲委任為查察員的人；
財務局 (FRC) 指根據第 6(1) 條設立的財務匯報局；
執業法團 (corporate practice) 具有《專業會計師條例》(第 50 章) 第 2(1) 條所給予的涵義；
執業單位 (practice unit) 具有《專業會計師條例》(第 50 章) 第 2(1) 條所給予的涵義；
執業會計師 (certified public accountant (practising)) 具有《專業會計師條例》(第 50 章) 第 2(1) 條所給予的涵義；
專業標準 (professional standard) 指——
(a) 根據《專業會計師條例》(第 50 章) 第 18A 條發出或指明的 (或當作是已發出或指明的) 專業道德守則，或會計、核數或核證執業準則；
(b) 由以下組織發出或指明的關於專業道德，或會計、核數或核證執業準則——
(i) 國際會計準則委員會；
(ii) 國際核數及核證準則委員會；或
(iii) 國際會計師道德準則委員會；
(c) 《上市規則》指明的關於專業道德，或會計、核數或核證執業準則；或

(a) the person who applies for the review; or
(b) the decision authority that makes the
decision;

PIE—see section 3;

PIE auditor (公眾利益實體核數師)—see section 3A;

PIE auditors register (公眾利益實體核數師註冊紀錄冊) means the register of PIE auditors established under section 20ZX;

PIE engagement (公眾利益實體項目)—see section 3A;

practice unit (執業單位) has the meaning given by section 2(1) of the Professional Accountants Ordinance (Cap. 50);

professional standard (專業標準) means——
(a) any statement of professional ethics, or standard of accounting, auditing or assurance practices, issued or specified, or deemed to have been issued or specified, under section 18A of the Professional Accountants Ordinance (Cap. 50);
(b) any standard on professional ethics, or accounting, auditing or assurance practices, issued or specified by——
(i) the International Accounting Standards Board;
(ii) the International Auditing and Assurance Standards Board; or
(iii) the International Ethics Standards Board for Accountants;
(c) any standard on professional ethics, or accounting, auditing or assurance practices, specified in the Listing Rules; or

(d) any standard on professional ethics, or accounting, auditing or assurance practices, comparable to that referred to in paragraph (a) or (b) which is allowed—

(i) by the Securities and Futures Commission pursuant to the relevant code; or

(ii) by the HKEx pursuant to the Listing Rules;

public interest entity (綱眾利益實體)—see section 3;

quality control system (質量監控制度), in relation to a practice unit or registered PIE auditor, means the policies and procedures established and maintained by the unit or auditor to ensure that a PIE engagement carried out by the unit or auditor complies with the applicable professional standards and legal and regulatory requirements;

quality control system responsible person (質量監控制度負責人), in relation to a practice unit or registered PIE auditor, means a person authorized by the unit or auditor to be responsible for the quality control system of the unit or auditor;

recognition application (認可申請) means an application made under section 20ZE;

recognized exchange company (認可交易所) means a company recognized as an exchange company
項目質素監控審視 (engagement quality control review) 係指執業單位或註冊公眾利益實體核數師而言，指由該單位或核數師設計的程序，以對制訂其進行的公眾利益實體項目的報告時作出的重要判斷及結論，提供客觀的評估；

項目質素監控審視員 (engagement quality control reviewer) 係指執業單位或註冊公眾利益實體核數師而言，指獲該單位或核數師授權以監督以下事宜的人；就該單位或核數師所進行的公眾利益實體項目而進行的項目質素監控審視；

會計師 (certified public accountant) 具有《專業會計師條例》(第50章) 第2(1)條所給予的涵義；

過渡期 (transitional period) 指符合以下說明的期間——
(a) 在《2019年條例》生效日期開始；及
(b) 在該生效日期同年的12月31日終結；

境外實體 (overseas entity) 指——
(a) 根據香港境外任何地方的法律成立的集體投資計劃；或
(b) 在香港境外成立為法團的法人團體，
不論該計劃或法團是否上市實體；

認可公眾利益實體核數師 (recognized PIE auditor)——參閱第3A條；

認可申請 (recognition application) 指根據第20ZE條提出的申請；

under section 19(2) of the Securities and Futures Ordinance (Cap. 571);
recognition PIE auditor (認可公眾利益實體核數師)—
see section 3A;
recognition PIE auditor (provisional) (臨時認可公眾利益實體核數師)—see section 3A;
recognized stock market (認可證券市場) 意指一個由一個認可交易所經營的證券市場；
registered PIE auditor (註冊公眾利益實體核數師)—
see section 3A;
registered PIE auditor (provisional) (臨時註冊公眾利益實體核數師)—see section 3A;
registered responsible person (註冊負責人), in relation to a registered PIE auditor, means an individual whose name is recorded in the PIE auditors register as a responsible person of the auditor;
registration application (註冊申請) 意指一個申請，根據第20G條下提出的申請；
renewal application (recognition) (認可續期申請) 意指一個申請，根據第20ZK條下提出的申請；
renewal application (registration) (註冊續期申請) 意指一個申請，根據第20K條下提出的申請；
review (覆核) 意指一個對一項決定進行的覆核，該決定在3C部分的第一章下考慮；
review application (覆核申請) 意指一個申請，根據第37Q條下提出的申請；
specified decision (指明決定) 意指——
(a) a decision by the HKICPA Council—
Section 4

(i) to refuse a registration application under section 20H;
(ii) to refuse a renewal application (registration) under section 20L;
(iii) to impose or amend a condition in relation to the registration of a PIE auditor under section 20S;
(iv) to revoke or suspend the registration of a PIE auditor under section 20T or 20X; or
(v) to refuse to add the name of a person to the list of registered responsible persons of a registered PIE auditor under section 20Y; or
(b) a decision by the FRC—
(i) to refuse a recognition application under section 20ZF;
(ii) to refuse a renewal application (recognition) under section 20ZL;
(iii) to impose or amend a condition in relation to the recognition of a PIE auditor under section 20ZR;
(iv) to revoke or suspend the recognition of a PIE auditor under section 20ZS or 20ZV;
(v) to revoke the recognition of a Mainland auditor under section 20ZT(5); or
(vi) to impose a sanction under section 37D, 37E or 37F;
Section 5 amended (listed entity)

(1) Section 3, heading—
Repeal
“Listed entity”
Substitute
“Meaning of listed entity, PIE, etc.”.

(2) Section 3(1), definition of listed collective investment scheme—
Repeal
everything after “that is or”
Substitute
“was listed;”.

(3) Section 3(1), definition of listed corporation—
廢除
“，並包括在它上市或曾上市前的該法團”。

(4) 第 3(1) 條——
廢除上市實體的定義
代以
“上市實體 (listed entity) 指——
(a) 上市法團；或
(b) 上市集體投資計劃；”。

(5) 在第 3(1) 條之後——
按筆劃數目順序加入
“上市股權法團 (listed corporation (equity)) 的涵義如下：凡某上市法團的上市證券中，至少包含股份或股
額，該法團即屬上市股權法團；
公眾利益實體 (public interest entity) 指——
(a) 上市股權法團；或
(b) 上市集體投資計劃；
非公眾利益實體 (non-PIE) 指並非屬上市股權法團的上
市法團。”。

(6) 第 3(5) 條，交易的定義，(b)(ii) 段——
廢除分號
代以句號。
(7) 第 3(5) 條——
廢除認可證券市場的定義。

Repeal
everything after “that is or”
Substitute
“was listed;”.

(4) Section 3(1)—
Repeal the definition of listed entity
Substitute
“listed entity (上市實體) means—
(a) a listed corporation; or
(b) a listed collective investment scheme;”.

(5) Section 3(1)—
Add in alphabetical order
“listed corporation (equity) (上市股權法團) means a listed
corporation the listed securities of which comprise at
least shares or stocks;
non-PIE (非公眾利益實體) means a listed corporation
that is not a listed corporation (equity);
PIE means a public interest entity;
public interest entity (公眾利益實體) means—
(a) a listed corporation (equity); or
(b) a listed collective investment scheme.”.

(6) Section 3(5), definition of dealing, paragraph (b)(ii)—
Repeal the semicolon
Substitute a full stop.

(7) Section 3(5)—
Repeal the definition of recognized stock market.
6. **Section 3A added**

   After section 3—

Add

“3A. **Meaning of various types of auditors and engagements**

(1) In this Ordinance—

   - **non-PIE auditor** (非公眾利益實體核數師) means a practice unit that undertakes or carries out a non-PIE engagement;
   - **non-PIE engagement** (非公眾利益實體項目) means an engagement specified in Part 2 of Schedule 1A;
   - **PIE auditor** (公眾利益實體核數師) means—
     - (a) a registered PIE auditor; or
     - (b) a recognized PIE auditor;
   - **PIE engagement** (公眾利益實體項目) means an engagement specified in Part 1 of Schedule 1A;
   - **recognized PIE auditor** (認可公眾利益實體核數師) means—
     - (a) an overseas auditor recognized under Division 3 of Part 3, including a Mainland auditor recognized under section 20ZT; or
     - (b) a recognized PIE auditor (provisional);
   - **recognized PIE auditor (provisional)** (臨時認可公眾利益實體核數師) means an overseas auditor taken to be a recognized PIE auditor under section 90(3);
   - **registered PIE auditor** (註冊公眾利益實體核數師) means—
     - (a) a practice unit registered under Division 2 of Part 3; or

---

6. **加入第3A條**

在第3條之後——

加入

“3A. **不同種類的核數師及項目的涵義**

(1) 在本條例中——

   公眾利益實體核數師 (PIE auditor) 指——
   - (a) 註冊公眾利益實體核數師；或
   - (b) 認可公眾利益實體核數師；

   公眾利益實體項目 (PIE engagement) 指附表1A第1部指明的項目；

   非公眾利益實體核數師 (non-PIE auditor) 指承擔或進行非公眾利益實體項目的執業單位；

   非公眾利益實體項目 (non-PIE engagement) 指附表1A第2部指明的項目；

   註冊公眾利益實體核數師 (registered PIE auditor) 指——
   - (a) 根據第3部第2分部註冊的執業單位；或
   - (b) 臨時註冊公眾利益實體核數師；

   認可公眾利益實體核數師 (recognized PIE auditor) 指——
   - (a) 根据第3部第3分部认可的境外核数师，包括根据第20ZT条认可的内地核数师；或
(b) a registered PIE auditor (provisional);

registered PIE auditor (provisional) (臨時註冊公眾利益實體核數師) means a practice unit taken to be a registered PIE auditor under section 88(3).

(2) For the purposes of this Ordinance, a person undertakes a PIE engagement or non-PIE engagement when the person accepts the appointment for carrying out the engagement.

(3) For the purposes of this Ordinance, a PIE engagement or non-PIE engagement is completed when—

(a) if the engagement is for the preparation of an auditor’s report referred to in item 1(a)(i) of Part 1, or item 1(a) of Part 2, of Schedule 1A, the report is sent under section 430 of the Companies Ordinance (Cap. 622);

(b) if the engagement is for the preparation of an auditor’s report referred to in item 1(a)(ii) or (b) of Part 1, or item 1(b) of Part 2, of Schedule 1A, the report is issued for the purposes of the relevant code or the Listing Rules, as the case requires;

(c) if the engagement is for the preparation of a specified report referred to in item 2 of Part 1, or item 2 of Part 2, of Schedule 1A, the listing document in which the report is included is issued for the purposes of the Listing Rules; or

(d) if the engagement is for the preparation of an accountant’s report referred to in item 3 of Part 1 of Schedule 1A, the circular in which the report is included is issued for the purposes of the Listing Rules.
7. **Section 4 amended (relevant irregularity)**

(1) **Section 4, heading—**

Repeal

“Relevant irregularity”

Substitute

“Practice irregularity by PIE auditors, non-PIE auditors, etc.”.

(2) **Section 4—**

Repeal subsections (1) and (2).

(3) **Section 4—**

Renumber subsections (3), (4), (5), (6), (7) and (8) as subsections (1), (2), (3), (4), (5) and (6) respectively.

(4) **Section 4(1)—**

Repeal everything before paragraph (a)

Substitute

“(1) For the purposes of this Ordinance, a PIE auditor or non-PIE auditor has committed a practice irregularity if, in relation to a PIE engagement or non-PIE engagement completed on or after the 2019 Ordinance commencement date, the auditor—”.

(5) **Section 4(1)(b)—**

Repeal
“he knew”
Substitute
“the auditor knew”.

(6) Section 4(1)(c)—
Repeal
“his profession”
Substitute
“the auditor’s profession”.

(7) Section 4(1)—
Repeal paragraph (e)
Substitute
“(e) did or omitted to do something that would reasonably be regarded as bringing or likely to bring discredit on the auditor, the HKICPA or the accountancy profession.”.

(8) Section 4(2)—
Repeal everything before paragraph (a)
Substitute
“(2) Without prejudice to subsection (1), where the PIE auditor or non-PIE auditor is a corporate practice, the auditor has also committed a practice irregularity if, in relation to a PIE engagement or non-PIE engagement completed on or after the 2019 Ordinance commencement date—”.

(9) Section 4(2)(a)—
Repeal
“or reporting accountant”.
(10) 第 4(2)(a)(iii) 條——

廢除
“當時就該執業法團而名列註冊紀錄冊上的”
代以
“有關執業”。

(11) 第 4(2)(b) 條——

廢除
所有“或匯報會計師”。

(12) 第 4(2)(b)(i) 條——

廢除
“不名列註冊紀錄冊第 II 部內；或”
代以
“非名列——
(A) 就公眾利益實體核數師而言——公眾利益實體核數師註冊紀錄冊；或
(B) 就非公眾利益實體核數師而言——會計師註冊紀錄冊第 II 部；或”。

(13) 第 4(3) 條——

(a) 廢除在 (a) 段之前的所有字句
代以
“(3) 在不損害第 (1) 款的原則下，凡有關的公眾利益實體核數師或非公眾利益實體核數師是一名執業會計師，如就公眾利益實體項目而言，該核數師——”；

(b) 廢除在 (b) 段之後的所有字句
代以
“該核數師亦屬作出執業方面的不當行為。”。
(14) 第 4(4) 條——

(a) 廢除在 (a) 段之前的所有字句

代以

“(4) 在不損害第 (1) 款的原則下，凡有關的公眾利益實體核數師或非公眾利益實體核數師是執業會計師事務所，如就在《2019 年條例》生效日期當日或之後完成的公眾利益實體項目或非公眾利益實體項目而言，該核數師——”；

(b) 廢除在 (c) 段之後的所有字句

代以

“該核數師亦屬作出執業方面的不當行為。”。

(15) 第 4(4)(c) 條——

廢除

“當時就該執業會計師事務所名冊內列冊紀錄冊內的”

代以

“有關執業”。

(16) 第 4 條——

廢除第 (5) 及 (6) 款

代以

“(5) 就本條例而言，如就在《2019 年條例》生效日期當日或之後由某註冊公眾利益實體核數師完成的公眾利益實體項目而言，該核數師的註冊負責人——

(a) 捏改或安排捲改文件；

(b) 就任何文件，作出該人知道是虛假的 ( 或不相信是真實的 ) 關鍵性陳述；

(14) Section 4(4)—

Repeal everything before paragraph (a)

Substitute

“(4) Without prejudice to subsection (1), where the PIE auditor or non-PIE auditor is a firm of certified public accountants (practising), the auditor has also committed a practice irregularity if, in relation to a PIE engagement or non-PIE engagement completed on or after the 2019 Ordinance commencement date, the auditor—”.

(15) Section 4(4)(c)—

Repeal

“name that then appeared in relation to the firm in the CPA register”

Substitute

“practice name”.

(16) Section 4—

Repeal subsections (5) and (6)

Substitute

“(5) For the purposes of this Ordinance, a registered responsible person of a registered PIE auditor has committed a practice irregularity if, in relation to a PIE engagement completed by the auditor on or after the 2019 Ordinance commencement date, the person—

(a) falsified or caused to be falsified a document;

(b) made a statement, in relation to a document, that was material and that the person knew to be false or did not believe to be true;
8. Section 6 amended (establishment of Financial Reporting Council)

(1) Section 6(2)—

(c) has been negligent in the conduct of the person's profession;
(d) has been guilty of professional misconduct;
(e) did or omitted to do something that would reasonably be regarded as bringing or likely to bring discredit on the person, the HKICPA or the accountancy profession;
(f) failed or neglected to observe, maintain or otherwise apply a professional standard; or
(g) refused or neglected to comply with the provisions of any bylaw or rule made, or any direction lawfully given, by the HKICPA Council.

(6) In this section—

CPA register (會計師註冊紀錄冊) means the register of certified public accountants kept under section 22 of the Professional Accountants Ordinance (Cap. 50);

practice name (執業名稱)—

(a) for a PIE auditor—means the name in which the auditor is registered in the PIE auditors register; or
(b) for a non-PIE auditor—means the name in which the auditor is registered in the CPA register;

professional indemnity insurance (專業彌償保險) has the meaning given by section 2(1) of the Professional Accountants Ordinance (Cap. 50).”.
9. Section 7 substituted

Section 7—

Repeal
“Council”
Substitute
“FRC”.

(3) Section 6(3)—

Repeal
“Council”
Substitute
“must”.

(2) Section 6(2)(b), English text—

Repeal
“shall”
Substitute
“must”.

(2) 第 6(2)(b) 條，英文文本——

Repeal
“shall”
Substitute
“must”.

(3) 第 6(3) 條——

Repeal
“Council”
Substitute
“FRC”.

9. Composition of FRC

(1) The FRC is to consist of the following members—

(a) a chairperson, who is a non-executive director of the FRC;

(b) a chief executive officer, who is an executive director of the FRC; and

(c) at least 7 other members, who are either executive or non-executive directors of the FRC.

(1) 財務匯報局的組成——

(a) 主席（財務匯報局的非執行董事）；

(b) 行政總裁（財務匯報局的執行董事）；及

(c) 至少 7 名其他成員（財務匯報局的執行董事或非執行董事）。
(2) All members of the FRC must be non-practitioners appointed by the Chief Executive.

(3) Among the members of the FRC, the number of non-executive directors must exceed the number of executive directors.

(4) Among the members of the FRC—
   (a) at least one-third must be appointed from among persons who appear to the Chief Executive to be suitable for appointment, because of their knowledge and experience in PIE engagements; and
   (b) the others must be appointed from among persons who appear to the Chief Executive to be suitable for appointment, because of—
      (i) their knowledge in accounting, auditing, finance, banking, law, administration or management; or
      (ii) their professional or occupational experience.

(5) A public officer is not eligible for appointment as a member of the FRC.

(6) The Chief Executive must publish in the Gazette a notice of each appointment under subsection (2).

(7) The FRC may perform any of its functions, and its proceedings are valid, despite—
   (a) a vacancy in its membership;
   (b) a defect in the appointment or qualification of a person purporting to be its member;
   (c) a defect in its composition under subsection (3); or
(d) 在召開其任何會議時，有輕微不合規情況。

(8) 如本條的任何規定未獲符合，行政長官須在切實可行範圍內，盡快採取必要的行動，以確保符合該規定。

(9) 附表 2 就財務局及其成員具有效力。”。

10. 廢除第 8 條 (行政總裁)

第 8 條——
廢除該條。

11. 修訂第 9 條 (財務匯報局的職能)

(1) 第 9 條，標題——
廢除
“財務匯報”
代以
“匯”。

(2) 第 9 條——
廢除
所有“財務匯報”
代以
“匯”。

(3) 第 9 條——
廢除 (a)、(b) 及 (c) 段
代以

(d) a minor irregularity in the convening of any of its meetings.

(8) If any requirement under this section is not complied with, the Chief Executive must as soon as practicable take the necessary action to ensure that the requirement is complied with.

(9) Schedule 2 has effect with respect to the FRC and its members.”.

10. Section 8 repealed (Chief Executive Officer)

Section 8—
Repeal the section.

11. Section 9 amended (functions of Council)

(1) Section 9, heading—
Repeal
“Council”
Substitute
“FRC”.

(2) Section 9—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(3) Section 9—
Repeal paragraphs (a), (b) and (c)
Substitute
“(a) to regulate auditors of listed entities through a registration and recognition mechanism, and through inspection, investigation and disciplinary sanction;

(b) to oversee the HKICPA’s performance of the following functions—

(i) dealing with applications and other matters relating to the registration of PIE auditors;

(ii) establishing and maintaining the PIE auditors register;

(iii) setting continuing professional development requirements for registered PIE auditors; and

(iv) setting standards on professional ethics, and auditing and assurance practices, for registered PIE auditors;

(c) to monitor, through enquiries, the compliance by listed entities of regulatory requirements for financial reports;”.

(4) Section 9(d), before “investigations”—

Add

“inspections,”.

(5) Section 9(f)—

Repeal subparagraphs (i) and (ii)

Substitute

“(i) any misconduct by a PIE auditor or registered responsible person of a registered PIE auditor;

(ii) the undertaking or carrying out of any PIE engagement or non-PIE engagement; or

(iii) any relevant non-compliance in relation to a listed entity;”.
12. **Section 10 amended (powers of Council)**

(1) **Section 10, heading—**

Repeal

“Council”

Substitute

“FRC”.

(2) **Section 10(1)—**

Repeal

“Council”

Substitute

“FRC”.

(3) **After section 10(1)—**

(6) **Section 9(g)—**

Repeal

“investigation or enquiry into, or dealing with,”

Substitute

“request for assistance in dealing with”.

(7) **Section 9(g)—**

Repeal subparagraphs (i) and (ii)

Substitute

“(i) any misconduct by a PIE auditor or registered responsible person of a registered PIE auditor;

(ii) the undertaking or carrying out of any PIE engagement or non-PIE engagement; or

(iii) any relevant non-compliance in relation to a listed entity; and”.

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(6) 第 9(g) 條——

廢除

“調查、查訊或”

代以

“要求協助”。

(7) 第 9(g) 條——

廢除第 (i) 及 (ii) 節

代以

“(i) 公眾利益實體核數師或註冊公眾利益實體核數師的

註冊負責人的失當行為；

(ii) 公眾利益實體項目或非公眾利益實體項目的承擔或

進行；或

(iii) 關於上市實體的有關不遵從事宜，”。

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12. **修訂第 10 條 (財務匯報局的權力)**

(1) 第 10 條，標題——

廢除

“財務匯報”

代以

“匯”。

(2) 第 10(1) 條——

廢除

“財務匯報”

代以

“匯”。

(3) 在第 10(1) 條之後——
Add

“(1A) Without prejudice to subsection (1), the FRC may, for performing its function under section 9(b)—

(a) request the HKICPA to provide information and periodic reports on the HKICPA’s performance of a specified function;

(b) conduct assessment on the HKICPA’s performance of a specified function; and

(c) if satisfied that it is in the public interest to do so, give written directions to the HKICPA on the performance of a specified function.

(1B) The HKICPA must comply with any direction given under subsection (1A)(c).”.

(4) Section 10(2)—

Repeal
“the generality of subsection (1)”

Substitute
“subsections (1) and (1A)”.

(5) Section 10(2)—

Repeal
“Council” (wherever appearing)

Substitute
“FRC”.

(6) Section 10(2)(e)—

Repeal
“Secretary”

Substitute
“Secretary for Financial Services and the Treasury”.

Add

“(1A) In addition to subsection (1), the FRC may, for performing its function under section 9(b)—

(a) request the HKICPA to provide information and periodic reports on the HKICPA’s performance of a specified function;

(b) conduct assessment on the HKICPA’s performance of a specified function; and

(c) if satisfied that it is in the public interest to do so, give written directions to the HKICPA on the performance of a specified function.

(1B) The HKICPA must comply with any direction given under subsection (1A)(c).”.

(4) Section 10(2)—

Repeal
“the generality of subsection (1)”

Substitute
“subsections (1) and (1A)”.

(5) Section 10(2)—

Repeal
“Council” (wherever appearing)

Substitute
“FRC”.

(6) Section 10(2)(e)—

Repeal
“Secretary”

Substitute
“Secretary for Financial Services and the Treasury”.
13. Section 11 amended (delegations)

(1) Section 11(1)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(2) Section 11(1)(c)—
Repeal
“his name or to the office held by him”
Substitute
“the employee’s name or to the office held by the employee”.

(3) Section 11—
Repeal subsection (2)
Substitute
(2) The FRC must not delegate any of its functions specified in Schedule 3A.

(4) Section 11(3), (4) and (5)—
Repeal
“Council”
Substitute
“FRC”.

(5) Section 11(6), English text—
Repeal
“he”
Substitute
“the person”.

(6) Section 11(7)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

14. Section 12 amended (assistance, etc. to specified authorities under certain circumstances)
(1) Section 12(1)—
Repeal
“Council”
Substitute
“FRC”.

(2) Section 12(1)(a)—
Repeal subparagraphs (i) and (ii)
Substitute
“(i) any misconduct by a PIE auditor or registered responsible person of a registered PIE auditor;
(ii) the undertaking or carrying out of any PIE engagement or non-PIE engagement; or
(iii) any relevant non-compliance in relation to a listed entity; and”.

3 Section 12(1)(b)—
Repeal
“investigation or enquiry into, or dealing with,”
Substitute
“request for assistance in dealing with”.

4 Section 12(1)(b)—
Repeal subparagraphs (i) and (ii)
Substitute
“(i) any misconduct by a PIE auditor or registered responsible person of a registered PIE auditor;
(ii) the undertaking or carrying out of any PIE engagement or non-PIE engagement; or
(iii) any relevant non-compliance in relation to a listed entity.”.

5 Section 12(3)—
Repeal
“Council shall”
Substitute
“FRC must”.

6 Section 12(3)(a)—
Repeal
Part 2
Section 14
Financial Reporting Council (Amendment) Ordinance 2019

(7) Section 12(4)—
Repeal
“Council shall”
Substitute
“FRC must”.

(8) Section 12(4)(a)(i)—
Repeal
“Council”
Substitute
“FRC”.

(9) Section 12(5)—
Repeal
“Council shall”
Substitute
“FRC must”.

(10) Section 12(6)—
Repeal
“Council has”
Substitute
“FRC has”.

(11) Section 12(6)—
Repeal
“Council shall”
Substitute
“FRC must”.

(12) Section 12(7)(a)—
Repeal subparagraphs (i) and (ii)
Substitute
“(i) to give any explanation or further particulars, or to answer a question, under section 25; or
(ii) to give any information or explanation under section 43(1); and”.

(13) Section 12(7)(a)—
Repeal subparagraphs (iii) and (iv).

(14) Section 12(7)(b)—
Repeal
“statement, or the answer or response,”
Substitute
“answer”.

(15) Section 12(7)(b)—
Repeal
“or information, or making the statement, or giving the answer or response,”
Substitute
“, information or answer,”.

(16) Section 12(7)—
Repeal
“Council shall”
Substitute
“FRC must”.
(17) Section 12(7)—
Repeal
“Council shall”
Substitute
“FRC must”.

15. Section 13 amended (Council may issue guidelines)
(1) Section 13, heading—
Repeal
“Council”
Substitute
“FRC”.

(2) Section 13(1)—
Repeal
“Council”
Substitute
“FRC”.

(3) Section 13(2)—
Repeal
“Council shall”
Substitute
“FRC must”.

(4) Section 13(3)—
Repeal
“Council”
Substitute
16. Section 14 amended (directions of Chief Executive)

(1) Section 14—
Repeal subsection (1)
Substitute
“(1) After consultation with the chairperson of the FRC, the Chief Executive may, if satisfied that it is in the public interest to do so, give the FRC written directions the Chief Executive considers appropriate on the performance of any of the FRC's functions.”.

(2) Section 14(2) and (3)—
Repeal
“Council shall”
Substitute
“FRC must”.

17. Section 15 amended (Council to furnish information)

(1) Section 15, heading—
Repeal
“Council”
Substitute
“FRC”.

(2) Section 15—
Repeal
Financial Reporting Council (Amendment) Ordinance 2019

Part 2
Section 18

“Secretary, the Council shall furnish to him”
Substitute
“Secretary for Financial Services and the Treasury, the FRC must furnish to the Secretary”.

(3) Section 15(a), English text—
Repeal
“he”
Substitute
“the Secretary”.

(4) Section 15(a)—
Repeal
“Council is”
Substitute
“FRC is”.

(5) Section 15(a), English text—
Repeal
“Council’s”
Substitute
“FRC’s”.

18. Section 16 amended (exemption from taxation)
Section 16—
Repeal
“Council”
Substitute
“FRC”.

18. 修訂第 16 條 (豁免繳稅)
第 16 條——
廢除
“務報”
代以
“匯”。

18. 修訂第 16 條 (豁免繳稅)
第 16 條——
廢除
“務報”
代以
“匯”。
19. **Section 17 substituted**  
Section 17—

Repeal the section  
Substitute

“17. **Financial years and estimates**

(1) Subject to subsection (2), the financial year of the FRC begins on 1 April of each calendar year.

(2) The first financial year of the FRC after the commencement of section 23 of the 2019 Amending Ordinance (first financial year)—

(a) begins on the 2019 Ordinance commencement date; and

(b) ends on the 31 March immediately after the first anniversary of that commencement date.

(3) The FRC must submit, for approval by the Financial Secretary, the estimates of its income and expenditure—

(a) for the first financial year—as soon as practicable after the 2019 Ordinance commencement date; or

(b) for the second financial year—before the 31 December immediately before the end of the first financial year; or

(c) for any other financial year—before 31 December of the preceding financial year.”.

20. **Section 18 amended (accounts)**

(1) Section 18(1)—

Repeal
“務匯報”
代以
“匯”。
(2) 第 18(2) 條——
廢除
在 “局的帳” 之前的所有字句
代以
“(2) 財匯局須在其每一財政年度終結後，在切實可行
範圍內，盡快安排為該財政年度，擬備財匯”。
(3) 第 18(2)(a)(i) 及 (ii) 條——
廢除
“務匯報”
代以
“匯”。
(4) 第 18(2)(b) 條——
廢除
“務匯報”
代以
“匯”。

21. 修訂第 19 條 (審計署署長擔任核數師)
(1) 第 19(1) 條——
廢除
“他必須就該報表的審計向財務匯報”
代以
“Council shall”
Substitute
“FRC must”.
(2) Section 18(2)—
Repeal
everything after “each financial year of the” and before
“that—”
Substitute
“FRC, the FRC must cause to be prepared for the
financial year a statement of accounts of the FRC”.
(3) Section 18(2)(a)(i) and (ii)—
Repeal
“Council”
Substitute
“FRC”.
(4) Section 18(2)(b)—
Repeal
“Chairman, and the Chief Executive Officer, of the
Council”
Substitute
“chairperson, and the chief executive officer, of the FRC”.

21. Section 19 amended (Director of Audit as auditor)
(1) Section 19(1)—
Repeal
“shall make a report to the Council”
Substitute
(2) 第 19(2) 條——
廢除
“他是否認為”
代以
“審計署署長是否認為，”。

(3) 第 19(3) 條——
廢除
在“局的核數”之前的所有字句
代以
“(3) 凡審計署署長認為，財務局的任何帳目簿冊及其他
紀錄，對執行其作為財務”。

(4) 第 19(4) 條——
廢除
在“職能”之後的所有字句
代以
“屬必要，審計署署長即有權取用該等簿冊及紀錄。”。

(5) 第 19(4) 條——
廢除
“他認為為執行其作為財務匯報”
代以
“審計署署長認為對執行其作為財務”。

(6) 第 19(4) 條——
廢除
“而需”
代以

“審計署署長須就該報表的審計，向財務”。

(2) Section 19(2)—
Repeal
“his opinion”
Substitute
“the Director’s opinion”.

(3) Section 19(3)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(4) Section 19(3)—
Repeal
“he considers necessary to perform his”
Substitute
“the Director considers necessary to perform the
Director’s”.

(5) Section 19(4)—
Repeal
“he considers necessary to perform his”
Substitute
“the Director considers necessary to perform the
Director’s”.

(6) Section 19(4)—
Repeal
“Council”
Substitute
"FRC”.

22. **Section 20 amended (reports and statement to be laid before Legislative Council)**
   
   (1) **Section 20(1)—**
   
   **Repeal**
   
   “Council, the Council shall submit to the Secretary”
   
   **Substitute**
   
   “FRC, the FRC must submit to the Financial Secretary”.
   
   (2) **Section 20(1)(a)—**
   
   **Repeal**
   
   “Council”
   
   **Substitute**
   
   “FRC”.
   
   (3) **Section 20(2)—**
   
   **Repeal**
   
   “Secretary shall cause the reports and statement received by him”
   
   **Substitute**
   
   “Financial Secretary must cause the documents received”.

23. **Part 3 added**
   
   After Part 2—
   
   **Add**
Part 2

Registration and Recognition of PIE Auditors

Division 1—Interpretation

20A. Interpretation

In this Part—

chief executive officer (行政總裁), in relation to a practice unit, means the person (by whatever name called) who is responsible (whether alone or jointly with others) for implementing the general strategy and general management of the business of the unit;

Mainland corporation (內地法團) means a company or body corporate incorporated in the Mainland of China;

managing board of partners (合夥人管理會), in relation to a practice unit, means a group of partners forming a board (by whatever name called) which is responsible for implementing the general strategy and general management of the business of the unit;

registered engagement partner (註冊項目合夥人), in relation to a registered PIE auditor, means an individual whose name is recorded in the PIE auditors register as an engagement partner of the auditor;

registered engagement quality control reviewer (註冊項目質素監控審視員), in relation to a registered PIE auditor, means an individual whose name is recorded in the PIE auditors register as an engagement quality control reviewer of the auditor;
Division 2—Registered PIE Auditors

Subdivision 1—Prohibitions and Offences

20B. Prohibition on undertaking and carrying out PIE engagement

(1) A person must not undertake or carry out any PIE engagement unless the person is a registered PIE auditor.

(2) Subsection (1) does not apply to an overseas auditor.

20C. Prohibition on holding out as registered PIE auditor

A person must not hold the person out as a registered PIE auditor unless the person is registered as such an auditor under this Division.

20D. Prohibition on carrying out activity as engagement partner

A person must not carry out any activity as an engagement partner of a registered PIE auditor unless the person is a registered engagement partner of the auditor.
20E. Prohibition on carrying out activity as engagement quality control reviewer

A person must not carry out any activity as an engagement quality control reviewer of a registered PIE auditor unless the person is a registered engagement quality control reviewer of the auditor.

20F. Offences

A person who, without reasonable excuse, contravenes section 20B, 20C, 20D or 20E commits an offence and is liable—

(a) on conviction on indictment—to a fine of $1,000,000 and to imprisonment for 2 years and, for a continuing offence, to a further fine of $20,000 for each day during which the offence continues; or

(b) on summary conviction—to a fine at level 6 and to imprisonment for 6 months and, for a continuing offence, to a further fine of $2,000 for each day during which the offence continues.

Subdivision 2—Registration

20G. Application

(1) A practice unit may apply to the HKICPA Council to be registered as a PIE auditor.

(2) The application must—

(a) be made in the form and way specified by the HKICPA Council; and

(b) be accompanied by the fee specified in Schedule 3B.

第 2 次分部——註冊

20G. 申請

(1) 執業單位可向公會理事會提出申請，要求註冊為公眾利益實體核數師。

(2) 上述申請須——

(a) 按公會理事會指明的格式及方式提出；及

(b) 附有附表 3B 指明的費用。
(3) The application must contain—
(a) a list of all the applicant’s responsible persons;
(b) if the applicant is a firm of certified public accountants (practising)—a list of all the applicant’s partners; and
(c) if the applicant is a corporate practice—a list of all the applicant’s directors.

20H. Decision on application

(1) The HKICPA Council may grant or refuse a registration application.

(2) The HKICPA Council must not grant a registration application unless it is satisfied that—
(a) the applicant is a practice unit;
(b) the applicant meets the requirement specified in subsection (3);
(c) the quality control system responsible person of the applicant is—
   (i) the chief executive officer of the applicant; or
   (ii) a member of the managing board of partners of the applicant; and
(d) each responsible person of the applicant specified in the application is a fit and proper person to be a certified public accountant.

(3) The requirement is—
(a) if the applicant is a certified public accountant (practising)—the applicant is a fit and proper person to be a certified public accountant;
(b) if the applicant is a firm of certified public accountants (practising)—each partner of the applicant is a fit and proper person to be a certified public accountant; or
(c) if the applicant is a corporate practice—each director of the applicant is a fit and proper person to be a certified public accountant.

20I. Notification of decision
(1) The HKICPA Council must—
   (a) inform the applicant for a registration application of its decision on the application by written notice; and
   (b) issue a copy of the notice to each responsible person of the applicant listed in the application.
(2) If the HKICPA Council refuses the application, the notice must include a statement of the reasons for the decision.

20J. Validity of registration
(1) The registration of a practice unit as a PIE auditor—
   (a) takes effect—
      (i) if the HKICPA Council grants the unit’s registration application—on the day specified in the notice from the Council under section 20I(1); or
      (ii) if the HKICPA Council refuses the application but the decision is reversed by a review or appeal under Part 3C—on the day when the reversal of decision takes effect; and
(b) 除第 (2) 款另有規定外，在註冊生效的日期所屬年份的 12 月 31 日期滿失效。

(2) 如申請在過渡期內提出，有關執業單位成為公眾利益實體核數師的註冊，在以下兩個日子中的較遲者期滿失效——

(a) 《2019 年條例》生效日期之後首個公曆年的 12 月 31 日；
(b) 第 (1)(b) 款描述之日。

(3) 執業單位成為公眾利益實體核數師的註冊，可按年續期。

第 3 次分部——續期

20K. 申請

(1) 註冊公眾利益實體核數師可向公會理事會提出申請，請求將其註冊續期。

(2) 提出申請的時間，必須在現行註冊期滿失效前的 45 日之前，但不得在現行註冊期滿失效前的 3 個月之前。

(3) 上述申請須——

(a) 按公會理事會指明的格式及方式提出；及
(b) 附有附表 3B 指明的費用。

20L. 就申請作決定

(1) 公會理事會可批准或拒絕任何註冊續期申請。

(b) subject to subsection (2), expires on 31 December of the year in which the registration takes effect.

(2) If the registration application is made within the transitional period, the registration of the practice unit as a PIE auditor expires on whichever is the later of the following—

(a) 31 December of the first calendar year after the 2019 Ordinance commencement date;
(b) the day described in subsection (1)(b).

(3) The registration of a practice unit as a PIE auditor is renewable annually.

Subdivision 3—Renewal

20K. Application

(1) A registered PIE auditor may apply to the HKICPA Council for renewal of its registration.

(2) The application must be made no earlier than 3 months, and no later than 45 days, before the day on which the current registration expires.

(3) The application must—

(a) be made in the form and way specified by the HKICPA Council; and
(b) be accompanied by the fee specified in Schedule 3B.

20L. Decision on application

(1) The HKICPA Council may grant or refuse a renewal application (registration).
(2) The HKICPA Council must not grant a renewal application (registration) unless it is satisfied that—
   (a) the applicant continues to meet all the requirements specified in section 20H(2); and
   (b) the applicant meets the requirement specified in subsection (3).

(3) The requirement is—
   (a) if the applicant was a certified public accountant (practising) when the applicant was first registered—the applicant continues to be a certified public accountant (practising);
   (b) if the applicant was a firm of certified public accountants (practising) when the applicant was first registered—the applicant continues to be a firm of certified public accountants (practising); or
   (c) if the applicant was a corporate practice when the applicant was first registered—the applicant continues to be a corporate practice.

20M. Notification of decision

(1) The HKICPA Council must—
   (a) inform the applicant for a renewal application (registration) of its decision on the application by written notice; and
   (b) issue a copy of the notice to each registered responsible person of the applicant.

(2) If the HKICPA Council refuses the application, the notice must include a statement of the reasons for the decision.
20N. Current registration remains in force until decision on renewal takes effect

(1) This section applies if a renewal application (registration) has been made but the application is not finally determined before the expiry of the current registration.

(2) Despite section 20J(1) or (2), the current registration remains in force until—

(a) if the registration is renewed—the day on which the renewal takes effect under section 20O; or

(b) if the application is refused—the day on which the refusal takes effect under Part 3C.

20O. Validity of renewed registration

The renewal of registration of a PIE auditor—

(a) takes effect—

(i) if the HKICPA Council grants the auditor’s renewal application (registration)—on the day specified in the notice from the Council under section 20M(1); or

(ii) if the HKICPA Council refuses the application but the decision is reversed by a review or appeal under Part 3C—on the day when the reversal of decision takes effect; and

(b) expires on 31 December of the year in which the renewal takes effect.
Subdivision 4—Supplementary Registration and Renewal Provisions

20P. Applicant to provide information

(1) An applicant for a registration application or renewal application (registration) must provide the HKICPA Council with the information that the Council reasonably requires to enable it to consider the application.

(2) In considering the application, the HKICPA Council may have regard to any information in its possession (whether or not provided by the applicant).

20Q. Determination of fit and proper

In determining whether a person is a fit and proper person to be a certified public accountant, the HKICPA Council must have regard to the following matters—

(a) the person’s professional qualification, knowledge, skills and experience;

(b) the person’s reputation, character, reliability and integrity;

(c) the person’s financial status and solvency;

(d) whether any disciplinary action has been taken against the person under this Ordinance or the Professional Accountants Ordinance (Cap. 50); and

(e) whether the person has been convicted of any offence in Hong Kong or elsewhere.
20R. **Offences to provide false or misleading information**

(1) A person commits an offence if the person, in connection with a registration application or renewal application (registration)—

(a) makes a statement that is false or misleading in a material particular; and

(b) knows that, or is reckless as to whether or not, the statement is false or misleading in a material particular.

(2) A person commits an offence if the person, in connection with a registration application or renewal application (registration)—

(a) omits a material particular from a statement with the result that the statement is rendered false or misleading; and

(b) knows that, or is reckless as to whether or not, the material particular is omitted from the statement.

(3) A person who commits an offence under subsection (1) or (2) is liable on conviction to a fine at level 5 and to imprisonment for 6 months.

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Subdivision 5—Registration Conditions, Revocation and Suspension

20S. **HKICPA Council may impose or amend conditions**

(1) The HKICPA Council may impose any condition in relation to the registration of a PIE auditor that the Council considers appropriate—
Part 2
Section 23
Financial Reporting Council (Amendment) Ordinance 2019

(a)  at the time when it grants the registration application or renewal application (registration); or
(b)  at any other time when the registration is valid.

(2) The HKICPA Council may, at any time when the registration is valid, amend an existing condition by varying or revoking the condition.

(3) If the HKICPA Council decides to impose or amend a condition in relation to the registration of a PIE auditor, the Council must—

(a) inform the auditor of its decision by written notice; and
(b) issue a copy of the notice to each registered responsible person of the auditor.

(4) The notice must include a statement of the reasons for the decision.

20T.  可基於非紀律問題的理由，撤銷或暫時吊銷註冊

20T. Registration may be revoked or suspended on non-disciplinary grounds

(1) The HKICPA Council must revoke the registration of a PIE auditor—

(a) where the auditor was a certified public accountant (practising) when the auditor was first registered—

(i) if the auditor dies; or
(ii) if the auditor ceases to be a certified public accountant (practising);

(b) where the auditor was a firm of certified public accountants (practising) when the auditor was first registered—

20T. In the case when it grants the registration application or renewal application (registration); or
(2) The HKICPA Council may revoke or suspend the registration of a PIE auditor if—

(a) the auditor requests the Council to do so; or

(b) the Council is satisfied that the auditor has been registered—

(i) by mistake; or

(ii) in consequence of any misleading, false or fraudulent statement, declaration or representation, whether orally or in writing.

(3) For the purposes of subsection (2), the HKICPA Council may suspend the registration of a PIE auditor for a period of time, or until the occurrence of an event, that the Council considers appropriate.

(4) If the HKICPA Council decides to revoke or suspend the registration of a PIE auditor under subsection (1) or (2), the Council must—

(a) inform the auditor of its decision by written notice; and
### Part 2

#### Section 23

Financial Reporting Council (Amendment) Ordinance 2019

20U. Registered PIE auditor must have registered responsible persons

(1) A registered PIE auditor must ensure that it has, at all times—

(a) at least one registered engagement partner;

(b) at least one registered engagement quality control reviewer; and

(c) at least one registered quality control system responsible person.

(2) For the purposes of subsection (1), a person may be registered for one or more of the roles listed in that subsection.

(3) Despite subsection (2), a registered PIE auditor must ensure that a person does not, in relation to a PIE engagement carried out by the auditor, act as both a registered engagement partner and a registered engagement quality control reviewer of the auditor.

20V. Registered PIE auditor must not authorize unregistered persons to carry out activity

A registered PIE auditor must not authorize a person, who is not a registered engagement partner, registered engagement quality control reviewer or registered quality control system responsible person of the auditor, to carry out activities...
Part 2
Section 23

Financial Reporting Council (Amendment) Ordinance 2019

(out any activity for the auditor as such a partner, reviewer or person.)

20W. Registered PIE auditor must provide sufficient resources etc.

(1) A registered PIE auditor must ensure that a registered quality control system responsible person is provided with sufficient resources and support to carry out the duties under subsection (2).

(2) A registered quality control system responsible person must use the person's best endeavours to ensure that the registered PIE auditor—

(a) has established and maintains a quality control system in relation to the PIE engagements carried out by the auditor;

(b) has established policies and procedures for monitoring the quality control system; and

(c) complies with the policies and procedures.

20X. Failure to meet certain requirements after registration

(1) This section applies if a registered PIE auditor fails to meet a requirement specified in—

(a) section 20H(2)(b), (c) or (d); or

(b) section 20U(1).

(2) The auditor must, within 7 days after the day on which the failure begins, inform the HKICPA Council of the failure by written notice.

(3) The auditor must, within 14 days after the day on which the written notice is issued to the HKICPA Council, take steps to ensure that the requirement is met.
20Y. Additional registered responsible persons

(1) This section applies if a registered PIE auditor proposes to add the name of a person to the list of registered responsible persons of the auditor.

(2) The auditor must, by written notice in the specified form, inform the HKICPA Council of the proposed addition.

(3) The name of the person may be added to the list of registered responsible persons of the auditor if the HKICPA Council is satisfied that—
(a) the person is a fit and proper person to be a certified public accountant; and
(b) in the case where the person is to be added to the list as a registered quality control system responsible person, the person also meets the requirement specified in section 20H(2)(c).

(4) The HKICPA Council must—
(a) inform the auditor of its decision by written notice; and
(b) issue a copy of the notice to the person.

(5) If the HKICPA Council refuses to add the name of the person to the list of registered responsible persons of the auditor, the notice must include a statement of the reasons for the decision.

20Z. Registered PIE auditor to notify changes in particulars

(1) If there is a change in any of the specified particulars of a registered PIE auditor or any of its registered responsible persons, the auditor must, within 14 days after the day on which the change takes place, inform the HKICPA Council of the change by written notice.

(2) A person who, without reasonable excuse, contravenes subsection (1) commits an offence and is liable on conviction to a fine at level 5.

(3) In this section—

specified particulars (指明詳情) means—
(a) full name;
(b) business address;
20ZA. Registered PIE auditor to notify changes in registered responsible persons, partners and directors

(1) A registered PIE auditor must, within 14 days after the day on which any of the following changes takes place, inform the HKICPA Council of the change by written notice—

(a) a registered responsible person of the auditor ceases to be a responsible person of the auditor; or

(b) a person becomes or ceases to be a partner or director of the auditor.

(2) A person who, without reasonable excuse, contravenes subsection (1) commits an offence and is liable on conviction to a fine at level 5.

Division 3—Recognized PIE Auditors

Subdivision 1—Prohibitions and Offences

20ZB. Prohibition on undertaking and carrying out PIE engagement

(1) An overseas auditor must not undertake any PIE engagement for an overseas entity unless—

(a) a recognition application has been made in relation to the auditor; and

(b) the application has been granted.
20ZC. Prohibition on holding out as recognized PIE auditor

A person must not hold the person out as a recognized PIE auditor unless the person is recognized as such an auditor under this Division.

20ZD. Offences

A person who, without reasonable excuse, contravenes section 20ZB or 20ZC commits an offence and is liable—

(a) on conviction on indictment—to a fine of $1,000,000 and to imprisonment for 2 years and, for a continuing offence, to a further fine of $20,000 for each day during which the offence continues; or

(b) on summary conviction—to a fine at level 6 and to imprisonment for 6 months and, for a continuing offence, to a further fine of $2,000 for each day during which the offence continues.

Subdivision 2—Recognition

20ZE. Application

(1) If an overseas entity proposes to appoint an overseas auditor to carry out a PIE engagement for it, the
entity may apply to the FRC to grant an approval-in-principle recognizing the auditor as a PIE auditor of the entity.

(2) The application must—
(a) be made in the form and way specified by the FRC; and
(b) be accompanied by the fee specified in Schedule 3B.

20ZF. Decision on application
(1) The FRC may grant or refuse a recognition application.
(2) The FRC must not grant a recognition application unless it is satisfied that—
(a) the Securities and Futures Commission or the HKEC has, or both of them have, as the case requires—
(i) provided a statement of no objection to the applicant for appointing an overseas auditor to carry out a PIE engagement for the applicant; and
(ii) not withdrawn the statement;
(b) the overseas auditor specified in the application—
(i) is a member of an accountancy body that is a member of the International Federation of Accountants; and
(ii) is subject to the regulation of an overseas regulatory organization recognized by the FRC; and
(c) the overseas auditor has adequate resources and possesses the capability to carry out a PIE engagement for the applicant.

(3) The FRC may recognize an overseas regulatory organization for the purposes of subsection (2)(b)(ii) if it is satisfied that—

(a) the organization performs a function that is similar to a function of the FRC under this Ordinance; and

(b) the organization is composed of a majority of persons who are independent of the accountancy profession.

20ZG.  Notification of decision

(1) The FRC must—

(a) inform the applicant for a recognition application of its decision on the application by written notice; and

(b) issue a copy of the notice to the overseas auditor specified in the application.

(2) If the FRC refuses the application, the notice must include a statement of the reasons for the decision.

20ZH.  Validity of approval-in-principle

(1) If a recognition application made by an overseas entity is granted, an approval-in-principle is granted by the FRC recognizing the overseas auditor specified in the application as a PIE auditor of the entity.

(2) The approval-in-principle granted in relation to the recognition application is valid for a 6-month period beginning on—
20ZI. Overseas auditors recognized as PIE auditors on undertaking PIE engagements

(1) Subject to subsection (4), after the approval-in-principle is granted by the FRC in relation to a recognition application, the overseas entity may appoint the overseas auditor to carry out a PIE engagement for it.

(2) If the overseas auditor undertakes the PIE engagement, the overseas entity must, within 14 days after the date of undertaking, inform the FRC of that fact by written notice.

(3) Subject to subsection (4), the overseas auditor is recognized as a PIE auditor of the overseas entity when the auditor undertakes the PIE engagement.

(4) If, by the end of the 6-month period during which the approval-in-principle granted in relation to the recognition application is valid—

(a) the overseas entity has not appointed the overseas auditor to carry out a PIE engagement for it; or

(b) the entity has appointed the auditor to carry out a PIE engagement for it but the auditor has not undertaken the engagement,
the entity must make a fresh recognition application in relation to the auditor if the entity subsequently proposes to so appoint the auditor.

20ZJ. **Validity of recognition**

(1) The recognition of an overseas auditor as a PIE auditor of an overseas entity—

(a) takes effect when the auditor undertakes a PIE engagement for the entity within the 6-month period during which the relevant approval-in-principle is valid under section 20ZH(2); and

(b) subject to subsection (2), expires on 31 December of the year in which the recognition takes effect.

(2) If the recognition application is made within the transitional period, the recognition of the overseas auditor as a PIE auditor expires on whichever is the later of the following—

(a) 31 December of the first calendar year after the 2019 Ordinance commencement date;

(b) the day described in subsection (1)(b).

(3) The recognition of an overseas auditor as a PIE auditor is renewable annually.

**Subdivision 3—Renewal**

20ZK. **Application**

(1) An overseas entity that has appointed a recognized PIE auditor to carry out a PIE engagement for it may apply to the FRC for renewal of the recognition.
Part 2
Section 23

2019年第3號條例
A418

(2) 提出申請的時間，必須在現行認可期滿失效前的45日之前，但不得在現行認可期滿失效前的3個月之前。
(3) 上述申請須——
   (a) 按財匯局指明的格式及方式提出；及
   (b) 附有附表3B指明的費用。

20ZL. 就申請作決定
(1) 財匯局可批准或拒絕任何認可續期申請。
(2) 財匯局除非信納，有關的認可公眾利益實體核數師，繼續符合第20ZF(2)條指明的所有規定，否則
   不得批准有關認可續期申請。

20ZM. 就決定發出通知
(1) 財匯局須——
   (a) 藉書面通知，將其對認可續期申請的決定，告知申請人；及
   (b) 向申請所指明的認可公眾利益實體核數師，發出一份該通知的複本。
(2) 如財匯局拒絕申請，上述通知須載有一項陳述，說明作出有關決定的理由。

(2) The application must be made no earlier than 3 months, and no later than 45 days, before the day on
which the current recognition expires.
(3) The application must—
   (a) be made in the form and way specified by the FRC; and
   (b) be accompanied by the fee specified in Schedule 3B.

20ZL. Decision on application
(1) The FRC may grant or refuse a renewal application
(recognition).
(2) The FRC must not grant a renewal application
(recognition) unless it is satisfied that all the
requirements specified in section 20ZF(2) continue to
be met in relation to the recognized PIE auditor.

20ZM. Notification of decision
(1) The FRC must—
   (a) inform the applicant for a renewal application
(recognition) of its decision on the application
by written notice; and
   (b) issue a copy of the notice to the recognized PIE
auditor specified in the application.
(2) If the FRC refuses the application, the notice must
include a statement of the reasons for the decision.
20ZN. Current recognition remains in force until decision on renewal takes effect

(1) This section applies if a renewal application (recognition) has been made but the application is not finally determined before the expiry of the current recognition.

(2) Despite section 20ZJ(1) or (2), the current recognition remains in force until—

(a) if the recognition is renewed—the day on which the renewal takes effect under section 20ZO; or

(b) if the application is refused—the day on which the refusal takes effect under Part 3C.

20ZO. Validity of renewed recognition

The renewal of recognition of a PIE auditor of an overseas entity—

(a) takes effect—

(i) if the FRC grants the entity’s renewal application (recognition) in relation to the auditor—on the day specified in the notice from the FRC under section 20ZM(1); or

(ii) if the FRC refuses the application but the decision is reversed by a review or appeal under Part 3C—on the day when the reversal of decision takes effect; and

(b) expires on 31 December of the year in which the renewal takes effect.
Part 2
Section 23

Financial Reporting Council (Amendment) Ordinance 2019

Subdivision 4—Supplementary Recognition and Renewal Provisions

20ZP. Applicant to provide information

(1) An applicant for a recognition application or renewal application (recognition) must provide the FRC with the information that the FRC reasonably requires to enable it to consider the application.

(2) In considering the application, the FRC may have regard to any information in its possession (whether or not provided by the applicant).

20ZQ. Offences to provide false or misleading information

(1) A person commits an offence if the person, in connection with a recognition application or renewal application (recognition)—

(a) makes a statement that is false or misleading in a material particular; and

(b) knows that, or is reckless as to whether or not, the statement is false or misleading in a material particular.

(2) A person commits an offence if the person, in connection with a recognition application or renewal application (recognition)—

(a) omits a material particular from a statement with the result that the statement is rendered false or misleading; and

(b) knows that, or is reckless as to whether or not, the material particular is omitted from the statement.
(3) A person who commits an offence under subsection (1) or (2) is liable on conviction to a fine at level 5 and to imprisonment for 6 months.

Subdivision 5—Recognition Conditions, Revocation and Suspension

20ZR. FRC may impose or amend conditions

(1) The FRC may impose any condition in relation to the recognition of a PIE auditor that the FRC considers appropriate—

(a) at the time when it grants the recognition application or renewal application (recognition); or

(b) at any other time when the recognition is valid.

(2) The FRC may, at any time when the recognition is valid, amend an existing condition by varying or revoking the condition.

(3) If the FRC decides to impose or amend a condition in relation to the recognition of a PIE auditor, the FRC must—

(a) inform the overseas entity, being the applicant for the recognition application or renewal application (recognition) in relation to the auditor, of its decision by written notice; and

(b) issue a copy of the notice to the auditor.

(4) The notice must include a statement of the reasons for the decision.
20ZS. Recognition may be revoked or suspended on non-disciplinary grounds

(1) The FRC must revoke the recognition of an overseas auditor as a PIE auditor of an overseas entity if the appointment of the auditor for carrying out a PIE engagement for the entity is terminated.

(2) The FRC may revoke or suspend the recognition of an overseas auditor as a PIE auditor of an overseas entity if—

(a) the entity requests the FRC to do so;

(b) the FRC is satisfied that the auditor has been recognized—

(i) by mistake; or

(ii) in consequence of any misleading, false or fraudulent statement, declaration or representation, whether orally or in writing; or

(c) the Securities and Futures Commission or the HKEC, as the case requires, has withdrawn the statement of no objection referred to in section 20ZF(2)(a).

(3) For the purposes of subsection (2), the FRC may suspend the recognition of a PIE auditor for a period of time, or until the occurrence of an event, that the FRC considers appropriate.

(4) If the FRC decides to revoke or suspend the recognition of an overseas auditor as a PIE auditor of an overseas entity under subsection (1) or (2), the FRC must—

(a) inform the entity of its decision by written notice; and
(b) issue a copy of the notice to the auditor.

(5) The notice must include a statement of the reasons for the decision.

Subdivision 6—Miscellaneous

20ZT. Recognition of Mainland auditors endorsed in accordance with mutual recognition agreement

(1) The FRC must, without a recognition application having been made in relation to a Mainland auditor, recognize the auditor as a PIE auditor if all the conditions specified in subsection (2) are satisfied.

(2) The conditions are—

(a) a mutual recognition agreement is in force;
(b) the auditor has been endorsed in accordance with the agreement as being qualified to act as an auditor of the Mainland corporations listed in Hong Kong; and
(c) the endorsement has not been withdrawn.

(3) A Mainland auditor recognized under subsection (1)—

(a) may only carry out PIE engagements for the Mainland corporations listed in Hong Kong; and
(b) must carry them out in accordance with—

(i) the China Accounting Standards for Business Enterprises; or
(ii) the Mainland Auditing Standards.
第 2、3、4 及 5 次分部及第 20ZU 及 20ZV 條，均不適用於根據第 (1) 款獲認可的內地核數師。

如某內地核數師不再符合第 (2) 款指明的任何條件，則財務局須撤銷根據第 (1) 款對該核數師作出的認可。

財務局如根據第 (5) 款，決定撤銷對內地核數師的認可，則須書面通知，將其決定告知該核數師。

上述通知須載有一項陳述，說明作出有關決定的理由。

在本條中——

**相互認可協議 (mutual recognition agreement)** 指符合以下説明的協議：該協議是由中國內地與香港達成的，其目的是相互認可來自其中一個司法管轄區 (原屬司法管轄區) 的合資格核數師，以法團 (在該原屬司法管轄區成立為法團而於另一司法管轄區上市者) 的核數師的身分行事。

20ZU. 境外實體須就終止委任認可公眾利益實體核數師，發出通知

(1) 如某境外實體已委任某認可公眾利益實體核數師，為其進行公眾利益實體項目，則本條適用。

(2) 如有關委任終止，有關實體須在委任終止後的 14 日內，書面通知，將此事告知財務局。

(4) Subdivisions 2, 3, 4 and 5, and sections 20ZU and 20ZV, do not apply to a Mainland auditor recognized under subsection (1).

(5) The FRC must revoke the recognition of a Mainland auditor under subsection (1) if any of the conditions specified in subsection (2) is no longer satisfied in relation to the auditor.

(6) If the FRC decides to revoke the recognition of a Mainland auditor under subsection (5), the FRC must inform the auditor of its decision by written notice.

(7) The notice must include a statement of the reasons for the decision.

(8) In this section—

**mutual recognition agreement** (相互認可協議) means an agreement between the Mainland of China and Hong Kong for mutual recognition of qualified auditors from either jurisdiction (home jurisdiction) to act as auditors of corporations incorporated in the home jurisdiction and listed in the other jurisdiction.

20ZU. Overseas entity to notify termination of appointment of recognized PIE auditors

(1) This section applies if an overseas entity has appointed a recognized PIE auditor to carry out a PIE engagement for it.

(2) If the appointment is terminated, the entity must, within 14 days after the date of termination, inform the FRC of the termination by written notice.
20ZV. Failure to meet certain requirements after recognition

(1) This section applies if a recognized PIE auditor fails to meet a requirement specified in section 20ZF(2)(b) or (c).

(2) The auditor must, within 7 days after the day on which the failure begins, inform the FRC of the failure by written notice.

(3) The auditor must, within 14 days after the day on which the written notice is issued to the FRC, take steps to ensure that the requirement is met.

(4) If the auditor still fails to meet the requirement on the expiry of the 14-day period, the FRC may—
   (a) revoke the recognition of the auditor; or
   (b) suspend the recognition of the auditor for a period of time, or until the occurrence of an event, that the FRC considers appropriate.

(5) If the FRC decides to revoke or suspend the recognition of the auditor under subsection (4), the FRC must—
   (a) inform the auditor of its decision by written notice; and
   (b) issue a copy of the notice to the overseas entity concerned.

(6) The notice must include a statement of the reasons for the decision.
(7) A person who, without reasonable excuse, contravenes subsection (2) commits an offence and is liable on conviction to a fine at level 5.

20ZW. Recognized PIE auditor to notify changes in particulars

(1) If there is a change in any of the specified particulars of a recognized PIE auditor, the auditor must, within 14 days after the day on which the change takes place, inform the FRC of the change by written notice.

(2) A person who, without reasonable excuse, contravenes subsection (1) commits an offence and is liable on conviction to a fine at level 5.

(3) In this section—

specified particulars (指明詳情) means—

(a) full name;
(b) business address;
(c) telephone number; and
(d) electronic mail address.

Division 4—Register of PIE Auditors

20ZX. HKICPA Registrar to establish and maintain register of PIE auditors

(1) The HKICPA Registrar must establish and maintain a register of PIE auditors in a form the Registrar considers appropriate.

(2) The register must contain, in relation to each registered PIE auditor—

(a) the full name of—
(i) the auditor; and
(ii) each registered responsible person of the auditor;

(b) the business address of the auditor;
(c) the conditions imposed by the HKICPA Council in relation to the registration of the auditor (including any condition relating to the registered responsible persons of the auditor), if any;
(d) the day on which the registration of the auditor expires;
(e) a record of—
(i) the sanctions imposed or actions taken under Division 2 or 3 of Part 3B (except a private reprimand); and
(ii) the orders made under section 35 of the Professional Accountants Ordinance (Cap. 50),
in relation to the auditor, or any registered responsible person of the auditor, within the last 5 years, if any; and

(f) any other particulars the Registrar considers appropriate.

(3) The register must contain, in relation to each recognized PIE auditor—
(a) the full name of the auditor;
(b) the business address of the auditor;
(c) the conditions imposed by the FRC in relation to the recognition of the auditor, if any;
20ZY. Inspection of PIE auditors register etc.

(1) A person may, at all reasonable times—

(a) if the PIE auditors register is kept in a documentary form—inspect the register free of charge; or

(b) if the register is kept otherwise than in a documentary form—inspect a reproduction of any information recorded in the register in a legible form free of charge.

(2) A person may, at all reasonable times and on payment of the fee specified in Schedule 3B, obtain—

(a) a copy of an entry in, or an extract of, the PIE auditors register; or

(b) a copy of the entry or extract certified by an authorized officer of the HKICPA as a true copy of the entry or extract.
(3) A right under subsection (1) or (2) is only exercisable for enabling a person—
   (a) to ascertain whether the person is dealing with,
       in matters of or connected with a PIE engagement—
       (i) a registered PIE auditor;
       (ii) a registered responsible person of a registered PIE auditor; or
       (iii) a recognized PIE auditor;
   (b) to ascertain the particulars of—
       (i) a registered PIE auditor;
       (ii) a registered responsible person of a registered PIE auditor; or
       (iii) a recognized PIE auditor.

(4) In any legal proceedings—
   (a) a document purporting—
       (i) to be a copy of an entry in, or an extract
           of, the PIE auditors register; and
       (ii) to be certified by an authorized officer of the HKICPA as a true copy of the entry
           or extract,
           is admissible in evidence on its production without further proof; and
   (b) unless there is evidence to the contrary, on being admitted in evidence under paragraph (a), the document—
       (i) is presumed to be certified by an authorized officer of the HKICPA;
(ii) 須推定為有關記項或摘錄的真實副本；
及
(iii) 屬該文件的內容的證明。

(5) 香港會計師公會註冊主任須在切實可行的範圍內，
盡量提供公眾利益實體核數師註冊紀錄冊予任何人，於互聯網上免費查閱。”。

### 24. 取代在第 21 條之前的標題

在第 21 條之前的標題——
廢除該等標題
代以

“第 3A 部

關於公眾利益實體核數師及非公眾利益實體核數師等的查察及調查

第 1 分部 —— 導言”。

### 25. 取代第 21 條

第 21 條——
廢除該條
代以

“21. 釋義

在本部中——

查察報告 (inspection report) 指查察員根據第 21G(1) 條
擬備的報告；

(ii) is presumed to be a true copy of the entry or extract; and
(iii) is proof of its contents.

(5) The HKICPA Registrar must, as far as practicable, make the PIE auditors register available to any person for inspection free of charge on the Internet.”.

### 24. Headings before section 21 substituted

Headings before section 21—
Repeal the headings
Substitute

“Part 3A

Inspection and Investigation in relation to PIE Auditors, Non-PIE Auditors, etc.

Division 1—Preliminary”.

### 25. Section 21 substituted

Section 21—
Repeal the section
Substitute

“21. Interpretation

In this Part—

inspection report (查察報告) means a report prepared by an inspector under section 21G(1);
26. **Part 3A, Division 2 added**

After section 21—

Add—

"Division 2—Inspection in relation to PIE Auditors"

**Subdivision 1—Conduct of Inspection**

21A. **FRC may appoint inspectors**

(1) The FRC may, in writing, appoint—

(a) an employee of the FRC; or

(b) with the consent of the Financial Secretary, any other person, as an inspector for the purposes of this Ordinance.

(2) An inspector must be—

(a) a certified public accountant; or

(b) a member of an accountancy body that is a member of the International Federation of Accountants.

(3) The FRC must provide an inspector with a copy of the appointment.

21B. **FRC may direct inspection to be carried out for ascertaining compliance**

(1) The FRC may direct an inspector to carry out an inspection in relation to the PIE engagements completed by a PIE auditor on or after the 2019
Ordinance commencement date for the purpose of ascertaining whether the auditor has complied with, or is likely to be able to comply with—

(a) a provision of this Ordinance; or
(b) a professional standard.

(2) The FRC may, in relation to an inspection—

(a) specify a professional standard the compliance with which is to be ascertained in the inspection; and
(b) determine the practices and procedures to be followed for the inspection.

(3) The FRC must provide the inspector with a copy of its direction.

21C. Powers of inspector

(1) For the purposes of an inspection under this Division, an inspector may, at any reasonable time, exercise any of the following powers in relation to a PIE auditor—

(a) enter any business premises of the auditor;
(b) inspect, and make copies or otherwise record details of, any record or document related to the PIE engagements completed by the auditor on or after the 2019 Ordinance commencement date;
(c) make inquiries of the auditor or a person specified in subsection (4)—
   (i) concerning a record or document referred to in paragraph (b); or
(ii) concerning an activity that was carried out in the course of, or that may affect, a PIE engagement.

(2) In exercising a power under subsection (1)(b) or (c), the inspector may require the auditor or a person specified in subsection (4)—
(a) to give the inspector access to a record or document referred to in subsection (1)(b);
(b) to produce to the inspector, within the time and at the place specified in the requirement, a record or document referred to in subsection (1)(b); or
(c) to answer any question—
(i) concerning a record or document referred to in subsection (1)(b); or
(ii) concerning an activity that was carried out in the course of, or that may affect, a PIE engagement.

(3) The power under subsection (1)(c) or (2) is not exercisable in relation to a person specified in subsection (4) unless the inspector has reasonable cause to believe that the information, record or document being sought cannot be obtained by exercising the power in relation to the auditor.

(4) The person specified for subsection (1)(c) or (2) is a person whom the inspector has reasonable cause to believe—
(a) to have the information being sought for the inspection; or
(b) to be in possession of any record or document being sought for the inspection.
21D. Inspector may require answer to be verified by statutory declaration

(1) If a person gives an answer in compliance with a requirement imposed under section 21C, the inspector may, by written notice, require the person to verify the answer by a statutory declaration within the time specified in the notice.

(2) If a person does not give an answer in compliance with a requirement imposed under section 21C for the reason that the information concerned is not within the person's knowledge or possession, the inspector may, by written notice, require the person to verify that fact and reason by a statutory declaration within the time specified in the notice.

(3) A statutory declaration under subsection (1) or (2) may be made before the inspector and, for that purpose, the inspector is to have full power to administer the statutory declaration.

21E. FRC may require information for determining frequency of inspection etc.

(1) The FRC may, by written notice, require a PIE auditor to provide any information specified in subsection (2) for—

(a) determining the frequency at which an inspection is to be carried out in relation to the auditor;

(b) specifying the professional standard the compliance with which is to be ascertained in an inspection; or

(c) determining the practices and procedures to be followed for an inspection.
21F. Offences relating to sections 21C and 21D

(1) A person commits an offence if the person, without reasonable excuse, fails to comply with a specified requirement.

(2) A person commits an offence if the person, with intent to defraud, fails to comply with a specified requirement.

(3) A person commits an offence if—

(a) in purported compliance with a specified requirement, the person produces a record or document, or gives an answer, that is false or misleading in a material particular; and

(b) the person knows that, or is reckless as to whether or not, the record, document or answer is false or misleading in a material particular.
Part 2
Section 26

Financial Reporting Council (Amendment) Ordinance 2019

A454

Ord. No. 3 of 2019  
A455

(4) A person commits an offence if, in purported compliance with a specified requirement, the person, with intent to defraud, produces a record or document, or gives an answer, that is false or misleading in a material particular.

(5) A person commits an offence if the person, with intent to defraud—

(a) causes or allows another person to fail to comply with a specified requirement; or

(b) causes or allows another person, in purported compliance with a specified requirement, to produce a record or document, or give an answer, that is false or misleading in a material particular.

(6) Despite anything in this Ordinance, no criminal proceedings may be instituted against a person under subsection (1), (2), (3), (4) or (5) in relation to a particular conduct if—

(a) proceedings have previously been instituted against the person under section 32(2)(b) in relation to the same conduct; and

(b) those proceedings remain pending, or because of the previous institution of those proceedings, no proceedings may again be lawfully instituted against the person under section 32(2)(b) in relation to the same conduct.

(7) A person who commits an offence under subsection (1) is liable—

(a) on conviction on indictment—to a fine of $200,000 and to imprisonment for 1 year; or
(8) A person who commits an offence under subsection (3) is liable—
(a) on conviction on indictment—to a fine of $1,000,000 and to imprisonment for 2 years; or
(b) on summary conviction—to a fine at level 6 and to imprisonment for 6 months.

(9) A person who commits an offence under subsection (2), (4) or (5) is liable—
(a) on conviction on indictment—to a fine of $1,000,000 and to imprisonment for 7 years; or
(b) on summary conviction—to a fine at level 6 and to imprisonment for 6 months.

(10) In this section—
specified requirement (指明要求) means a requirement imposed under—
(a) section 21C(2); or
(b) section 21D(1) or (2).

Subdivision 2—Inspection Report

21G. Inspection report

(1) An inspector who carries out an inspection must prepare and submit to the FRC a written report in relation to the inspection—
(a) at the conclusion of the inspection; and
(b) if required by the FRC, at any other stage of the inspection.
(2) Before submitting an inspection report to the FRC, the inspector must—
   (a) send a dated draft of the report to—
       (i) the PIE auditor concerned; and
       (ii) any other person named in the draft; and
   (b) give the auditor and the person a reasonable opportunity of being heard.

(3) After submitting an inspection report to the FRC, the inspector must send a copy of the report to—
   (a) the PIE auditor concerned; and
   (b) any other person named in the report.

(4) When sending a draft or copy of the inspection report under this section, the inspector must send it by registered post to—
   (a) for the PIE auditor concerned—the registered office of the auditor; or
   (b) for any other person named in the draft or report—the last known address of the person.

21H. FRC’s power to take follow-up action

   The FRC may, having regard to an inspection report in relation to a PIE auditor—
   (a) decide no follow-up action is required;
   (b) require the auditor or, if a registered responsible person of the auditor is named in the report, the person to take a measure or corrective action regarding compliance with—
       (i) a provision of this Ordinance; or
       (ii) a professional standard;
27. Part 3A, Division 3 and Subdivision 1 headings added

Before section 22—

Add

“Division 3—Investigation in relation to PIE Auditors, Non-PIE Auditors, etc.

Subdivision 1—Audit Investigation Board and Investigators”.

28. Section 22 amended (Audit Investigation Board)

(1) Section 22(2)(a)—

Repeal

“Chief Executive Officer of the Council”

Substitute

(c) direct an inspector to carry out a further inspection in relation to the auditor within a specified period which must not commence earlier than 6 months after the date of the direction;

(d) initiate an investigation in relation to the auditor or, if applicable, the registered responsible person;

(e) impose a sanction on, or take an action in relation to, the auditor or, if applicable, the registered responsible person under Division 2 or 3 of Part 3B; or

(f) take any other follow-up action in accordance with this Ordinance that the FRC considers appropriate.”.
29. **Section 22A added**

After section 22—

Add

**“22A. FRC may appoint investigators”**

(1) The FRC may, in writing, appoint—

(a) an employee of the FRC; or
(b) with the consent of the Financial Secretary, any other person,
as an investigator for the purposes of this Ordinance.

(2) Section 22(2)(a), English text—

Repeal

“chairman”

Substitute

“chairperson”.

(3) Section 22(2)(b)—

Repeal

“Council”

Substitute

“FRC”.

(4) Section 22(3)—

Repeal

“Council shall”

Substitute

“FRC must”.

29. 加入第 22A 條

在第 22 條之後——

加入

“22A. 財匯局可委任調查員

(1) 財匯局可為施行本條例，以書面委任以下人士為調查員——

(a) 財匯局的僱員；或
(b) (在財政司司長的同意下) 任何其他人。
(2) 財務局須向獲委任的調查員，提供一份委任書的複本。”。

30. 加入第 3A 部第 3 分部第 2 次分部標題
在第 23 條之前——
加入

“第 2 次分部——進行調查”。

31. 取代第 23 條
第 23 條——
廢除該條
代以

“23. 財務局可指示就公眾利益實體核數師等，進行調查
(1) 在以下情況下，本條適用——
(a) 財務局有合理因由相信，某公眾利益實體核數師已進行某公眾利益實體項目（在《2019 年條例》生效日期當日或之後完成者）的方式，並不符合投資大眾的利益或公眾利益；
(b) 財務局有合理因由相信，某公眾利益實體核數師或註冊公眾利益實體核數師的註冊負責人，可能已違反本條例的條文；或
(c) 財務局為考慮是否根據第 3B 部第 2 分部施加處分，有理由就某公眾利益實體核數師或註冊公眾利益實體核數師的註冊負責人（或曾擔任

(2) The FRC must provide the appointed investigator with a copy of the appointment.”.

30. Part 3A, Division 3, Subdivision 2 heading added
Before section 23—
Add

“Subdivision 2—Conduct of Investigation”.

31. Section 23 substituted
Section 23—
Repeal the section
Substitute

“23. FRC may direct investigation to be carried out in relation to PIE auditors etc.
(1) This section applies if the FRC—
(a) has reasonable cause to believe that a PIE auditor has carried out a PIE engagement completed on or after the 2019 Ordinance commencement date in a way that is not in the interest of the investing public or in the public interest;
(b) has reasonable cause to believe that a provision of this Ordinance may have been contravened by a PIE auditor or registered responsible person of a registered PIE auditor; or
(c) for considering whether to impose a sanction under Division 2 of Part 3B, has reason to inquire into whether a PIE auditor or registered responsible person of a registered PIE auditor,
or a person while being such an auditor or responsible person, has or had committed a misconduct.

(2) The FRC may direct an investigator to carry out an investigation into the way in which the PIE engagement was carried out, or into the possible contravention or misconduct.

(3) The FRC must provide the investigator with a copy of its direction.”.

32. **Sections 23A and 23B added**

After section 23—

Add

“23A. **FRC may direct investigation to be carried out in relation to non-PIE auditors**

(1) If the FRC has reasonable cause to believe that a non-PIE auditor has or had committed a practice irregularity within the meaning of section 4, the FRC may direct an investigator to carry out an investigation into the possible irregularity.

(2) The FRC must provide the investigator with a copy of its direction.”.

23B. **FRC may direct investigation to be suspended**

(1) The FRC may direct an investigator to suspend an investigation for a period of time the FRC considers appropriate.

(2) The FRC must provide the investigator with a copy of its direction.”.
33. Section 24 amended (Council to notify certain bodies of powers under Divisions 2 and 3 being exercisable)

(1) Section 24, heading—

Repeal
“Council to notify certain bodies of powers under Divisions 2 and 3 being exercisable”

Substitute
“FRC to inform certain bodies of investigation”.

(2) Section 24—

Repeal subsection (1)

Substitute
“(1) This section applies if—

(a) the FRC directs an investigator to carry out an investigation under section 23 or 23A; and

(b) the investigation relates to a PIE engagement or non-PIE engagement completed on or after the 2019 Ordinance commencement date for a listed entity specified in subsection (2).

(1A) The FRC must give a written notice to the specified enforcement agency referred to in subsection (3), informing it that the investigation is to be carried out.”.

(3) Section 24(2)—

Repeal
“This section applies to a listed entity”

Substitute
“A specified listed entity is”.

(4) Section 24(2)(a), English text, before “that—”
34. **Heading before section 25 repealed**

Heading before section 25—

**Repeal the heading.**

35. **Sections 25 and 26 substituted**

Sections 25 and 26—

**Repeal the sections**

**Substitute**
25. **Powers of investigator**

(1) For the purposes of an investigation under this Division, an investigator may require a person specified in subsection (2)—

(a) to produce, within the time and at the place the investigator requires in writing, any record or document specified by the investigator that—

(i) is or may be relevant to the investigation; and

(ii) is in the person’s possession;

(b) to give an explanation or further particulars in relation to a record or document produced;

(c) to attend before the investigator at the time and place the investigator requires in writing, and to answer a question relating to any matter under investigation that may be raised by the investigator;

(d) to answer in writing, within the time the investigator requires in writing, a written question relating to any matter under investigation that may be raised by the investigator; and

(e) to give the investigator all other assistance in connection with the investigation that the person is reasonably able to give.

(2) The person specified for subsection (1) is—

(a) a person who is relevant to the matter that an investigator is directed to investigate; or

(b) a person whom an investigator has reasonable cause to believe—
26. Investigator may require explanation etc. to be verified by statutory declaration

(1) If a person gives any explanation, further particulars or answer in compliance with a requirement imposed under section 25(1), the investigator may, by written notice, require the person to verify the explanation, particulars or answer by a statutory declaration within the time specified in the notice.

(2) If a person does not give any explanation, further particulars or answer in compliance with a requirement imposed under section 25(1) for the reason that the information concerned is not within the person's knowledge or possession, the investigator may, by written notice, require the person to verify that fact and reason by a statutory declaration within the time specified in the notice.

(3) A statutory declaration under subsection (1) or (2) may be made before the investigator and, for that purpose, the investigator is to have full power to administer the statutory declaration.”.

36. Sections 27 and 28 repealed

Sections 27 and 28—

Repeal the sections.
37. **Heading before section 29 repealed**

Heading before section 29—

Repeal the heading.

38. **Section 29 amended (investigator to consult before imposing certain requirements under Division 2)**

(1) Section 29, heading—

Repeal

“Division 2”

Substitute

“sections 25 and 26”.

(2) Section 29—

Repeal

“The investigator or an authorized officer shall”

Substitute

“An investigator must”.

(3) Section 29—

Repeal

“section 25, 26 or 28”

Substitute

“section 25 or 26”.

(4) Section 29(a)(ii)—

Repeal

“Council’s”

Substitute

“FRC’s”.

37. 廢除在第 29 條之前的標題

在第 29 條之前的標題——

廢除該標題。

38. 修訂第 29 條 (調查機構在根據第 2 分部施加某些要求之前須作諮詢)

(1) 第 29 條，標題——

廢除

“調查機構在根據第 2 分部施加某些要求之前”

代以

“在根據第 25 及 26 條施加某些要求之前，調查員”。

(2) 第 29 條——

廢除

“機構或獲授權人”。

(3) 第 29 條——

廢除

在“第 25”之後而在“員不”之前的所有字句

代以

“或 26 條對某人施加要求前，該調查員已作以下諮詢，否則該調查員”。

(4) 第 29(a)(ii) 條——

廢除

“務匯報”

代以

“匯”。

Financial Reporting Council (Amendment) Ordinance 2019
39. Section 30 amended (use of incriminating evidence in proceedings)

(1) Section 30(1)—

Repeal

everything before “ensure that”

Substitute

“(1) If an investigator requires a person to give an explanation or further particulars, or to answer a question, under section 25, the investigator must”.

(2) Section 30(1)—

Repeal

“, particulars or statement, or the question and the answer or response”

Substitute

“or particulars, or the question and answer”.

(3) Section 30(2)—

Repeal paragraphs (a) and (b)

Substitute

“(a) an investigator requires a person to give an explanation or further particulars, or to answer a question, under section 25; and

(b) the explanation, particulars or answer might tend to incriminate the person, and the person claims this before giving the explanation or particulars, or answering the question,”.

(4) Section 30(2)—

Repeal

“, particulars or statement, or the question and the answer or response”
40. Section 31 amended (offences relating to requirements under Division 2)

(1) Section 31, heading—

Repeal
“requirements under Division 2”

Substitute
“sections 25 and 26”.

(2) Section 31(1), English text—

Repeal
“he”

Substitute
“the person”.

(3) Section 31(1)—

Repeal
“requirement imposed on him under section 25, 26, 27 or 28”

Substitute
“specified requirement”.

Substitute
“or particulars, or the question and answer”.

(5) Section 30(2)—

Repeal
everything after “an offence under”

Substitute
“section 31(1), (2), (5), (6) or (7), or under Part V of the Crimes Ordinance (Cap. 200), in relation to the explanation, particulars or answer.”.

(5) 第 30(2) 條—

廢除
在“就該項解釋、詳情”之後而在“，則就”之前的所有字句
代以
“或回答，而被控犯第 31(1)、(2)、(5)、(6) 或 (7) 條或《刑事罪行條例》(第 200 章) 第 V 部所訂罪行”。

40. 修訂第 31 條 (關乎第 2 分部所指的要求的罪行)

(1) 第 31 條，標題—

廢除
“2 分部所指的要求”
代以
“25 及 26 條”。

(2) 第 31(1) 條，英文文本—

廢除
“he”
代以
“the person”。

(3) 第 31(1) 條—

廢除
“根據第 25，26，27 或 28 條對他施加的”
代以
“指明”。
金融报告局（修订）条例

第2部

第40条

(4) 第31(2)条，英文文本——
废除
“he”
代以
“the person”。

(5) 第31(2)条——
废除
“根據第25、26、27或28條對他施加的”
代以
“指明”。

(6) 第31条——
废除第(3)及(4)款。

(7) 第31(5)条，英文文本——
废除
“he”。

(8) 第31(5)(a)条——
废除
“看來是遵從根據第28條對他施加的要求時，交出任何”
代以
“交出”。

(9) 第31(5)(a)条——
废除
在“給予在要項上屬虛假或具誤導性的”之後的所有字句
代以

(4) Section 31(2), English text—
Repeal
“he”
Substitute
“the person”.

(5) Section 31(2)—
Repeal
“requirement imposed on him under section 25, 26, 27 or 28”
Substitute
“specified requirement”.

(6) Section 31—
Repeal subsections (3) and (4).

(7) Section 31(5), English text—
Repeal
“he”.

(8) Section 31(5)(a)—
Repeal
“requirement imposed on him under section 28, produces any”
Substitute
“specified requirement, the person produces a”.

(9) Section 31(5)(a)—
Repeal
“or gives an answer or response, or gives any explanation or particulars,”
Substitute
第 31(5)(b) 條——

廢除

在“知道該項紀錄、文件、”之後而在“是否”之前的所有字句
代以

“解釋、詳情或回答，在要項上屬虛假或具誤導性的，
或罔顧該項紀錄、文件、解釋、詳情或回答”。

第 31 條——

廢除第 (6) 及 (7) 款
代以

“(6) 任何人意圖詐騙而充作遵從某指明要求時，交出在
要項上屬虛假或具誤導性的紀錄或文件，或給予在
要項上屬虛假或具誤導性的解釋，進一步詳情或回
答，即屬犯罪。

(7) 任何人意圖詐騙而——

(a) 致使或容許另一人，沒有遵從某指明要求；或
(b) 致使或容許另一人，交出在要項上屬虛假或具
誤導性的紀錄或文件，或給予在要項上屬虛假
或具誤導性的解釋，進一步詳情或回答，充作
遵從某指明要求，

即屬犯罪。”。

第 31 條——

廢除第 (8) 款。

“or gives an explanation, further particulars or an
answer,”.

(10) Section 31(5)(b)—

Repeal

everything before “is false”

Substitute

“(b) the person knows that, or is reckless as to whether or
not, the record, document, explanation, particulars
or answer”.

(11) Section 31—

Repeal subsections (6) and (7)

Substitute

“(6) A person commits an offence if, in purported
compliance with a specified requirement, the person,
with intent to defraud, produces a record or
document, or gives an explanation, further particulars
or an answer, that is false or misleading
in a material particular.

(7) A person commits an offence if the person, with
intent to defraud—

(a) causes or allows another person to fail to
comply with a specified requirement; or

(b) causes or allows another person, in purported
compliance with a specified requirement, to
produce a record or document, or give an
explanation, further particulars or an answer,
that is false or misleading in a material
particular.”.

(12) Section 31—

Repeal subsection (8).
(13) 第 31(9) 條——
废除
“根據第 25、26、27 或 28 條對他施加的”
代以
“指明”。

(14) 第 31(9) 條——
废除
“致他”
代以
“致該人”。

(15) 第 31(10) 條——
废除
“(3), (4), (5), (6), (7) 或 (8)”
代以
“(5), (6) 或 (7)”。

(16) 第 31(12) 條——
废除
“(4) 或”。

(17) 第 31(13) 條——
废除
“(3), (6), (7) 或 (8)”
代以
“(6) 或 (7)”。

(18) 在第 31(13) 條之後——
加入

(13) Section 31(9)—
Repeal
“requirement imposed on him under section 25, 26, 27 or 28”
Substitute
“specified requirement”.

(14) Section 31(9)—
Repeal
“incriminate him”
Substitute
“incriminate the person”.

(15) Section 31(10)—
Repeal
“(3), (4), (5), (6), (7) or (8)”
Substitute
“(5), (6) or (7)”.

(16) Section 31(12)—
Repeal
“(4) or”.

(17) Section 31(13)—
Repeal
“(3), (6), (7) or (8)”
Substitute
“(6) or (7)”.

(18) After section 31(13)—
Add
“(14) In this section—

specified requirement (指明要求) means a requirement imposed under—

(a) section 25(1); or
(b) section 26(1) or (2).”.

41. Part 3A, Division 3, Subdivision 3 added

After section 31—

Add

“Subdivision 3—Findings of Investigation

31A. Investigation report

(1) As soon as practicable after the completion of an investigation, the investigator must prepare and submit to the FRC a written report in relation to the investigation.

(2) The investigator—

(a) may prepare an interim report in relation to the investigation, if the investigator considers it appropriate to do so; and
(b) must prepare an interim report in relation to the investigation, if required by the FRC to do so.

(3) Before submitting an investigation report to the FRC, the investigator must—

(a) send a dated draft of the report to—

(i) the PIE auditor, non-PIE auditor or registered responsible person concerned; and

(ii) any other person named in the draft; and
(b) give any person to whom the draft is sent under paragraph (a) a reasonable opportunity of being heard.

(4) The FRC may—

(a) adopt the investigation report submitted by the investigator; and
(b) publish or otherwise disclose the report or any part of it.

(5) In deciding whether to publish or otherwise disclose an investigation report or any part of it, the FRC must take into account—

(a) whether the publication or disclosure may adversely affect any of the following proceedings that have been, or are likely to be, instituted—
   (i) any proceedings under Part 3C;
   (ii) any criminal proceedings before a court or magistrate;
   (iii) any proceedings before the Market Misconduct Tribunal; or
   (iv) any proceedings under Part V of the Professional Accountants Ordinance (Cap. 50);
(b) whether the publication or disclosure may adversely affect any person named in the report; and
(c) whether the publication or disclosure would be in the interest of the investing public or in the public interest.

(6) A document purporting—
Part 2
Section 41

(a) to be a copy of an investigation report adopted under subsection (4); and
(b) to be certified by the chairperson of the FRC as a true copy of such a report,
is, on its production without further proof, admissible as evidence of the facts stated in the report in any of
the proceedings specified in subsection (7).

(7) The proceedings are—
(a) proceedings under Part 3C;
(b) civil proceedings before a court;
(c) proceedings before the Market Misconduct Tribunal; or
(d) proceedings under Part V of the Professional Accountants Ordinance (Cap. 50).

31B. Action by FRC in relation to investigation

(1) This section applies if an investigation report is submitted to the FRC under section 31A.

(2) The FRC may, in relation to the investigation—
(a) close the case without further action; or
(b) take any follow-up action in accordance with this Ordinance that the FRC considers appropriate.

(3) If the investigation was carried out under section 23, the FRC may also impose a sanction on, or take an action in relation to, the PIE auditor or registered responsible person concerned under Division 2 or 3 of Part 3B.

(4) In exercising a power under subsection (2) or (3), the FRC must have regard to the investigation report.

(a) 根據第 (4) 款獲採納的調查報告的複本；及
(b) 經財匯局主席核證為屬該報告的真實副本，
則該文件一經交出，即可獲接納為該報告內所述事
實的證據，而無須再加證明。

(7) 有關程序為——
(a) 第 3C 部所指的程序；
(b) 在法院進行的民事法律程序；
(c) 在市場失當行為審裁處進行的研訊程序；或
(d) 《專業會計師條例》(第 50 章) 第 V 部所指的程
序。

31B. 財匯局就調查的行動

(1) 如調查員根據第 31A 條，向財匯局呈交調查報告，
則本條適用。

(2) 財匯局可就有關調查——
(a) 結束個案，而不採取進一步行動；或
(b) 按照本條例，採取財匯局認為合適的任何跟進
行動。

(3) 如有關調查是根據第 23 條進行的，財匯局亦可根
據第 3B 部第 2 或 3 分部，對有關的公眾利益實體
核數師或註冊負責人，施加處分或採取行動。

(4) 財匯局須顧及有關調查報告，方可行使第 (2) 或 (3)
款所指的權力。
(5) As soon as practicable after deciding to exercise a power under subsection (2), the FRC must issue a written notice of the decision to the PIE auditor, non-PIE auditor or registered responsible person concerned, unless the FRC is satisfied that the notification may prejudice an action by the FRC, or a specified body, relating to the investigation.

31C. Costs and expenses of investigation

(1) If, on a prosecution instituted as a result of the findings of an investigation under this Division, a person is convicted by a court or magistrate, the court or magistrate may order the person to pay to the FRC a sum that is the whole or a part of the costs and expenses of the investigation.

(2) The FRC may recover the sum so ordered as a civil debt due to it.”.

42. Part 3A, Division 4 heading added
Before section 32—

Add

“Division 4—Supplementary Provisions Relating to Inspection and Investigation”.

43. Section 32 amended (Court of First Instance to inquire into failure to comply with requirements under Division 2)

(1) Section 32, heading—

Repeal

“Court of First Instance to inquire into failure to comply with requirements under Division 2”

Substitute
“原訟法庭可就沒有遵從指明要求而行使的權力”。

(2) 第 32 條——
廢除第 (1) 款
代以
“(1) 任何人如沒有遵從指明要求，則有關查察員或調查員（視情況所需而定）可藉原訟傳票，要求原訟法庭行使第 (2) 款所指的權力。”。

(3) 第 32(2) 條——
廢除
“在上述申請提出後，”。

(4) 第 32(2)(b) 條，英文文本——
廢除
“if he”
代以
“if the person”。

(5) 第 32(4) (a) 及 (b) 條——
廢除
“31(1)、(2)、(3)、(4)、(5)、(6)、(7) 或 (8)”
代以
“21F 或 31”。

(6) 在第 32(4) 條之後——
加入

“Powers of Court of First Instance in relation to failure to comply with specified requirements”.

(2) Section 32—
Repeal subsection (1)
Substitute
“(1) If a person fails to comply with a specified requirement, the inspector or investigator (as the case requires) may, by originating summons, request the Court of First Instance to exercise the powers under subsection (2).”.

(3) Section 32(2)—
Repeal
“On such application, the”
Substitute
“The”.

(4) Section 32(2)(b), English text—
Repeal
“if he”
Substitute
“if the person”.

(5) Section 32(4)(a) and (b)—
Repeal
“section 31(1), (2), (3), (4), (5), (6), (7) or (8)”
Substitute
“section 21F or 31”.

(6) After section 32(4)—
Add
(5) In this section—

specified requirement (指明要求) means a requirement imposed under—

(a) section 21C(2);
(b) section 21D(1) or (2);
(c) section 25(1); or
(d) section 26(1) or (2).”.

44. Section 33 amended (inspection of records or documents seized, etc.)

(1) Section 33—

Repeal

“If the investigator”

Substitute

“If an inspector or investigator”.

(2) Section 33—

Repeal

“Division 2, the investigator shall”

Substitute

“this Part, the inspector or investigator must”.

(3) Section 33—

Repeal

“investigator imposes”

Substitute

“inspector or investigator imposes”.

(4) Section 33—

Repeal
45. 修訂第 34 條 (裁判官手令)

(1) 第 34(1) 條——
　廢除
　“調查機構”
　代以
　“該查察員或調查員根據本”。

(2) 第 34(1) 條——
　廢除
　“第 2 分部被”
　代以
　“本部被”。

(3) 第 34(1)(a) 條，在“內，”之後——
　加入
　“或在該手令指明的較長期間內，”。

(4) 第 34(1)(b) 及 (2)(b) 條——
　廢除
　“第 2 分”
　代以

investigator not taken possession of it under that Division”
Substitute
“inspector or investigator not taken possession of it under this Part”.

45.  Section 34 amended (magistrate’s warrants)

(1) Section 34(1)—
　Repeal
　“on information on oath laid by the investigator”
　Substitute
　“by information on oath laid by an inspector or investigator”.

(2) Section 34(1)—
　Repeal
　“Division 2,”
　Substitute
　“this Part,”.

(3) Section 34(1)(a)—
　Repeal
　“the period of 7 days”
　Substitute
　“7 days, or any longer period specified in the warrant,”.

(4) Section 34(1)(b) and (2)(b)—
　Repeal
　“Division 2.”
　Substitute
“this Part.”.
(5) Section 34(5)—
Repeal
“he”
Substitute
“the person”.
(6) Section 34(5)(a), English text—
Repeal
“shall”
Substitute
“must”.
(7) Section 34(5)(b)(i), after “inspect it”—
Add
“at all reasonable times”.
(8) Section 34(6)—
Repeal
“the investigator”
Substitute
“the inspector or investigator”.
(9) Section 34(7), English text—
Repeal
“he”
Substitute
“the person”.

46. Heading after section 34 repealed
Heading after section 34—
47. Sections 35, 36 and 37 repealed
Sections 35, 36 and 37—
Repeal the sections.

48. Parts 3B and 3C added
Before Part 4—
Add

“Part 3B
Disciplinary Matters Regarding PIE Auditors and Registered Responsible Persons

Division 1—Misconduct

37A. Misconduct by PIE auditors
For the purposes of this Ordinance, a PIE auditor has committed a misconduct if the auditor—
(a) has contravened a provision of this Ordinance;
(b) has contravened a condition imposed in relation to the registration or recognition of the auditor under Part 3;
(c) has contravened a requirement imposed under a provision of this Ordinance;
(d) has, in relation to a PIE engagement completed on or after the 2019 Ordinance commencement date, done an act or made an omission that, in the FRC’s opinion, is or is likely to be
37B. Misconduct by registered responsible persons

For the purposes of this Ordinance, a registered responsible person of a registered PIE auditor has committed a misconduct if the person—

(a) has contravened a provision of this Ordinance;
(b) has contravened a requirement imposed under a provision of this Ordinance;
(c) has, in relation to a PIE engagement completed by the auditor on or after the 2019 Ordinance commencement date, done an act or made an omission that, in the FRC’s opinion, is or is likely to be prejudicial to the interest of the investing public or the public interest; or
(d) has done an act or made an omission that amounts to a practice irregularity within the meaning of section 4.

37C. Whether act or omission likely to be prejudicial to interest of investing public etc.

(1) In forming an opinion for section 37A(d) or 37B(c) about whether an act or omission is or is likely to be prejudicial to the interest of the investing public or the public interest, the FRC must have regard to the provisions specified in subsection (2).
(2) 上述条文指任何守则或指引所列的、關於上述作為
或不作為的條文，並且是——
(a) 由財務局根據本條例公布的；
(b) 由證監會根據《證券及期貨條例》(第 571 章)
公布的；
(c) 由交易結算公司根據《上市規則》公布的；或
(d) 由香港會計師公會根據《專業會計師條例》(第
50 章) 公布的。

第 2 分部——處分

37D. 對公眾利益實體核數師的失當行為的處分

(1) 財務局如信納，某公眾利益實體核數師作出失當行
為，則可對該核數師施加第 (3) 款指明的一項或多
於一項處分。

(2) 財務局如信納，某人在擔任公眾利益實體核數師
時，曾作出失當行為，則可對該人施加第 (3)(b) 款
指明的一項或多於一項處分。

(3) 可施加的處分如下——
(a) 就屬公眾利益實體核數師的人而言——
(i) 撤銷該人的註冊或認可；
(ii) 在財務局認為適當的期間內，或在該局
認為適當的事件發生前，暫時吊銷該人的
註冊或認可；及

Division 2—Sanctions

37D. Sanctions for misconduct by PIE auditors

(1) The FRC may impose one or more of the sanctions
specified in subsection (3) on a PIE auditor if the
FRC is satisfied that the auditor has committed a
misconduct.

(2) The FRC may impose one or more of the sanctions
specified in subsection (3)(b) on a person if the FRC
is satisfied that the person committed a misconduct
while being a PIE auditor.

(3) The sanctions that may be imposed are——
(a) for a person who is a PIE auditor—
(i) to revoke the person’s registration or
recognition;
(ii) to suspend the person’s registration or
recognition for a period of time, or until
the occurrence of an event, that the FRC
considers appropriate; and
(iii) to impose a condition on the person’s registration or recognition; and

(b) for a person who is or was a PIE auditor—

(i) to reprimand the person publicly or privately;

(ii) to direct the person to carry out any remedial action specified by the FRC;

(iii) to prohibit the person from applying to be registered or recognized as a PIE auditor for a period of time, or until the occurrence of an event, that the FRC considers appropriate; and

(iv) subject to section 37H, to order the person to pay a pecuniary penalty, not exceeding the amount which is the greater of—

(A) $10,000,000; or

(B) 3 times the amount of the profit gained or loss avoided by the person as a result of the misconduct.

37E. Sanctions for misconduct by registered responsible persons

(1) The FRC may impose one or more of the sanctions specified in subsection (3) on a registered responsible person of a registered PIE auditor if the FRC is satisfied that the person has committed a misconduct.

(2) The FRC may impose one or more of the sanctions specified in subsection (3)(b) on a person if the FRC is satisfied that the person committed a misconduct while being a registered responsible person of a registered PIE auditor.

(3) The sanctions that may be imposed are—
Part 2
Section 48

(a) for a person who is a registered responsible person of a registered PIE auditor—to remove the person's name from the list of registered responsible persons of the auditor, either—

(i) permanently; or

(ii) for a period of time, or until the occurrence of an event, that the FRC considers appropriate; and

(b) for a person who is or was a registered responsible person of a registered PIE auditor—

(i) to reprimand the person publicly or privately;

(ii) to direct the person to carry out any remedial action specified by the FRC; and

(iii) subject to section 37H, to order the person to pay a pecuniary penalty, not exceeding the amount which is the greater of—

(A) $10,000,000; or

(B) 3 times the amount of the profit gained or loss avoided by the person as a result of the misconduct.

37F. Other cases

(1) The FRC may impose a sanction under section 37D(3)(a)(i) or (ii) in relation to a registered PIE auditor if the FRC is satisfied that—

(a) for a registered PIE auditor who is a certified public accountant (practising)—

(i) the auditor has entered into a voluntary arrangement with the auditor's creditors under the Bankruptcy Ordinance (Cap. 6);
(ii) a bankruptcy order has been made against the auditor under the Bankruptcy Ordinance (Cap. 6);

(iii) the auditor has been convicted of an offence in Hong Kong or elsewhere that, in the FRC’s opinion, impugns the fitness and properness of the auditor to remain registered; or

(iv) the auditor has been found by a court to be mentally incapacitated, or has been detained in a mental hospital, under the Mental Health Ordinance (Cap. 136); or

(b) for a registered PIE auditor that is a firm of certified public accountants (practising)—

(i) a partner of the auditor has entered into a voluntary arrangement with the partner’s creditors under the Bankruptcy Ordinance (Cap. 6);

(ii) a bankruptcy order has been made against a partner of the auditor under the Bankruptcy Ordinance (Cap. 6);

(iii) a partner of the auditor has been convicted of an offence in Hong Kong or elsewhere that, in the FRC’s opinion, impugns the fitness and properness of the auditor to remain registered; or

(iv) a partner of the auditor has been found by a court to be mentally incapacitated, or has been detained in a mental hospital, under the Mental Health Ordinance (Cap. 136); or
(c) for a registered PIE auditor that is a corporate practice—
   (i) a receiver or manager has been appointed in relation to the property or business of the auditor;
   (ii) the auditor has entered into a scheme of arrangement with its creditors;
   (iii) the auditor has gone into liquidation;
   (iv) the auditor has been convicted of an offence in Hong Kong or elsewhere that, in the FRC’s opinion, impugns the fitness and properness of the auditor to remain registered;
   (v) a director of the auditor has been convicted of an offence in Hong Kong or elsewhere that, in the FRC’s opinion, impugns the fitness and properness of the auditor to remain registered; or
   (vi) a director of the auditor has been found by a court to be mentally incapacitated, or has been detained in a mental hospital, under the Mental Health Ordinance (Cap. 136).

(2) The FRC may impose a sanction under section 37E(3)(a) in relation to a registered responsible person of a registered PIE auditor if the FRC is satisfied that—
   (a) the person has entered into a voluntary arrangement with the person’s creditors under the Bankruptcy Ordinance (Cap. 6);
(b) a bankruptcy order has been made against the person under the Bankruptcy Ordinance (Cap. 6);

(c) the person has been convicted of an offence in Hong Kong or elsewhere that, in the FRC’s opinion, impugns the fitness and properness of the person to remain a registered responsible person of the auditor; or

(d) the person has been found by a court to be mentally incapacitated, or has been detained in a mental hospital, under the Mental Health Ordinance (Cap. 136).

37G. FRC to inform sanctions imposed

(1) The FRC must not impose a sanction on a person under this Division without first giving the person a reasonable opportunity of being heard.

(2) If the FRC decides to impose a sanction on a person under this Division, the FRC must, by written notice, inform the person of its decision.

(3) The notice must include—

(a) a statement of the reasons for the decision;

(b) the time when the decision is to take effect; and

(c) the details of the sanction imposed.

37H. Guidelines for exercise of power to impose pecuniary penalty

(1) The FRC must not impose a pecuniary penalty under section 37D(3)(b)(iv) or 37E(3)(b)(iii) unless—
(a) it has published, in the Gazette and in any other manner it considers appropriate, guidelines to indicate the way in which it exercises the power to impose the penalty; and

(b) it has had regard to the guidelines so published in imposing the penalty.

(2) The guidelines are not subsidiary legislation.

### Division 3—Miscellaneous

371. **FRC’s power to take action in place of or in addition to imposing sanctions with consent**

(1) At any time when the FRC is contemplating whether to impose a sanction on a person under section 37D, 37E or 37F, the FRC may, with the person’s written consent—

(a) take any action referred to in section 37D(3) or 37E(3) in relation to the person; or

(b) take any other action in relation to the person that the FRC considers appropriate.

(2) The FRC may take an action under subsection (1) in relation to the person in place of or in addition to imposing any sanction on the person under section 37D, 37E or 37F.

(3) The FRC may only take an action under subsection (1) if it considers it appropriate to do so—

(a) in the interest of the investing public; or

(b) in the public interest.
(4) Before taking any action under subsection (1) in relation to the person, the FRC must issue a written notice to the person, which must specify the action to be taken by the FRC, and the time within which the action is to be taken, as consented to by the person.

37J. Pecuniary penalty order

(1) This section applies if the FRC has made an order, requiring a person to pay a pecuniary penalty (pecuniary penalty order) under—

(a) section 37D(3)(b)(iv); 

(b) section 37E(3)(b)(iii); or

(c) section 37I(1).

(2) The person must pay the penalty to the FRC—

(a) for a pecuniary penalty order under section 37D(3)(b)(iv) or 37E(3)(b)(iii)—

(i) within 30 days after the pecuniary penalty order has taken effect under section 37ZD; or

(ii) within a longer period specified in the notice issued under section 37G(2); or

(b) for a pecuniary penalty order under section 37I(1)—within the time specified in the notice issued under section 37I(4).

(3) The Court of First Instance may, on application by the FRC, register the pecuniary penalty order.

(4) The application must be accompanied by a copy of the notice issued under section 37G(2) or 37I(4), as the case requires.
(5) On registration, the pecuniary penalty order is to be regarded as an order of the Court of First Instance made within the civil jurisdiction of the Court of First Instance for the payment of money.

(6) Any money paid to or recovered by the FRC under the pecuniary penalty order must be paid into the general revenue.

37K. Disclosure of sanctions etc.

(1) This section applies if the FRC has, in relation to a person—

(a) imposed any sanction under section 37D, 37E or 37F; or

(b) taken any action under section 37I.

(2) The FRC must disclose to the public—

(a) the material facts relating to the case;

(b) its decision to impose a sanction or take an action, and the reasons for the decision; and

(c) the sanction imposed or action taken.

(3) The disclosure may only be made after—

(a) for a case where a sanction is imposed—

(i) the expiry of the period for lodging an application for review to the Tribunal in relation to the FRC’s decision; or

(ii) if such an application is lodged, the review has been disposed of; or

(b) for a case where an action is taken—the notice under section 37I(4) is issued to the person concerned.
(4) The FRC must not make any disclosure under subsection (2) if—
(a) the disclosure relates to a private reprimand under section 37D(3)(b)(i) or 37E(3)(b)(i);
(b) the disclosure may adversely affect any criminal proceedings before a court or magistrate; or
(c) the disclosure, in the FRC’s opinion, is not in the interest of the investing public or in the public interest.

37L. FRC may have regard to any information or material when making decisions
In deciding whether to exercise a power under this Part, the FRC may have regard to any information or material in its possession that is relevant to the decision, regardless of how the information or material has come into its possession.

Part 3C
Reviews and Appeals Regarding Decisions on PIE Auditors etc.

Division 1—Preliminary

37M. Interpretation
In this Part—
leave application (許可申請) means an application made under section 37ZG;
specified period (指明限期)，在与有关指定决定的关系下，是指在发出该决定的通知后21天内指定的一段时间。

Division 2—Public Interest Entities Auditors Review Tribunal

37N. Establishment of Public Interest Entities Auditors Review Tribunal

(1) A tribunal is established with the name “Public Interest Entities Auditors Review Tribunal” in English and “公眾利益實體核數師覆核審裁處” in Chinese.

(2) The Tribunal—
(a) consists of a chairperson and 2 other members; and
(b) is presided over by the chairperson.

(3) Schedule 4A has effect with respect to the Tribunal.

37O. Jurisdiction of Tribunal

The Tribunal has jurisdiction, in accordance with this Part and Schedule 4A—
(a) to review any specified decision; and
(b) to hear and determine a question or issue arising out of, or in connection with, a review of a specified decision.
Part 2
Section 48

Establishment of additional tribunals

(1) If the Chief Executive considers it appropriate to do so, the Chief Executive may establish additional tribunals for any review over which the Tribunal has jurisdiction.

(2) This Ordinance applies, with necessary modifications, to each of the additional tribunals as it applies to the Tribunal.

Division 3—Review of Specified Decisions

Application for review of specified decision

(1) Subject to section 37R, a person who is aggrieved by a specified decision made in relation to the person may, at any time within the specified period, apply to the Tribunal for a review of the decision.

(2) The application—

(a) must be in writing; and

(b) must state the grounds for the application.

(3) The Tribunal must, as soon as practicable after receiving the application, send a copy of the application to—

(a) the decision authority; and

(b) if the decision authority is the HKICPA Council, the FRC.

Extension of time for review application

(1) The Tribunal may, on the written application within the specified period by a person aggrieved by a specified decision made in relation to the person, by
37S. Withdrawal of review application

(1) A person who has made a review application may withdraw the application by written notice to the Tribunal.

(2) The withdrawal may be made at any time before the hearing of the review.

(3) The Tribunal may make an order for costs in relation to a review application and its withdrawal that the Tribunal considers appropriate.

37T. Determination of review

(1) The Tribunal may determine a review in relation to a specified decision by—

(a) confirming, varying or setting aside the decision; or

(b) remitting the matter in question to the decision authority with any direction it considers appropriate.

(2) If a specified decision is set aside, the Tribunal may make another decision it considers appropriate (new decision) in substitution for the specified decision.
37U. **Powers of Tribunal**

1. Subject to Schedule 4A, the Tribunal may, for the purpose of a review, on its own initiative or on application by a party to the review—
   (a) receive and consider any material by way of oral evidence, written statements or documents, whether or not the material would be admissible in a court of law;
   (b) determine the way in which any material mentioned in paragraph (a) is received;
   (c) by written notice signed by the chairperson of the Tribunal, require a person—
      (i) to attend before it at any sitting and to give evidence; and

3. A varied or new decision made by the Tribunal under subsection (1)(a) or (2)—
   (a) may only be one that the decision authority had power to make in relation to the applicant for the review application, whether or not under the same provision under which the original specified decision was made; and
   (b) may be more or less onerous than the original specified decision.

4. In reviewing a specified decision, the Tribunal must give the parties to the review a reasonable opportunity of being heard.

5. The standard of proof required to determine any question or issue before the Tribunal is the standard of proof applicable to civil proceedings in a court of law.
(ii) to produce any article, record or document in the person’s possession or control relating to the subject matter of the review;

(d) administer oaths;

(e) examine or cause to be examined, on oath or otherwise, a person attending before it and require the person to answer truthfully any question the Tribunal considers appropriate;

(f) order a witness to give evidence by affidavit;

(g) order a person not to publish or otherwise disclose any material the Tribunal receives;

(h) prohibit the publication or disclosure of any material the Tribunal receives at any sitting, or any part of a sitting, that is held in private;

(i) stay any of the proceedings in the review on any grounds, and on any terms and conditions, that the Tribunal considers appropriate having regard to the interests of justice;

(j) determine the procedure to be followed in the review; and

(k) exercise any other powers or make any other orders that may be necessary for, or ancillary to, the conduct of the review or the performance of the Tribunal’s functions.

(2) A person commits an offence if the person, without reasonable excuse—

(a) fails to comply with an order, notice, prohibition or requirement of the Tribunal made, given or imposed under subsection (1);

(b) disrupts any sitting of the Tribunal or otherwise misbehaves during any sitting of the Tribunal;
(c) having been required by the Tribunal under subsection (1) to attend before the Tribunal, leaves the place where the person’s attendance is so required without the Tribunal’s permission;
(d) hinders or deters any person from attending before the Tribunal, giving evidence or producing any article, record or document, for the purpose of a review;
(e) threatens, insults or causes any loss to be suffered by a person who has attended before the Tribunal, on account of the attendance; or
(f) threatens, insults or causes any loss to be suffered by the chairperson, or any other member, of the Tribunal at any time, on account of the performance of the chairperson’s or member’s functions.

(3) A person who commits an offence under subsection (2) is liable—
(a) on conviction on indictment—to a fine of $1,000,000 and to imprisonment for 2 years; or
(b) on summary conviction—to a fine at level 6 and to imprisonment for 6 months.

(4) A person is not excused from complying with an order, notice, prohibition or requirement of the Tribunal made, given or imposed under subsection (1) only on the ground that to do so might tend to incriminate the person.

37V. Sittings of Tribunal to be held in public

(1) Every sitting of the Tribunal for determining a review must be held in public.
(2) Subsection (1) does not apply if the Tribunal, on its own initiative or on application by a party to the review, determines that a sitting, or any part of a sitting, must be held in private in the interests of justice.

(3) The hearing of an application mentioned in subsection (2) must be held in private.

37W. Use of incriminating evidence given for purpose of review

(1) This section applies if the Tribunal—
(a) requires a person to give evidence under section 37U(1)(c)(i);
(b) requires a person to answer any question under section 37U(1)(e);
(c) orders a person to give evidence under section 37U(1)(f); or
(d) otherwise requires or orders a person to provide any information under section 37U(1)(k).

(2) A person is not excused from complying with the requirement or order of the Tribunal only on the ground that the evidence, answer or information might tend to incriminate the person.

(3) However, subsection (4) applies if the evidence, answer or information might tend to incriminate the person.

(4) Despite anything in this Ordinance and subject to subsection (5), neither the evidence, answer or information given or provided by the person, nor the requirement or order of the Tribunal, is admissible in evidence against the person in criminal proceedings in a court of law.
(5) Subsection (4) does not apply to criminal proceedings in which the person is charged, in relation to the evidence, answer or information, with an offence under—
(a) section 37U(2)(a); or
(b) Part V of the Crimes Ordinance (Cap. 200).

37X. Contempt dealt with by Tribunal

(1) The Tribunal has the same powers as the Court of First Instance to punish for contempt.

(2) Without limiting subsection (1), the Tribunal may punish for contempt a person who, without reasonable excuse, engages in conduct falling within section 37U(2) as if the conduct were a contempt of court and the Tribunal were the Court of First Instance.

(3) The Tribunal must, in exercising its powers to punish for contempt, adopt the standard of proof the Court of First Instance would adopt in exercising the same powers.

37Y. Costs

(1) The Tribunal may, in relation to a review, by order award to—
(a) a person whose attendance, whether or not as a witness, has been necessary or required for the purpose of the review; or
(b) a party to the review, a sum it considers appropriate in respect of the costs reasonably incurred by the person or party in relation to the review.

(5) 如有關人士就有關證據、答案或資料而被控犯——
(a) 第 37U(2)(a) 條所訂罪行；或
(b) 《刑事罪行條例》(第 200 章) 第 V 部所訂罪行，第 (4) 款不適用於該等檢控的刑事法律程序。
(2) 如審裁處將訟費——

(a) 根據第 (1)(a) 款判給某人——該等訟費須由審裁處認為適當的覆核的某一方支付，並可作為民事債項向該方追討；或
(b) 根據第 (1)(b) 款判給覆核的某一方——該等訟費須由該覆核的另一方支付，並可作為民事債項向該方追討。

(3) 除終審法院首席法官根據第 37ZJ 條訂立的規則另有規定外，《高等法院規則》(第 4 章，附屬法例 A) 第 62 號命令適用於審裁處根據第 (1) 款作出的訟費判給，亦適用於該等訟費的評定。

37Z. 審裁處的裁定及命令

(1) 在裁定某覆核後，審裁處須在切實可行範圍內，盡快向覆核各方發出——

(a) 其裁定及作出該裁定的理由；及
(b) 根據第 37Y(1) 條就訟費而作出的命令 (訟費命令)，以及作出該命令的理由。

(2) 審裁處如就公會理事會的指明決定作出覆核，則亦須向財務局，發出有關裁定、訟費命令，以及作出該裁定及命令的理由。

(3) 審裁處如閉門進行聆訊或其部分，則可下令全面或局部禁止發布或披露有關裁定或訟費命令，或作出該裁定或命令的理由。

37Z. Determination and order of Tribunal

(1) The Tribunal must, as soon as practicable after determining a review, issue to each party to the review—

(a) its determination and the reasons for the determination; and
(b) any order made under section 37Y(1) for costs (costs order) and the reasons for the order.

(2) If the review is made in relation to a specified decision by the HKICPA Council, the Tribunal must also issue to the FRC the determination and costs order, and the reasons for the determination and order.

(3) If a sitting of the Tribunal, or a part of it, is held in private, the Tribunal may by order prohibit the publication or disclosure, wholly or partly, of the determination or costs order, or the reasons for the determination or order.
(4) A person commits an offence if the person, without reasonable excuse, fails to comply with an order of the Tribunal made under subsection (3).

(5) A person who commits an offence under subsection (4) is liable—

(a) on conviction on indictment—to a fine of $1,000,000 and to imprisonment for 2 years; or

(b) on summary conviction—to a fine at level 6 and to imprisonment for 6 months.

37ZA. Form and proof of determination or order of Tribunal

(1) A determination or order made by the Tribunal must—

(a) be in writing; and

(b) be signed by the chairperson of the Tribunal.

(2) A document purporting to be a determination or order of the Tribunal and signed by the chairperson of the Tribunal is, in the absence of evidence to the contrary, presumed to be a determination or order of the Tribunal duly made and signed—

(a) without proof of its making;

(b) without proof of the signature; and

(c) without proof that the person signing the determination or order was in fact the chairperson of the Tribunal.

37ZB. Registration of determination or order of Tribunal

(1) The Court of First Instance may, on written notice given by the Tribunal in the way prescribed by rules made by the Chief Justice under section 37ZJ, register a determination or order of the Tribunal.
(2) A determination or order so registered is to be regarded, for its enforcement, as a determination or order of the Court of First Instance made within its jurisdiction.

37ZC. No other right of appeal

Subject to section 50 of the High Court Ordinance (Cap. 4) and section 37ZF, a determination or order of the Tribunal is final and is not subject to appeal.

Division 4—Taking Effect of Specified Decisions and Stay of Execution of Determinations or Orders of Tribunal

37ZD. Time when specified decision takes effect

(1) Subject to subsection (2), a specified decision takes effect—

(a) if, before the expiry of the specified period, the person in relation to whom the decision is made notifies the decision authority in writing that the person will not make a review application—on the day after the authority is notified;

(b) subject to paragraph (a), if the person does not make a review application within the specified period, including any extension of time granted by the Tribunal under section 37R—on the day after the period expires; or

(c) if the person makes a review application—

(i) if the decision is confirmed by the Tribunal—on the day after the decision is confirmed;
(ii) 當決定於更改決定後，在更改決定的翌日，按更改決定的條款而生效；或
(iii) 則可指明另一生效日期。

(2) 有關的作決定當局如認為，就某指明決定指明另一生效日期，就公眾利益而言屬適當，則可指明另一生效日期。

37ZE. 申請暫緩執行審裁處的裁定或命令

(1) 在審裁處就覆核作出裁定後，該覆核的任何一方，可隨時向審裁處提出申請，要求暫緩執行該裁定或審裁處作出的命令。

(2) 審裁處如認為適當，可應第 (1) 款所指的申請，命令暫緩執行有關裁定或命令。

(3) 審裁處在根據第 (2) 款作出命令時，可附加它認為適當的條件，包括關於詐費或繳存款項於審裁處的條件。

37ZE. Application for stay of execution of determination or order of Tribunal

(1) A party to a review may, at any time after the review is determined by the Tribunal, apply to the Tribunal for a stay of execution of the determination, or of an order, made by the Tribunal.

(2) On an application under subsection (1), the Tribunal may, if it considers it appropriate to do so, order a stay of execution of the determination or of the order.

(3) The Tribunal may attach any condition it considers appropriate to an order made under subsection (2), including any condition as to costs or payment of money into the Tribunal.
Division 5—Appeals to Court of Appeal

37ZF. Party may appeal against Tribunal’s determination

(1) If a party to a review is dissatisfied with a determination of the review made by the Tribunal, the party may appeal to the Court of Appeal against the determination on—
   (a) a question of law;
   (b) a question of fact; or
   (c) a question of mixed law and fact.

(2) No appeal may be made under subsection (1) unless leave to appeal has been granted by the Court of Appeal.

37ZG. Application for leave to appeal

(1) A party to a review may apply to the Court of Appeal for leave to appeal against a determination of the review made by the Tribunal within 30 days after the day on which the determination is issued to the party.

(2) The Court of Appeal may, on application by a party to a review, extend the time within which a leave application may be made.

(3) The leave to appeal may be granted—
   (a) in relation to a particular issue arising out of a determination by the Tribunal; and
   (b) subject to any condition that the Court of Appeal considers necessary in order to secure the just, expeditious and economical disposal of the appeal.
The leave to appeal may only be granted if the Court of Appeal is satisfied that—

(a) the appeal has a reasonable prospect of success; or

(b) there is some other reason in the interests of justice why the appeal should be heard.

(5) The Court of Appeal may determine a leave application without a hearing on the basis of written submissions only.

(6) No appeal lies from a decision of the Court of Appeal as to whether leave to appeal to it should be granted.

37ZH. Powers of Court of Appeal

(1) The Court of Appeal may, on an appeal against a determination of the Tribunal—

(a) allow the appeal;

(b) dismiss the appeal;

(c) vary or set aside the determination; or

(d) remit the matter in question to the Tribunal or to the decision authority with any direction it considers appropriate.

(2) If a determination of the Tribunal is set aside, the Court of Appeal may make another determination it considers appropriate (new determination) in substitution for the determination.

(3) A varied or new determination made by the Court of Appeal under subsection (1)(c) or (2)—

(a) may only be one that the Tribunal had power to make in relation to the review in question; and
(2) may be more or less onerous than the Tribunal’s original determination.

(4) In an appeal under this section, the Court of Appeal may make any order for costs it considers appropriate.

37ZI. No stay of execution of Tribunal’s determination on appeal

(1) Without prejudice to section 37ZE, the making of an appeal under section 37ZF against a determination of the Tribunal does not by itself operate as a stay of execution of the determination.

(2) However, a party to the appeal may apply to the Court of Appeal for a stay of execution of the determination of the Tribunal.

(3) On an application under subsection (2), the Court of Appeal may, if it considers it appropriate to do so, order a stay of execution of the determination of the Tribunal.

(4) The Court of Appeal may attach any condition it considers appropriate to an order made under subsection (3), including any condition as to costs or payment of money into the Court.

Division 6—Miscellaneous

37ZJ. Power of Chief Justice to make rules

The Chief Justice may make rules—

(a) providing for the award of costs under section 37Y and the taxation of those costs;

(b) providing for matters relating to the registration by the Court of First Instance of determinations or orders of the Tribunal under section 37ZB;
Part 2

49. Section 38 amended (interpretation)

Section 38(1)—

Repeal
“Council”
Substitute
“FRC”.

(c) regulating—

(i) the procedures for the hearing of appeals under section 37ZF; and

(ii) the procedures for making leave applications or applications for extension of time under section 37ZG, and for the hearing of the applications;

(d) providing for matters relating to review applications or applications for a stay of execution of the determinations or orders of the Tribunal, that are not provided for in this Part or Schedule 4A;

(e) requiring the payment of the fees specified in the rules for matters relating to review applications or applications for a stay of execution of the determinations or orders of the Tribunal;

(f) providing for the issue or service (however described) of any document under this Part or Schedule 4A; and

(g) prescribing a matter that, as provided for in this Part, is to be or may be prescribed by rules made by the Chief Justice.”.
50. 修訂第 39 條（財務匯報檢討委員會）
   (1) 第 39(1) 條，英文文本——
   廢除
   “Executive shall”
   代以
   “Executive must”。
   (2) 第 39(1) 條——
   廢除
   “財務匯報局”
   代以
   “匯局”。
   (3) 第 39(2) 及 (3) 條，英文文本——
   廢除
   “Executive shall”
   代以
   “Executive must”。

51. 修訂第 40 條（對有關不遵從事宜展開查訊）
   (1) 第 40(1) 條——
   廢除
   所有 “財務匯報局”
   代以
   “匯局”。
   (2) 第 40(1)(b)(i) 條，英文文本——
   廢除
   “Chairman”

50. Section 39 amended (Financial Reporting Review Panel)
   (1) Section 39(1), English text—
   Repeal
   “Executive shall”
   Substitute
   “Executive must”.
   (2) Section 39(1)—
   Repeal
   “Council”
   Substitute
   “FRC”.
   (3) Section 39(2) and (3), English text—
   Repeal
   “Executive shall”
   Substitute
   “Executive must”.

51. Section 40 amended (initiating enquiry concerning relevant non-compliance)
   (1) Section 40(1)—
   Repeal
   “Council” (wherever appearing)
   Substitute
   “FRC”.
   (2) Section 40(1)(b)(i), English text—
   Repeal
   “Chairman”
Substitute
“chairperson”.

(3) Section 40(1)(b)(i), Chinese text—
Repeal
“他”
Substitute
“该人”.

(4) Section 40(2)—
Repeal
“Council shall”
Substitute
“FRC must”.

(5) Section 40(3)—
Repeal
“Council shall”
Substitute
“FRC must”.

(6) Section 40(3), English text—
Repeal
“Committee shall”
Substitute
“Committee must”.

(7) Section 40(4)—
Repeal
“Council shall”
Substitute
52. Section 42 amended (Council to notify certain bodies of powers under Division 2 being exercisable)

(1) Section 42, heading—
Repeal “Council” Substitute “FRC”.

(2) Section 42(1)—
Repeal “Council certifies” Substitute “FRC certifies”.

(3) Section 42(1)—
Repeal “Council that” Substitute “FRC that”.

(4) Section 42(1)—
Repeal “Council shall” Substitute “FRC must”.

(5) Section 42(2)(a)(ii)—
Repeal “Council’s”
53. Section 43 amended (powers to require production of records and documents and provision of information and explanation)

(1) Section 43(2), English text—
Repeal
“enquirer shall”
Substitute
“enquirer must”.

(2) Section 43(2)(a)(ii)—
Repeal
“Council’s”
Substitute
“FRC’s”.

(3) Section 43(3)—
Repeal
“him” (wherever appearing)
Substitute
“the person”.

54. Section 44 amended (use of incriminating evidence in proceedings)

(1) Section 44(1), English text—
Repeal
“enquirer shall”
Substitute
“enquirer must”.

54. 修訂第 44 條 (導致入罪的證據在法律程序中的使用)
55. 修訂第 45 條 (原訟法庭就沒有遵從第 43 條所指的要求進行研訊)

(1) 第 45 條，標題——

廢除

“進行研訊”

代以

“而具有的權力”。

(2) 第 45(1) 條——

廢除

“對他”

代以

“對該人”。

(3) 第 45(1) 條——

廢除

在“傳票”之後的所有字句

代以

“，要求原訟法庭行使第 (2) 款所指的權力。”。

(4) 第 45(2) 條——

廢除

(2) Section 44(2)—

Repeal

“, or for perjury,”.

55. Section 45 amended (Court of First Instance to inquire into failure to comply with requirements under section 43)

(1) Section 45, heading—

Repeal

“Court of First Instance to inquire into”

Substitute

“Powers of Court of First Instance in relation to”.

(2) Section 45(1)—

Repeal

“imposed on him”

Substitute

“imposed on the person”.

(3) Section 45(1)—

Repeal

“apply to the Court of First Instance for an inquiry into the failure”

Substitute

“request the Court of First Instance to exercise the powers under subsection (2)”.

(4) Section 45(2)—

Repeal
Part 2
Section 56

Financial Reporting Council (Amendment) Ordinance 2019

On such application, the
Substitute
“The”.

56. Section 46 amended (inspection of records or documents seized, etc.)

Section 46, English text—

Repeal
“enquirer shall”

Substitute
“enquirer must”.

57. Section 47 amended (enquiry reports)

(1) Section 47(1), English text—

Repeal
“enquirer shall”

Substitute
“enquirer must”.

(2) Section 47(2), English text—

Repeal
“enquirer shall”

Substitute
“enquirer must”.

(3) Section 47(2)—
Repeal
“Council”
Substitute
“FRC”.

(4) Section 47(3)—
Repeal
“Council”
Substitute
“FRC”.

(5) Section 47(4)—
Repeal
“Council’s”
Substitute
“FRC’s”.

(6) Section 47(4), English text—
Repeal
“enquirer shall”
Substitute
“enquirer must”.

(7) Section 47(5)—
Repeal
everything after “subsection (3),”
Substitute
Part 2

Section 57

Financial Reporting Council (Amendment) Ordinance 2019

2019年第3號條例

《2019年財務匯報局(修訂)條例》

(5) 財務局根據第(3)款採納報告後，可發布(或以其他方式披露)該報告或其任何部分。”。

(8) 第47條——
廢除第(6)及(7)款
代以

“(6) 在決定是否發布或以其他方式披露有關報告或其任何部分時，財務局須考慮——

(a) 該項發布或披露，是否可能對已提起(或相當可能會提起)的任何以下程序，有不利的影響——

(i) 第3C部所指的程序；
(ii) 在法院或裁判官席前進行的刑事法律程序；
(iii) 在市場失當行為審裁處進行的研訊程序；或
(iv) 《專業會計師條例》(第50章)第V部所指的程序；

(b) 該項發布或披露，是否可能對任何在該報告中被點名的人，有不利的影響；及

(c) 該項發布或披露，是否會維護投資大眾的利益或公眾利益。

(7) 在第(8)款指明的程序中，任何文件如看來是——

(a) 根據第(3)款獲採納的報告的複本；及
(b) 經財務局主席核證為屬該報告的真實副本，

“the FRC may publish or otherwise disclose the report or any part of it.”.

(8) Section 47—

Repeal subsections (6) and (7)

Substitute

“(6) In deciding whether to publish or otherwise disclose the report or any part of it, the FRC must take into account—

(a) whether the publication or disclosure may adversely affect any of the following proceedings that have been, or are likely to be, instituted—

(i) any proceedings under Part 3C;
(ii) any criminal proceedings before a court or magistrate;
(iii) any proceedings before the Market Misconduct Tribunal; or
(iv) any proceedings under Part V of the Professional Accountants Ordinance (Cap. 50);

(b) whether the publication or disclosure may adversely affect any person named in the report; and

(c) whether the publication or disclosure would be in the interest of the investing public or in the public interest.

(7) A document purporting—

(a) to be a copy of a report adopted under subsection (3); and

(b) to be certified by the chairperson of the FRC as a true copy of such a report,
Part 2

Section 58

Section 48 amended (Council's powers to close case, suspend enquiry and follow up, etc.)

(1) Section 48, heading—

Repeal
“Council’s”
Substitute
“FRC’s”.

(2) Section 48(1)—

Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(3) Section 48(2)—

Repeal
“Council shall”
Substitute
“FRC must”.

58. 修訂第 48 條（財務匯報局結束個案，暫停查訊及跟進等的權力）

(1) 第 48 條，標題——

廢除
“務匯報”
代以
“匯”。

(2) 第 48(1) 條——

廢除
所有 “務匯報”
代以
“匯”。

(3) 第 48(2) 條——

廢除
“務匯報”
代以
“匯”。

58. 修訂第 48 條（財務匯報局結束個案，暫停查訊及跟進等的權力）

(1) 第 48 條，標題——

廢除
“務匯報”
代以
“匯”。

(2) 第 48(1) 條——

廢除
所有 “務匯報”
代以
“匯”。

(3) 第 48(2) 條——

廢除
“務匯報”
代以
“匯”。

is, on its production without further proof, admissible as evidence of the facts stated in the report in any of the proceedings specified in subsection (8).

(8) The proceedings are—

(a) proceedings under Part 3C;
(b) civil proceedings before a court;
(c) proceedings before the Market Misconduct Tribunal; or
(d) proceedings under Part V of the Professional Accountants Ordinance (Cap. 50).”.

Financial Reporting Council (Amendment) Ordinance 2019
Part 2
Section 59

(4) Section 48(2), English text—
Repeal
“Council has”
Substitute
“FRC has”.

(5) Section 48(3)—
Repeal
“Council shall”
Substitute
“FRC must”.

(6) Section 48(3)—
Repeal
“Council is”
Substitute
“FRC is”.

(7) Section 48(3)—
Repeal
“by the Council”
Substitute
“by the FRC”.

59. Part 4, Division 4 heading amended (Council’s powers to secure removal of relevant non-compliance)
Part 4, Division 4, heading—
Repeal
“Council’s”
Substitute
60. **Section 49 amended (Council to give notice to operator of listed entities to secure removal of relevant non-compliance)**

(1) Section 49, heading—

- Repeal
- “Council”
- Substitute
- “FRC”.

(2) Section 49(1) and (2)(a) and (b)(i) and (ii)—

- Repeal
- “Council” (wherever appearing)
- Substitute
- “FRC”.

61. **Section 50 amended (Council may apply to Court of First Instance to secure removal of relevant non-compliance)**

(1) Section 50, heading—

- Repeal
- “Council”
- Substitute
- “FRC”.

(2) Section 50(1)(a) and (b) and (2)—

- Repeal
- “Council” (wherever appearing)
(3) 第 50(4) 條——
廢除“務匯報”
代以“匯”。

(4) 第 50(7)(b) 條——
廢除“務匯報”
代以“匯”。

(5) 第 50(8)(a) 條，英文文本——
廢除“it shall”
代以“it must”。

(6) 第 50(9) 條——
廢除“務匯報”
代以“匯”。

(7) 第 50(10) 條——
廢除“的該法團的董事”之後的所有字句
代以“any of those who shows that he”

Substitute
“FRC”。

(3) Section 50(4)—
Repeal
“Council shall”
Substitute
“FRC must”。

(4) Section 50(7)(b)—
Repeal
“Council”
Substitute
“FRC”。

(5) Section 50(8)(a), English text—
Repeal
“it shall”
Substitute
“it must”。

(6) Section 50(9)—
Repeal
“Council shall”
Substitute
“FRC must”。

(7) Section 50(10)—
Repeal
“any of those who shows that he”
Substitute
“FRC”。
62. Part 4A added

Add

“Part 4A

Levies

50A. Levies payable by sellers and purchasers of securities

(1) A levy, calculated in accordance with section 1 of Schedule 7, is payable by the seller and purchaser in a sale and purchase of securities that is recorded on a recognized stock market or notified to a recognized exchange company under its rules.

(2) A person who is liable to pay a levy under subsection (1) must pay the levy to the HKEC in the way and within the time specified by the HKEC.

(3) The HKEC must pay the levy collected into a bank account specified by the FRC on—

(a) the 15th day of the month following the month in which the levy is collected; or

(b) if the 15th day is not a business day, the next business day.

(4) The HKEC must keep—

(a) proper accounts of all transactions for which a levy is payable under subsection (1); and
(b) 須備存關乎徵費的收取及繳付的妥善帳目。

(5) 在本條中——

規章 (rules) 就某認可交易所而言，具有《證券及期貨條例》(第 571 章) 附表 1 第 1 部第 1 條所給予的涵義；

營業日 (business day) 指不屬以下任何日子的日子——

(a) 公眾假日；

(b) 星期六；或

(c) 《釋義及通則條例》(第 1 章) 第 71(2) 條所界定的烈風警告日或黑色暴雨警告日。

50B. 公眾利益實體須繳付徵費

(1) 公眾利益實體須就每一公曆年繳付徵費，徵費須按照附表 7 第 2 條計算。

(2) 公眾利益實體須以交易結算公司指明的方式，在該公司指明的時限內，向該公司繳付徵費。

(3) 交易結算公司須在收取徵費後的 30 日內，將該徵費付入財匯局指明的銀行戶口。

(4) 交易結算公司須備存關乎徵費的收取及繳付的妥善帳目。

50C. 公眾利益實體核數師須繳付徵費

(1) 公眾利益實體核數師須就每一公曆年繳付徵費，徵費須按照附表 7 第 3 條計算。

50B. Leves payable by PIEs

(1) A levy, calculated in accordance with section 2 of Schedule 7, is payable by a PIE for a calendar year.

(2) A PIE must pay the levy to the HKEC in the way and within the time specified by the HKEC.

(3) The HKEC must pay the levy collected into a bank account specified by the FRC within 30 days after its collection.

(4) The HKEC must keep proper accounts relating to the collection and payment of levies.

50C. Leves payable by PIE auditors

(1) A levy, calculated in accordance with section 3 of Schedule 7, is payable by a PIE auditor for a calendar year.
50D. Reduction of levies

(1) If, during a financial year of the FRC, the conditions set out in subsection (2) are satisfied, the FRC must consult the Financial Secretary with a view to recommending to the Chief Executive in Council that the rate or amount of a levy payable under this Part be reduced.

(2) The conditions are—

(a) that the reserves of the FRC, after deducting depreciation and all provisions, are more than twice its estimated operating expenses for the financial year; and

(b) that the FRC has no outstanding debt.
(3) The FRC may, after consulting the Financial Secretary under subsection (1), recommend to the Chief Executive in Council that the rate or amount of a levy payable under this Part be reduced.

50E. Levies paid not refundable
Levies paid under this Part are not refundable.

50F. FRC may recover levy as civil debt
The FRC may recover the amount of any levy payable under this Part as a civil debt due to it.

50G. FRC may authorize persons to inspect accounts etc.
(1) For ascertaining whether the HKEC or HKICPA is complying with or has complied with a provision under this Part, the FRC may, in writing, authorize a person to, at reasonable times, inspect and make copies of the accounts kept by the HKEC or HKICPA under this Part.
(2) An authorized person must, on request, produce a copy of the written authorization when performing the authorized functions.”.

63. Section 51 amended (preservation of secrecy)
(1) Section 51(1)(a) and (b), English text—
Repeal
“shall not”
Substitute
“must not”.
(2) Section 51(3)—
Repeal

63. 修訂第 51 條 (保密)
(1) 第 51(1)(a) 及 (b) 條，英文文本——
廢除
“shall not”
代以
“must not”。
(2) 第 51(3) 條——
廢除

(3) 財務局可在根據第 (1) 款諮詢財政司司長後，向行政長官會同行政會議作出建議，減低徵費（根據本部須繳付者）的徵費率或款額。
Part 2
Section 63

“Council”
Substitute
“FRC”.

(3) Section 51(3)(b)(xvii)—
Repeal
“Secretary”
Substitute
“Secretary for Financial Services and the Treasury”.

(4) Section 51(3)(b)—
Repeal subparagraph (xviii)
Substitute
“(xviii) a recognized exchange company;”.

(5) Section 51(3)(c)—
Repeal
“Part 3 concerning a relevant irregularity”
Substitute
“Part 3A concerning any PIE engagement or non-PIE engagement carried out for a listed corporation”.

(6) Section 51(3)(c), English text—
Repeal
“non-compliance,”
Substitute
“non-compliance”.

(7) Section 51(4)—
Repeal
“Council shall”
Part 2
Section 63
Financial Reporting Council (Amendment) Ordinance 2019

(8) Substituting Section 51(4)—

Repeal
“Council is”

Substitute
“FRC is”.

(9) Section 51(4)(a), English text—

Repeal
“his”

Substitute
“the recipient’s”.

(10) Section 51(5), English text—

Repeal
“shall not”

Substitute
“must not”.

(11) Section 51(6)(a) and (7)—

Repeal
“Council”

Substitute
“FRC”.

(12) Section 51(10)(a), English text—

Repeal
“he”

Substitute
“the person”.

(13) Section 51(10)(b)(i)—
Repeal
“he”
Substitute
“the person”.

(14) Section 51(10)(b)(i)—
Repeal
“him”
Substitute
“the person”.

(15) Section 51(10)(b)(ii)—
Repeal
“he”
Substitute
“the person”.

(16) Section 51(10)(b)(ii), English text—
Repeal
“him”
Substitute
“the person”.

(17) Section 51(12)—
Repeal
“Secretary”
Substitute
“Secretary for Financial Services and the Treasury”.
(18) Section 51(13)(a)—
Repeal
“Council; or”
Substitute
“FRC;”.

(19) After section 51(13)(a)—
Add
“(ab) an inspector or investigator; or”.

(20) Section 51(13)(b)(i)(A), (B) and (C)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

64. Section 52 amended (protection of informers)

(1) Section 52(1)—
Repeal paragraphs (a), (b) and (c)
Substitute
“(a) any proceedings under Part 3C;
(b) any civil or criminal proceedings before a court or magistrate;
(c) any proceedings before the Market Misconduct Tribunal; or
(d) any proceedings under Part V of the Professional Accountants Ordinance (Cap. 50).”.

(2) Section 52(3), before “the court”—
Add
<table>
<thead>
<tr>
<th>Section 52</th>
<th>Textual Changes</th>
</tr>
</thead>
</table>
| (3) | Repeal English text—“shall cause” to “must cause”.
| (4) | Add “the Tribunal, the Court of Appeal,.” after “proceedings,”.
| (5) | Repeal “he” to “the relevant person”.
| (6) | Repeal “sections 35” to “sections 31A”.
| (7) | Repeal “Council, the Investigation Board” to “FRC, an investigator”.
| (8) | Repeal |
Section 53 amended (avoidance of conflict of interests)

(1) Section 53(1)(a)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(2) Section 53(2)—
Repeal
“he has an interest, he shall”
Substitute
“the person has an interest, the person must”.

(3) Section 53(2)—
Repeal
“Council”
Substitute
“FRC”.

(4) Section 53—
Repeal subsection (3)
Substitute

“(3) For the purposes of subsection (2), a person has an interest in a matter if the matter relates to—

(a) a listed corporation and the person has an interest in the corporation’s securities;
(b) a listed collective investment scheme and the person has an interest in the scheme’s interests;
(c) another person who is, or was within the relevant period, an employer of the person;
(d) another person of whom the person is, or was within the relevant period, a client;
(e) another person who is, or was within the relevant period, an associate of the person; or
(f) another person whom the person knows is, or was within the relevant period, a client of a person described in paragraph (c) or (e).”.

(5) Section 53(4)—
Repeal
“Council shall”
Substitute
“FRC must”.

(6) Section 53(5)—
Repeal
“he shall”
Substitute
“the person must”.

(7) Section 53(5)—
Repeal
Section 53(6)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(8) Section 53(6)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(9) Section 53(6)—
Repeal
“shall not”
Substitute
“must not”.

(10) Section 53(7)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(11) Section 53(7), English text—
Repeal
“shall give”
Substitute
“must give”.

(12) Section 53(7)(a)—
Repeal
everything after “with respect to”
代以
“(a) 如屬根據第 3A 部進行的查察或調查的商議或決定，
或根據第 3B 部行使的權力的商議或決定——有關
的公眾利益實體核數師、非公眾利益實體核數師或
註冊負責人 ( 視情況所需而定 ); 或”。

(13) 第 53(7) 條——
廢除 (b) 段。
(14) 第 53(7)(c) 條——
廢除
在 “有關的” 之前的所以字句
代以
“(c) 如屬關於根据第 4 部就有關不遵從事宜進行的查訊
的商議或決定——”。

(15) 第 53(9) 條——
廢除
所有 “財務汇报”
代以
“匯”。

(16) 第 53(10) 條，英文文本，associate 的定義，(d) 段——
廢除
“his spouse”
代以
“the person’s spouse”。

(17) 第 53(10) 條，有聯繫者的定義，(k)(ii) 段——
廢除句號
代以分號。

(18) 第 53(10) 條——

Substitute
“an inspection or investigation under Part 3A, or an
exercise of power under Part 3B—the PIE auditor, non-
PIE auditor or registered responsible person concerned, as
the case requires; or”.

(13) Section 53(7)—
Repeal paragraph (b).
(14) Section 53(7)(c)—
Repeal
“non-compliance,”
Substitute
“non-compliance—”.

(15) Section 53(9)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(16) Section 53(10), English text, definition of associate, paragraph (d)—
Repeal
“his spouse”
Substitute
“the person’s spouse”.

(17) Section 53(10), definition of associate, paragraph (k)(ii)—
Repeal the full stop
Substitute a semicolon.

(18) Section 53(10)—
Add in alphabetical order
“relevant period” (有關期間), in relation to a person required to consider a matter as mentioned in subsection (2), means the period of 3 years before the day when the person is required to do so.”.

66. Section 54 amended (immunity)

(1) Section 54(1)—

Repeal
“requirement imposed on him under section 25, 26, 27, 28, 34 or 43”

Substitute
“specified requirement”.

(2) Section 54(2), English text—

Repeal
“by him”

Substitute
“by the person”.

(3) Section 54(2)—

Repeal
everything after “purported performance, of”

Substitute
“any function under this Ordinance.”.

(4) After section 54(2)—

Add
“(3) In this section—

specified requirement (指明要求) means a requirement imposed under—

指明要求 (specified requirement) 指根據以下條文施加的要求——
67. 修訂第 55 條 ( 就上市實體的核數師等與財務匯報局之間的通訊豁免承擔法律責任 )

(1) 第 55 條，標題——
廢除
“就上市實體的核數師等與財務匯報局之間的通訊豁免承擔”
代以
“公眾利益實體核數師及非公眾利益實體核數師與財務局的通訊：豁免”。

(2) 第 55(1) 條——
廢除
在 “原則下，” 之後而在 “，而招致” 之前的所有字句
代以
“如任何人向財務局真誠地傳達任何關於該人在擔任(或
曾擔任)上市實體的公眾利益實體核數師或非公眾利益
實體核數師時所察覺的、關於該實體的指明事宜的資料
或意見，則該人無須僅因該項傳達”。

(3) 第 55 條——
廢除第 (3) 款
代以
“(3) 在本條中——

67. Section 55 amended (immunity in respect of communication with Council by auditors of listed entities)

(1) Section 55, heading—
Repeal
“Council by auditors of listed entities”
Substitute
“FRC by PIE auditors and non-PIE auditors”.

(2) Section 55(1)—
Repeal
everything after “if a person” and before “does not incur”
Substitute
“communicates in good faith to the FRC any information
or opinion on a specified matter in relation to a listed
entity of which the person becomes or became aware
while acting as the PIE auditor or non-PIE auditor of the
entity, the person”.

(3) Section 55—
Repeal subsection (3)
Substitute
“(3) In this section—
**Part 2**

**Section 68**

**specified matter** (指明事宜), in relation to a listed entity, means a matter, whether occurring before, during or after the entity is or was listed, that, in the opinion of a person referred to in subsection (1), suggests that—

(a) a practice irregularity within the meaning of section 4 has been committed in relation to a PIE engagement or non-PIE engagement carried out for the entity; or

(b) there is a relevant non-compliance in relation to the entity.”.

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68. 修訂第 57 條 (交出在資訊系統內的資料)

第 57(1)(a) 及 (2)(a) 條——

廢除
“第 3”
代以
“第 3A”。

69. 修訂第 58 條 (聲稱對紀錄或文件擁有的留置權)

(1) 第 58 條，英文文本——

廢除
“his possession”
代以
“the person’s possession”。

(2) 第 58 條——

廢除
“第 3”

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Financial Reporting Council (Amendment) Ordinance 2019
70. **Section 59 amended (destruction of documents, etc.)**

(1) **Repeal**

"he"

**Substitute**

"the person".

(2) **Repeal**

"Part 3"

**Substitute**

"Part 3A".

71. **Section 59A added**

**Add**

"59A. Reasonable excuse"

(1) This section applies if a provision of this Ordinance that creates an offence makes a reference to a reasonable excuse for an act or omission.

(2) The reference to a reasonable excuse is to be construed as providing for a defence to a charge in relation to the act or omission.

(3) A defendant is to be taken to have established that the defendant had a reasonable excuse for the act or omission if—
(a) sufficient evidence is adduced to raise an issue that the defendant had such a reasonable excuse; and
(b) the contrary is not proved by the prosecution beyond reasonable doubt.”.

72. Section 60 amended (service of notice, etc.)

(1) Section 60—
   Repeal subsection (1)
   Substitute
   “(1) This section applies to a notice or other document required or permitted to be given, sent or issued (however described) under this Ordinance.”.

(2) Section 60(2)—
   Repeal
   “requirement is taken to be given”
   Substitute
   “document is taken to be given, sent”.

(3) Section 60(2)(a)(i)—
   Repeal
   “to him”
   Substitute
   “to the individual”.

(4) Section 60(2)(a)(ii), (iii) and (iv)—
   Repeal
   “his”
   Substitute
   “the individual’s”.

(a) 有充分證據舉出，以帶出該被告人有上述合理辯解的爭論點；及
(b) 控方沒有在排除合理疑點下，證明情況相反。”。

72. 修訂第 60 條 (通知等的送達)

(1) 第 60 條——
   廢除第 (1) 款
   代以
   “(1) 本條適用於須根據或可根據本條例給予、送交或發出 (不論如何描述) 的通知或其他文件。”。

(2) 第 60(2) 條——
   廢除
   “上述通知或要求須視為已給予”
   代以
   “下，上述通知或文件須視為已給予或送交”。

(3) 第 60(2)(a)(i) 條——
   廢除
   “他本”
   代以
   “該名個”。

(4) 第 60(2)(a)(ii), (iii) 及 (iv) 條——
   廢除
   “他”
   代以
   “該名個人”。
Part 2
Section 72

(5) Section 60(2)(a), Chinese text—
  Repeal
  “要求”
  Substitute
  “文件”.

(6) Section 60(2)(b), Chinese text—
  Repeal
  “要求”
  Substitute
  “文件”.

(7) Section 60(2)(c)(i)—
  Repeal
  “for the purposes of that Part at his”
  Substitute
  “at the person’s”.

(8) Section 60(2)(c), Chinese text—
  Repeal
  “要求”
  Substitute
  “文件”.

(9) Section 60(2)(d) and (e), Chinese text—
  Repeal
  “要求”
  Substitute
  “文件”.

(5) 第 60(2)(a) 條，中文文本——
  廢除
  “要求”
  代以
  “文件”。

(6) 第 60(2)(b) 條，中文文本——
  廢除
  “要求”
  代以
  “文件”。

(7) 第 60(2)(c)(i) 條——
  廢除
  “且為該部的目的”。

(8) 第 60(2)(c) 條，中文文本——
  廢除
  “要求”
  代以
  “文件”。

(9) 第 60(2)(d) 及 (e) 條，中文文本——
  廢除
  “要求”
  代以
  “文件”。“
73. **Sections 60A to 60D added**  

After section 60—

**Add**

“60A. **Chief Executive in Council may make regulations**

(1) The Chief Executive in Council may, after consulting the FRC, make regulations—

(a) prescribing fees and providing for payment of the fees—

(i) for anything done by the FRC or a committee established by the FRC in performing a function under this Ordinance; and

(ii) for any other matter provided for by or under this Ordinance;

(b) prescribing fees (however described) that are required or permitted to be prescribed by regulations made under this section;

(c) prescribing any other matter that, by this Ordinance, is required or permitted to be prescribed by regulations made under this section.

(2) Fees prescribed by regulations made under this section are not to be limited by reference to the amount of the administrative or other costs incurred, or likely to be incurred, by the HKICPA or the FRC (or a committee established by the HKICPA or the FRC) in performing the functions to which the fees relate.

(3) Regulations made under this section—
(a) may provide that the amount of a fee is to be fixed by reference to a scale set out in the regulations;
(b) may provide for the payment of different fees by persons, or in relation to persons or cases, of different classes or descriptions;
(c) may provide that the payment of a fee is waived, either generally or in a particular case; and
(d) may provide for the payment of fees annually or at other intervals.

(4) The FRC may recover the amount of any fee payable under the regulations made under this section as a civil debt due to it.

60B. FRC may make regulations

(1) The FRC may make regulations—

(a) providing for the applications for registration and recognition as PIE auditors, renewal of registration and recognition, and incidental matters;

(b) providing for the maintenance of the PIE auditors register and the correction of errors in the register;

(c) providing for the admissibility in evidence in judicial or other proceedings of specified records kept by the FRC;

(d) providing for the form and way in which documents and information required to be lodged, filed, submitted or retained for a provision of this Ordinance—
(i) are to be completed, signed, executed or authenticated; or
(ii) are to be lodged, filed, submitted or retained;
(e) providing for the form and way in which a record is to be compiled for a provision of this Ordinance;
(f) providing for the returns to be made by PIE auditors and registered responsible persons of registered PIE auditors, including the contents of the returns, and the time within which and the form and way in which the returns are to be made; and
(g) prescribing any other matter that, by this Ordinance, is required or permitted to be prescribed by regulations made under this subsection.

(2) In addition to the power to make regulations under subsection (1), the FRC may, after consulting the Financial Secretary, make other regulations that are necessary for the performance of any of its functions.

(3) Except as otherwise provided in this Ordinance, regulations made under this section—
(a) may be of general or special application or may be made so as to apply only in specified circumstances;
(b) may make different provisions for different circumstances and provide for different cases or classes of cases;
(c) may authorize a matter or thing to be determined, applied or regulated by a specified person;

(d) may provide for the exercise of a discretion in specified cases; and

(e) may, for the better carrying out of any provision of this Ordinance, include any savings, transitional, incidental, supplemental, evidential and consequential provisions (whether or not involving the provisions of an Ordinance).

(4) Regulations made under this section may prescribe offences for contravention of the regulations, which are punishable by a fine, imprisonment or both.

(5) The maximum penalty that may be prescribed for an offence under subsection (4) is—

(a) for an offence of which a person is convicted on indictment—a fine of $500,000 and imprisonment for 2 years; or

(b) for an offence of which a person is summarily convicted—a fine at level 6 and imprisonment for 6 months.

60C. FRC must publish draft regulations

(1) If the FRC proposes to make regulations under section 60B, it must publish a draft of the proposed regulations, in the way it considers appropriate, for inviting representations on the proposed regulations by the public.

(2) If the FRC makes regulations after a draft has been published under subsection (1), it must comply with subsections (3) and (4).
(3) The FRC must publish, in the way it considers appropriate, an account setting out in general terms—

(a) the representations made on the draft; and
(b) the response of the FRC to the representations.

(4) If the FRC considers the regulations made are significantly different from the draft, the FRC must publish, in the way it considers appropriate, details of the difference.

(5) Subsections (1) and (2) do not apply if the FRC considers, in the circumstances of the case, that—

(a) it is inappropriate or unnecessary that those subsections should apply; or
(b) the delay involved in complying with those subsections would not be—

(i) in the interest of the investing public; or
(ii) in the public interest.

60D. FRC may specify forms

(1) The FRC may specify—

(a) the form of any document required under this Ordinance to be in the specified form; and
(b) the form of any other document required for the purposes of this Ordinance that the FRC considers appropriate.

(2) A form specified under this section must be—

(a) completed in accordance with the directions and instructions that are specified in the form;
74. 修訂第 61 條 (附表的修訂)

(1) 第 61(1) 條，在“局長”之前——
加入
“財經事務及庫務局”。

(2) 第 61(1) 條——
廢除
“修訂附表 1”
代以
“，修訂附表 1，1A 或 3B”。

(3) 在第 61(1) 條之後——
加入
“(1A) 立法會可藉決議，修訂附表 3A。”。

(4) 第 61(2) 條——
廢除
“3，4，5 或 6”
代以
“4，4A，5，6 或 7”。

74. Section 61 amended (amendment of Schedules)

(1) Section 61(1)—
Repeal
“Secretary”
Substitute
“Secretary for Financial Services and the Treasury”.

(2) Section 61(1)—
Repeal
“Schedule 1”
Substitute
“Schedule 1, 1A or 3B”.

(3) After section 61(1)—
Add
“(1A) The Legislative Council may, by resolution, amend Schedule 3A.”.

(4) Section 61(2)—
Repeal
“Schedule 2, 3, 4, 5 or 6”
Substitute
“Schedule 2, 4, 4A, 5, 6 or 7”.
Part 2
Section 75

75. Part 7 added
Before Schedule 1—
Add

“Part 7

Savings and Transitional Arrangements for Financial Reporting Council (Amendment) Ordinance 2019

Division 1—Interpretation

87. Interpretation
In this Part—

pre-amended Ordinance (《原有條例》) means this Ordinance as in force immediately before the 2019 Ordinance commencement date.

Division 2—Auditors Having Undertaken but Not Yet Completed PIE Engagements before 2019 Ordinance Commencement Date etc.

88. Practice units having undertaken but not yet completed PIE engagements before 2019 Ordinance commencement date

(1) This section applies if a practice unit has undertaken, but not yet completed, a PIE engagement before the 2019 Ordinance commencement date.

(2) The practice unit may, by written notice in the specified form, inform the HKICPA Council that the unit intends to continue to carry out the engagement during the transitional period.
(3) When a notice is sent under subsection (2), the practice unit is taken to be a registered PIE auditor for all purposes of this Ordinance until—

(a) if the unit makes a registration application no later than 45 days before the last day of the transitional period—

(i) the day on which the unit is registered as a PIE auditor pursuant to the application; or

(ii) the day on which the refusal of the application takes effect; or

(b) otherwise—the last day of the transitional period.

89. Persons performing functions as responsible persons before 2019 Ordinance commencement date

(1) This section applies if a registered PIE auditor (provisional) has, before the 2019 Ordinance commencement date, authorized a person to carry out an activity as a responsible person of the auditor.

(2) The auditor may, by written notice in the specified form, inform the HKICPA Council that the auditor intends to authorize the person to continue to carry out the activity during the transitional period.

(3) When a notice is sent under subsection (2), the person is taken to be a registered responsible person of the auditor for all purposes of this Ordinance until the day determined in accordance with section 88(3)(a) or (b).
90. Overseas auditors having undertaken but not yet completed PIE engagements before 2019 Ordinance commencement date

(1) This section applies if an overseas auditor has undertaken, but not yet completed, a PIE engagement for an overseas entity before the 2019 Ordinance commencement date.

(2) The overseas auditor may, by written notice in the specified form, inform the FRC that the auditor intends to continue to carry out the engagement for the overseas entity during the transitional period.

(3) When a notice is sent under subsection (2), the overseas auditor is taken to be a recognized PIE auditor of the overseas entity for all purposes of this Ordinance until—

(a) if the entity makes a recognition application in relation to the auditor no later than 45 days before the last day of the transitional period—

(i) the day on which the auditor is recognized as a PIE auditor of the entity pursuant to the application; or

(ii) the day on which the refusal of the application takes effect; or

(b) otherwise—the last day of the transitional period.

91. Information of registered PIE auditors (provisional) etc. to be entered in PIE auditors register

(1) The HKICPA Council must provide the HKICPA Registrar with the information in relation to each registered PIE auditor (provisional) listed in section 20ZX(2).
Division 3—Investigations Initiated before 2019 Ordinance Commencement Date etc.

92. Investigations initiated before 2019 Ordinance commencement date

(1) This section applies to an investigation that was initiated under Part 3 of the pre-amended Ordinance before the 2019 Ordinance commencement date.

(2) The pre-amended Ordinance continues to apply in relation to the investigation as if the 2019 Amending Ordinance had not been enacted.

93. Investigations may be initiated in relation to audits etc. completed before 2019 Ordinance commencement date

(1) An investigation may be initiated under Part 3 of the pre-amended Ordinance in relation to any audit, or the preparation of any specified report, that had been completed for a listed entity before the 2019 Ordinance commencement date, as if the 2019 Amending Ordinance had not been enacted.

(2) The pre-amended Ordinance continues to apply in relation to an investigation initiated under subsection (1) as if the 2019 Amending Ordinance had not been enacted.

(3) In this section—
指定報告 (specified report) 具有《原有條例》第 2(1) 條所給予的涵義。”。

76. 修訂附表 1（有關財務報告及有關規定的定義）
(1) 附表 1，第 1 部，有關財務報告的定義，(a)(i)、(ii)、(iii)、(iv)(C) 及 (v) 及 (b)(i)(C) 及 (ii) 段——
除
“在有關期間”。
(2) 附表 1，第 1 部，有關規定的定義，(a)(ii) 及 (b)(i) 段，
在“如此”之前——
加入
“已”。
(3) 附表 1，第 2 部，有關財務報告的定義，(a)、(b) 及 (c)
除
“在有關期間”。

77. 加入附表 1A
在附表 1 之後——
加入

specified report (指明報告) has the meaning given by section 2(1) of the pre-amended Ordinance.”.

76. Schedule 1 amended (definitions of relevant financial report and relevant requirement)
(1) Schedule 1, Part 1, definition of relevant financial report, paragraphs (a)(i), (ii), (iii), (iv)(C) and (v) and (b)(i)(C) and (ii)—
Repeal
“at the relevant time”.
(2) Schedule 1, Part 1, definition of relevant requirement, paragraphs (a)(ii) and (b)(i)—
Repeal
“to be issued”
Substitute
“to have been issued”.
(3) Schedule 1, Part 2, definition of relevant financial report, paragraphs (a), (b) and (c)—
Repeal
“at the relevant time”.

77. Schedule 1A added
After Schedule 1—
Add
“附表 1A  

[第 3A 及 61 條及附表 7]

公眾利益實體項目，以及非公眾利益實體項目

第 1 部

公眾利益實體項目

1. 就公眾利益實體的，符合以下說明的財務報表或帳目，
   擬備核數師報告——
   (a) 如該實體屬上市股權法團——
       (i) 根據《公司條例》(第 622 章) 第 379 條規定擬備的財務報表；或
       (ii) 根據《上市規則》規定擬備的周年帳目；或
   (b) 如該實體屬上市集體投資計劃——根據有關守則或《上市規則》規定擬備的周年帳目。

2. 擬備須納入符合以下說明的上市文件的指明報告——
   (a) 關於尋求上市的法團的股份或股額上市；
   (b) 關於上市法團的股份或股額上市；或
   (c) 關於——

“Schedule 1A  

[ss. 3A & 61 & Sch. 7]

PIE Engagements and Non-PIE Engagements

Part 1

PIE Engagements

1. The preparation of an auditor’s report in relation to the following financial statements or accounts of a PIE—
   (a) if the PIE is a listed corporation (equity)—
       (i) the financial statements required to be prepared under section 379 of the Companies Ordinance (Cap. 622); or
       (ii) the annual accounts required to be prepared under the Listing Rules; or
   (b) if the PIE is a listed collective investment scheme—
       the annual accounts required to be prepared under the relevant code or the Listing Rules.

2. The preparation of a specified report required to be included in—
   (a) a listing document of a corporation seeking to be listed for the listing of its shares or stocks;
   (b) a listing document of a listed corporation for the listing of its shares or stocks; or
   (c) a listing document of—
(i) a collective investment scheme seeking to be listed; or
(ii) a listed collective investment scheme.

3. The preparation of an accountant’s report required to be included in a circular issued by or on behalf of a PIE under the Listing Rules for the purpose of—
   (a) a reverse takeover within the meaning of the Listing Rules; or
   (b) a very substantial acquisition within the meaning of the Listing Rules.

Part 2
Non-PIE Engagements

1. The preparation of an auditor’s report in relation to the following financial statements or accounts of a non-PIE—
   (a) the financial statements required to be prepared under section 379 of the Companies Ordinance (Cap. 622); or
   (b) the annual accounts required to be prepared under the Listing Rules.

2. The preparation of a specified report required to be included in—
   (a) a listing document of a corporation seeking to be listed for the listing of its securities (other than shares and stocks); or
   (b) a listing document of a listed corporation for the listing of its securities (other than shares and stocks).”.

(i) 尋求上市的集體投資計劃；或
(ii) 上市集體投資計劃。

3. 擬備須納入由公眾利益實體發出 (或代表公眾利益實體發出) 的通告的會計師報告，而該通告是為以下目的而根據《上市規則》發出的——
   (a) 《上市規則》所指的逆向收購；或
   (b) 《上市規則》所指的非常重大的收購。

第 2 部
非公眾利益實體項目

1. 就非公眾利益實體的、符合以下說明的財務報表或帳目，擬備核數師報告——
   (a) 根據《公司條例》(第 622 章) 第 379 條規定須擬備的財務報表；或
   (b) 根據《上市規則》規定須擬備的周年帳目。

2. 擬備須納入符合以下說明的上市文件的指明報告——
   (a) 關於尋求上市的法團的證券 (股份及股額除外) 上市；或
   (b) 關於上市法團的證券 (股份及股額除外) 上市。”。

Part 2
Non-PIE Engagements

1. The preparation of an auditor’s report in relation to the following financial statements or accounts of a non-PIE—
   (a) the financial statements required to be prepared under section 379 of the Companies Ordinance (Cap. 622); or
   (b) the annual accounts required to be prepared under the Listing Rules.

2. The preparation of a specified report required to be included in—
   (a) a listing document of a corporation seeking to be listed for the listing of its securities (other than shares and stocks); or
   (b) a listing document of a listed corporation for the listing of its securities (other than shares and stocks).”.

(i) a collective investment scheme seeking to be listed; or
(ii) a listed collective investment scheme.

3. The preparation of an accountant’s report required to be included in a circular issued by or on behalf of a PIE under the Listing Rules for the purpose of—
   (a) a reverse takeover within the meaning of the Listing Rules; or
   (b) a very substantial acquisition within the meaning of the Listing Rules.

Part 2
Non-PIE Engagements

1. The preparation of an auditor’s report in relation to the following financial statements or accounts of a non-PIE—
   (a) the financial statements required to be prepared under section 379 of the Companies Ordinance (Cap. 622); or
   (b) the annual accounts required to be prepared under the Listing Rules.

2. The preparation of a specified report required to be included in—
   (a) a listing document of a corporation seeking to be listed for the listing of its securities (other than shares and stocks); or
   (b) a listing document of a listed corporation for the listing of its securities (other than shares and stocks).”.

(i) 尋求上市的集體投資計劃；或
(ii) 上市集體投資計劃。

3. 擬備須納入由公眾利益實體發出 (或代表公眾利益實體發出) 的通告的會計師報告，而該通告是為以下目的而根據《上市規則》發出的——
   (a) 《上市規則》所指的逆向收購；或
   (b) 《上市規則》所指的非常重大的收購。

第 2 部
非公眾利益實體項目

1. 就非公眾利益實體的、符合以下說明的財務報表或帳目，擬備核數師報告——
   (a) 根據《公司條例》(第 622 章) 第 379 條規定須擬備的財務報表；或
   (b) 根據《上市規則》規定須擬備的周年帳目。

2. 擬備須納入符合以下說明的上市文件的指明報告——
   (a) 關於尋求上市的法團的證券 (股份及股額除外) 上市；或
   (b) 關於上市法團的證券 (股份及股額除外) 上市。”。
78. Schedule 2 substituted

Schedule 2—

Repeal the Schedule
Substitute

“Schedule 2

[ss. 7 & 61 & Schs. 3A & 4]

Financial Reporting Council

Part 1

Interpretation

1. Interpretation

(1) In this Schedule—

Chairperson (主席) means the chairperson of the FRC;

Chief Executive Officer (行政總裁) means the chief executive officer of the FRC;

Deputy Chairperson (副主席) means the deputy chairperson of the FRC;

FRC member (財務報告局成員) means a member of the FRC appointed under section 7.

(2) In this Schedule, a reference to a person being unable to perform the person’s functions is a reference to the person being unable to do so due to illness, absence from Hong Kong or any other reason.
第 2 部

財務局成員的職位

2. 副主席的委任
行政長官可委任一名財務局成員（主席或行政總裁除外），擔任副主席。

3. 財務局成員的職能
財務局成員具有該局指派予該成員的職能。

4. 財務局成員的任職條款及條件
   (1) 財務局成員的任職條款及條件，由行政長官決定。
   (2) 由行政長官釐定的財務局成員的酬金、津貼及開支，須以該局的資金支付。

5. 財務局成員辭職
   (1) 財務局成員可隨時藉行政長官給予書面通知而辭職。
   (2) 除非本附表第 4(1) 條規定的任職條款及條件另有規定，否則辭職通知在以下日子生效——
      (a) 行政長官接獲該通知之日；或
      (b) 如該通知指明一個較後日子——該較後日子。

Part 2

Office of FRC Members

2. Appointment of Deputy Chairperson
   The Chief Executive may appoint an FRC member (other than the Chairperson or the Chief Executive Officer) to be the Deputy Chairperson.

3. Functions of FRC members
   An FRC member has the functions assigned to the member by the FRC.

4. Terms and conditions of office of FRC members
   (1) The Chief Executive is to determine the terms and conditions of the office of an FRC member.
   (2) The remuneration, allowances and expenses of an FRC member, as determined by the Chief Executive, are to be paid out of the funds of the FRC.

5. Resignation of FRC members
   (1) An FRC member may at any time resign from office by written notice to the Chief Executive.
   (2) Unless it is otherwise provided in the terms and conditions referred to in section 4(1) of this Schedule, a notice of resignation takes effect on—
      (a) the day on which the notice is received by the Chief Executive; or
      (b) if a later day is specified in the notice—that later day.
6. Removal of FRC members

(1) The Chief Executive may remove an FRC member from office if the Chief Executive is satisfied that the member—

(a) has ceased to be a non-practitioner;
(b) has become a public officer;
(c) has become bankrupt;
(d) is convicted in Hong Kong of an offence that is punishable by imprisonment for 12 months or more, or is convicted elsewhere than in Hong Kong of an offence that, if committed in Hong Kong, would be an offence so punishable; or
(e) is otherwise unable or unfit to perform the functions of an FRC member.

(2) The Chief Executive must publish in the Gazette a notice of each removal under subsection (1).

Part 3

Acting Arrangements

7. Acting Chairperson

(1) If the office of Chairperson is vacant or the Chairperson is unable to perform the Chairperson's functions, the Deputy Chairperson must act as Chairperson.

(2) Whether or not the Deputy Chairperson has been appointed, the Chairperson may—
(a) designate an FRC member to act as Chairperson for any period during which both the Chairperson and the Deputy Chairperson are unable to act as Chairperson; and

(b) at any time revoke the designation.

(3) Section (4) applies if—

(a) the office of Deputy Chairperson is vacant;

(b) the Deputy Chairperson appointed is unable to act as Chairperson;

(c) no designation under subsection (2)(a) is in force; or

(d) the FRC member designated under subsection (2)(a) is unable to act as Chairperson.

(4) The Financial Secretary may—

(a) designate an FRC member to act as Chairperson for any period during which the Chairperson is unable to perform the Chairperson's functions; and

(b) at any time revoke the designation.

(5) A designation under subsection (4)(a) ceases to have effect when the earliest of the following events occurs—

(a) the designation is revoked by the Financial Secretary;

(b) the designated FRC member is unable to act as Chairperson;

(c) if the designation is made in the circumstances mentioned in subsection (3)(a)—an appointment is made under section 2 of this Schedule;
Part 2
Section 78
Financial Reporting Council (Amendment) Ordinance 2019

(d) if the designation is made in the circumstances mentioned in subsection (3)(b)—the Deputy Chairperson is able to act as Chairperson;
(e) if the designation is made in the circumstances mentioned in subsection (3)(c)—a designation is made under subsection (2)(a);
(f) if the designation is made in the circumstances mentioned in subsection (3)(d)—the designated FRC member is able to act as Chairperson.

(6) An FRC member acting as Chairperson under this section is to be regarded for all purposes to be the Chairperson.

(7) Despite subsection (6), an executive director or non-executive director of the FRC who acts as Chairperson under this section does not cease to be regarded as such a director only because the director is acting as Chairperson.

8. Acting Chief Executive Officer

(1) The Chief Executive Officer may—
(a) designate an executive director of the FRC to act as Chief Executive Officer for any period during which the Chief Executive Officer is unable to perform the Officer’s functions; and
(b) at any time revoke the designation.

(2) Subsection (3) applies if—
(a) no designation under subsection (1)(a) is in force; or
(b) the executive director designated under subsection (1)(a) is unable to act as Chief Executive Officer.
(3) The Financial Secretary may—
(a) designate an executive director of the FRC to act as Chief Executive Officer for any period during which the Chief Executive Officer is unable to perform the Officer’s functions; and
(b) at any time revoke the designation.

(4) A designation under subsection (3)(a) ceases to have effect when the earliest of the following events occurs—
(a) the designation is revoked by the Financial Secretary;
(b) the designated executive director is unable to act as Chief Executive Officer;
(c) the Chief Executive Officer is able to perform the Officer’s functions.

(5) An executive director of the FRC acting as Chief Executive Officer under this section is to be regarded for all purposes to be the Chief Executive Officer.

Part 4
Meetings of FRC

9. General procedures for meetings

(1) Meetings of the FRC are to be held as often as necessary to enable the FRC to perform its functions.

(2) A meeting of the FRC may be convened by the Chairperson.

(3) The Chairperson must convene a meeting of the FRC on being given a notice for that purpose by 2 or more other FRC members.
10. Quorum

(1) The quorum for a meeting of the FRC is constituted by—
   (a) one-third of the executive directors of the FRC;
   (b) one-third of the non-executive directors of the FRC.

(2) For the purposes of subsection (1)—
   (a) if the number that is equal to one-third of the executive directors or non-executive directors of the FRC is not a whole number, that number is to be rounded up to the nearest whole number;
   (b) an executive director of the FRC who acts as Chairperson is only counted as an executive director of the FRC; and
   (c) a non-executive director of the FRC who acts as Chairperson is only counted as a non-executive director of the FRC.

(3) If an FRC member is required under section 53(5) or (6)—
   (a) not to be present during any deliberation of the FRC;
   (b) not to take part in any decision of the FRC; or
   (c) not to take part in the making of a determination by the FRC,
the member is not to be counted for the purpose of forming a quorum at the part of the meeting of the FRC held for such deliberation, decision or determination.

(4) An FRC member who participates in a meeting of the FRC by telephone, video conferencing or other electronic means is to be regarded as being present at the meeting if—

(a) that member is able to hear the other FRC members who are physically present at the meeting; and

(b) the FRC members who are physically present at the meeting are able to hear that member.

11. Presiding member at meetings
A meeting of the FRC is to be presided over by the first of the following persons (in descending order of priority) who is able to preside at the meeting—

(a) the Chairperson;

(b) the Deputy Chairperson;

(c) the FRC member designated under section 7(2)(a) of this Schedule;

(d) the FRC member designated under section 7(4)(a) of this Schedule; or

(e) an FRC member who is chosen, for this purpose, by other FRC members present at the meeting.

12. Voting at meetings
(1) Each FRC member present at a meeting of the FRC has 1 vote.
(2) Every question to be decided at a meeting of the FRC must be determined by a majority of the votes of its members present.

(3) If the votes on a question are equally divided, the FRC member who presides at the meeting has, subject to subsection (4), a casting vote.

(4) The FRC member who presides at a meeting of the FRC must not exercise a casting vote on a question at the meeting until after the member has consulted the Financial Secretary on the question.

13. Circulation of papers and written resolution

(1) The FRC may transact any of its business by circulation of papers.

(2) A resolution that meets the requirements set out in subsection (3) is as valid as if it had been passed at a meeting of the FRC.

(3) The requirements are—

(a) the resolution is in writing;

(b) the resolution is signed by all the FRC members who are, when the resolution is made available for signature, present in Hong Kong and capable of signing the resolution; and

(c) the resolution is signed by—

(i) at least one-third of the executive directors of the FRC; and

(ii) at least one-third of the non-executive directors of the FRC.

(4) For the purposes of subsection (3)—

(a) a resolution may be—
第 5 部

雜項條文

14. 委員會

(1) 財務局可設立一個或多於一個委員會，就牽涉財務局的事宜，協助該局。

(2) 財務局——

(i) 以一份文件的形式作出；或
(ii) 以多於一份文件的形式作出，前提是每份文件均採用相同的格式；及

(b) 如相等於三分之一的財務局執行董事或非執行董事的數目並非整數，則須調高至最接近的整數。

(5) 凡決議是以多於一份文件的形式作出，該等文件如合共由第 (3)(b) 及 (c) 款指明的數目的財務局成員簽署，則須視為已符合該款的規定。

(6) 為施行本條——

(a) 如任何藉圖文傳真或電子方式傳送的決議之上，有財務局任何成員的簽署，該決議即視為已由該成員簽署；及

(b) 凡以財務局成員身分簽署有關決議的人之中最後一名簽署者，於某日簽署，該項決議即視為在該日作出。

Part 5

Miscellaneous

14. Committees

(1) The FRC may establish one or more committees to assist it in a matter with which it is concerned.

(2) The FRC——
(a) must appoint an FRC member to be the chairperson of a committee; and
(b) may, subject to subsection (3), appoint other members of a committee, whether or not any of them is also an FRC member.

(3) Among the members of a committee, the number of FRC members must exceed the number of non-FRC members.

(4) The FRC may refer a matter with which it is concerned to a committee for consideration, inquiry or management.

(5) The FRC may—
(a) revoke an appointment under subsection (2); or
(b) withdraw a reference under subsection (4).

(6) The procedures for convening meetings of a committee and for the conduct of business at those meetings are, subject to any direction of the FRC, to be determined by the committee.

15. Seal

(1) The FRC must have a seal the affixing of which must be authenticated by—
(a) the signature of the Chairperson or the Deputy Chairperson; or
(b) the signature of another FRC member authorized to sign on behalf of the FRC.

(2) A document purporting to be a document duly executed under the seal of the FRC is to be received in evidence without further proof and is, unless the contrary is proved, to be regarded as a document so executed on being received in evidence.
16. **Organization of administration etc.**

The FRC must organize and regulate its administration, procedure and business in a way that it considers will, subject to the requirements of this Ordinance, best ensure the performance of its functions.”.

79. **Schedule 3 repealed (provisions relating to Chief Executive Officer of Council)**

Schedule 3—
Repeal the Schedule.

80. **Schedules 3A and 3B added**

Before Schedule 4—
Add

“**Schedule 3A**

[ss. 11 & 61]

Non-delegable Functions of FRC

1. The following functions of the FRC are specified for the purposes of section 11(2)—

(a) to make subsidiary legislation under this Ordinance or any other Ordinance;

(b) to borrow money under section 10(2)(e);

(c) to publish or otherwise make available, under section 10(2)(h), materials indicating to the public any matter relating or incidental to the performance by the FRC of any of its functions;
Financial Reporting Council (Amendment) Ordinance 2019

(d) to issue guidelines under section 13;
(e) to submit, under section 17(3), estimates of income and expenditure of the FRC for approval by the Financial Secretary;
(f) to cause to be prepared a statement of accounts of the FRC under section 18(2);
(g) to submit to the Financial Secretary under section 20(1) the documents referred to in that section;
(h) to appoint a person to be an inspector under section 21A(1)(b);
(i) to appoint a person to be an investigator under section 22A(1)(b);
(j) to specify, under section 37ZD(2), the day on which a specified decision is to take effect;
(k) to consult, under section 50D(1), the Financial Secretary with a view to recommending to the Chief Executive in Council that the rate or amount of a levy be reduced, and to recommend, under section 50D(3), to the Chief Executive in Council that the rate or amount of a levy be reduced;
(l) to establish a committee under section 14(1) of Schedule 2;
(m) to appoint a person to be the chairperson or a member of a committee under section 14(2) of Schedule 2;
(n) to refer a matter to a committee under section 14(4) of Schedule 2;
(o) to revoke the appointment of the chairperson or a member of a committee, or to withdraw a reference from a committee, under section 14(5) of Schedule 2.

Schedule 3B

[ss. 20G, 20K, 20ZE, 20ZK, 20ZY & 61]

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81. Schedule 4 amended (provisions relating to Investigation Board and its members)

(1) Schedule 4, section 1(1)—

Repeal
“Council at the time of his appointment”

Substitute
“FRC at the time of the member’s appointment”.

(2) Schedule 4, English text, section 1(2)—

Repeal
“his period of appointment or reappointment, a member of the Investigation Board”

Substitute
“the period of appointment or reappointment of a member of the Investigation Board, the member”.

(3) Schedule 4, section 1(3) and (4)—

Repeal
Part 2
Section 81

“Council” (wherever appearing)
Substitute
“FRC”.

(4) Schedule 4, section 2(1)—
Repeal
“chairman, is unable to perform the functions of his office as member, the Council”
Substitute
“chairperson, is unable to perform the member’s functions, the FRC”.

(5) Schedule 4, section 2(1)—
Repeal
“his place during his”
Substitute
“the member’s place during the member’s”.

(6) Schedule 4, Chinese text, section 2(2)—
Repeal
“他”
Substitute
“其”.

(7) Schedule 4, section 3(1)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(8) Schedule 4, section 3(1)—
Repeal paragraph (b).
(9) Schedule 4, section 3(1)—
Repeal
“his office as member of the Investigation Board”
Substitute
“the member’s office”.

(10) Schedule 4, section 3(2) and (4)—
Repeal
“Council shall”
Substitute
“FRC must”.

(11) Schedule 4, English text, section 4(1)—
Repeal
“chairman of the Investigation Board shall convene such”
Substitute
“chairperson of the Investigation Board must convene the”.

(12) Schedule 4, section 4(1)—
Repeal
“as he”
Substitute
“as the chairperson”.

(13) Schedule 4, after section 4(1)—
Add
“(1A) A meeting of the Investigation Board is to be presided over by the first of the following persons (in descending order of priority) who is able to preside at the meeting—
(a) the chief executive officer of the FRC;
(b) an executive director of the FRC designated under section 8(1)(a) of Schedule 2;
(c) an executive director of the FRC designated under section 8(3)(a) of Schedule 2; or
(d) a member of the Board who is chosen, for this purpose, by other members of the Board present at the meeting.”.

(14) Schedule 4, English text, section 4(3)—
Repeal
“he”
Substitute
“the member”.

(15) Schedule 4, section 4(5)—
Repeal
“Council”
Substitute
“FRC”.

82. Schedule 4A added
After Schedule 4—
Add
“Schedule 4A

[ss. 37N, 37O, 37U, 37ZJ & 61]

Provisions Relating to Tribunal

1. Interpretation
In this Schedule—

chairperson (主席) means the chairperson of the Tribunal;
ordinary member (普通成員) means a member of the Tribunal other than the chairperson;
panel member (委員) means a member of the Tribunal panel appointed under section 3 of this Schedule.

2. Appointment of chairperson
(1) The chairperson must be appointed by the Chief Executive.
(2) The chairperson—
   (a) must be—
      (i) a former Justice of Appeal of the Court of Appeal;
      (ii) a former judge, a former recorder or a former deputy judge of the Court of First Instance; or
      (iii) a person who is eligible for appointment as a judge of the High Court under section 9 of the High Court Ordinance (Cap. 4); and
   (b) must not be a public officer.
(3) The chairperson—

2. 主席的委任
(1) 主席須由行政長官委任。
(2) 主席——
   (a) 須為——
      (i) 上訴法庭的前任上訴法庭法官；
      (ii) 原訟法庭的前任法官、前任特委法官或前任暫委法官；或
      (iii) 具資格根據《高等法院條例》(第4章)第9條獲委任為高等法院法官的人；及
   (b) 不得為公職人員。
(3) 主席——
3. **Appointment of Tribunal panel**

   (1) **The Chief Executive must appoint persons to a Tribunal panel comprising the number of members the Chief Executive considers appropriate.**

   (2) **A panel member must not be a public officer.**

   (3) **A panel member is appointed for a period the Chief Executive considers appropriate, and may be reappointed from time to time.**

4. **Resignation and removal of chairperson and panel members**

   (1) **The chairperson or a panel member may at any time resign from office by written notice to the Chief Executive.**

   (2) **A notice of resignation takes effect on—**

      (a) the day on which the notice is received by the Chief Executive; or

      (b) if a later day is specified in the notice—that later day.

   (3) **The Chief Executive may by written notice remove the chairperson or a panel member from office on the ground of incapacity, bankruptcy, neglect of duty, conflict of interest or misconduct.**
5. Appointment and resignation of ordinary members

(1) For determining a review, the Secretary for Financial Services and the Treasury must, on the recommendation of the chairperson, appoint 2 panel members as ordinary members for the review.

(2) An ordinary member appointed for a specified review may, subject to other provisions of this Ordinance, be appointed for any other review.

(3) An ordinary member may at any time resign from office by written notice to the Secretary for Financial Services and the Treasury.

(4) A notice of resignation takes effect on—
   (a) the day on which the notice is received by the Secretary for Financial Services and the Treasury; or
   (b) if a later day is specified in the notice—that later day.

(5) If an ordinary member ceases to be a panel member, he or she ceases to be an ordinary member.

6. Chairperson and ordinary members entitled to be paid for services

(1) The chairperson or an ordinary member is entitled to be paid, as a fee for services, an amount the Secretary for Financial Services and the Treasury considers appropriate.

(2) An amount payable under subsection (1) is a charge on the general revenue.
7. Acting appointments

(1) Subsection (2) applies if the chairperson is prevented by illness, absence from Hong Kong or any other reason from performing the functions of the chairperson.

(2) The Chief Executive may appoint a person who is qualified for appointment as the chairperson under section 2(2) of this Schedule to act as chairperson, and perform all the functions of the chairperson (including acting as sole member of the Tribunal under section 12 of this Schedule), for any period during which the chairperson is prevented from performing those functions.

(3) Subsection (4) applies if an ordinary member is prevented by illness, absence from Hong Kong or any other reason from taking part in a particular review.

(4) The Secretary for Financial Services and the Treasury may appoint another panel member to act as ordinary member, and take part in the particular review, for any period during which the ordinary member is prevented from so taking part.

8. Further provisions relating to chairperson and ordinary members

(1) If, on the expiry of the term of appointment of the chairperson or an acting chairperson, a review has commenced but not yet been completed, the Chief Executive may authorize the person to continue to act as chairperson or acting chairperson for the purpose of completing the review.

(2) If, during review proceedings, there is a change in the membership of the Tribunal, then—
(a) if all the parties to the review so consent, the proceedings may continue despite that change; or
(b) in the absence of such a consent, the proceedings must not continue but must begin over again.

9. Sittings

(1) The chairperson must convene the sittings of the Tribunal that are necessary to determine a review.

(2) The chairperson may, at any time after a review application has been made, give directions to the parties to the review concerning—
   (a) the procedural matters to be complied with by the parties; and
   (b) the time within which the parties are required to comply with those matters.

(3) Subject to section 12 of this Schedule, at any sitting of the Tribunal—
   (a) the chairperson and 2 ordinary members must be present;
   (b) the chairperson must preside;
   (c) the order of proceedings must be determined by the Tribunal in the way most appropriate to the circumstances of the case;
   (d) every question before the Tribunal (other than a question of law) must be determined by a majority of votes cast by the chairperson and the ordinary members; and
   (e) a question of law before the Tribunal must be determined by the chairperson alone.
10. Preliminary conferences

(1) At any time after a review application has been made, the chairperson may direct that a conference, to be attended by the parties to the review or their representatives and presided over by the chairperson, is to be held for—

(a) enabling the parties to prepare for the conduct of the review;
(b) assisting the Tribunal to determine issues for the purpose of the review; and
(c) generally securing the just, expeditious and economical conduct of the review.

(4) The parties to a review are, at any sitting of the Tribunal relating to the review, entitled to be heard—

(a) in person, or—

(i) for the decision authority that made the specified decision concerned or for a corporation—through an officer or employee of the authority or the corporation;
(ii) for a partnership—through a partner; or
(iii) for a sole proprietorship—through the owner; or

(b) through counsel or solicitor or, with the leave of the Tribunal, through any other person.

(5) The chairperson must prepare, or cause to be prepared, a record of the proceedings at any sitting of the Tribunal, which must contain the particulars relating to the proceedings the chairperson considers appropriate.

10. 初步會商

(1) 在有覆核申請提出後，主席可隨時指示為以下目的，舉行會商——

(a) 使該項覆核的各方能夠為進行該項覆核作準備；
(b) 協助審裁處，為該項覆核的目的而就爭議點作出裁定；及
(c) 一般而言，確保該項覆核得以在公正、迅速和合乎經濟原則的情況下進行，

會商須由該項覆核的各方或其代表出席，並由主席主持。
Part 2

Section 82

(1) The chairperson may give a direction under subsection (1) on his or her own initiative or on application by any of the parties to the review if—

(a) the chairperson considers it appropriate to do so after considering any materials submitted in relation to the review by any of the parties; and

(b) the parties agree to the giving of the direction.

(3) The chairperson—

(a) may give any direction the chairperson considers necessary or desirable for securing the just, expeditious and economical conduct of the review; and

(b) must endeavour to secure that the parties to the review make all agreements that they reasonably ought to make in relation to the review.

(4) After a conference has been held as directed under subsection (1), the chairperson must report to the Tribunal on the matters relating to the conference the chairperson considers appropriate.

11. Consent orders

(1) If, at any time after a review application has been made, the parties to the review consent to all the terms of an order that the Tribunal or chairperson may make under any provision of this Ordinance, the Tribunal or chairperson may make the order even though a requirement applicable to the making of the order has not been complied with.

(2) An order made under subsection (1) is to be regarded for all purposes as an order made under the provision concerned in compliance with the requirements applicable to the making of the order.
12. **Chairperson as sole member of Tribunal**

(1) The chairperson may determine a review as the sole member of the Tribunal if the condition specified in subsection (2) is satisfied.

(2) The condition is that, at any time after a review application has been made but before any sitting of the Tribunal is held to determine the review, the parties to the review—

(a) have agreed that the review may be determined by the chairperson as the sole member of the Tribunal; and

(b) have informed the Tribunal of the agreement by written notice.

(3) The chairperson may also determine as the sole member of the Tribunal an application under section 37R for an extension of the time within which a review application may be made.

(4) If subsection (1) or (3) applies, the Tribunal constituted by the chairperson as the sole member of the Tribunal is to be regarded for all purposes as the Tribunal constituted by the chairperson and 2 ordinary members.

(5) After making a determination under subsection (1) or (3), the chairperson must report to the Tribunal on the determination and the reasons for the determination, and any other matter relating to the determination the chairperson considers appropriate.
Subsection (7) applies if there is an application under section 37R and—
(a) the chairperson cannot determine the application due to illness, absence from Hong Kong or any other reason; or
(b) the chairperson considers it improper or undesirable that he or she should determine the application.

The Chief Executive may appoint a person who is qualified for appointment as the chairperson under section 2(2) of this Schedule to determine the application in question as if the person were the chairperson duly appointed under this Ordinance, and the provisions of this Ordinance are to apply to the person accordingly.

13. Privileges and immunities
Except as otherwise provided in this Ordinance, the following persons have the same privileges and immunities in relation to a review as they would have if the review were civil proceedings before the Court of First Instance—
(a) the Tribunal, chairperson and ordinary members; and
(b) the parties to, and any witness, counsel, solicitor or any other person involved in, the review.”.

Schedule 5 amended (provisions relating to Review Panel and its members)
(1) Schedule 5, English text, section 1(2)—
Repeal
2019年3號條例

Part 2
Section 83

“his period of appointment or reappointment, a member of the Review Panel”
代以
“the period of appointment or reappointment of a member of the Review Panel, the member”。

(2) 附表5，第2(1)條——
廢除 (b) 段。

(3) 附表5，第2(1)條——
廢除
“檢討委員局成員職位”
代以
“職位”。

(4) 附表5，英文文本，第2(2)條——
廢除
“Executive shall”
代以
“Executive must”。

(5) 附表5，第2(2)條——
廢除
“以他”
代以
“以其”。

(6) 附表5，英文文本，第2(4)條——
廢除
“Executive shall”
代以
“Executive must”。

Financial Reporting Council (Amendment) Ordinance 2019

Ord. No. 3 of 2019

“his period of appointment or reappointment, a member of the Review Panel”

Substitute
“the period of appointment or reappointment of a member of the Review Panel, the member”.

(2) Schedule 5, section 2(1)—
Repeal paragraph (b).

(3) Schedule 5, section 2(1)—
Repeal
“his office as member of the Review Panel”
Substitute
“the member’s office”.

(4) Schedule 5, English text, section 2(2)—
Repeal
“Executive shall”
Substitute
“Executive must”.

(5) Schedule 5, section 2(2)—
Repeal
“he thinks”
Substitute
“the Chief Executive thinks”.

(6) Schedule 5, English text, section 2(4)—
Repeal
“Executive shall”
Substitute
“Executive must”.
84. Schedule 6 amended (provisions relating to Review Committee and its members)

(1) Schedule 6—
  Repeal
  “[ss. 41, 60”
  Substitute
  “[ss. 41”.

(2) Schedule 6, English text, section 1(1)—
  Repeal
  “Chairman of a Review Committee shall convene such”
  Substitute
  “chairperson of a Review Committee must convene the”.

(3) Schedule 6, section 1(1)—
  Repeal
  “as he”
  Substitute
  “as the chairperson”.

(4) Schedule 6, English text, section 1(3)—
  Repeal
  “he”
  Substitute
  “the member”.

(5) Schedule 6, section 1(5)—
  Repeal
  “Council”
  Substitute
(6) Schedule 6, section 2(1)—
Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

(7) Schedule 6, section 2(2)—
Repeal
“he ceases to be such”
Substitute
“he or she ceases to be the”.

(8) Schedule 6, section 3, heading—
Repeal
“Council”
Substitute
“FRC”.

(9) Schedule 6, section 3(1)—
Repeal
“Council”
Substitute
“FRC”.

(10) Schedule 6, English text, section 3(1)(b)—
Repeal
“Chairman”
Substitute
“chairperson”.

“FRC”.

Repeal
“Council” (wherever appearing)
Substitute
“FRC”.

Repeal
“he ceases to be such”
Substitute
“he or she ceases to be the”.

Repeal
“Council”
Substitute
“FRC”.

Repeal
“Chairman”
Substitute
“chairperson”.

“Council”
(11) 附表6，第3(2)条——

废除

“如財務匯報”

代以

“如財匯”。

(12) 附表6，第3(2)条——

废除

“則財務匯報”

代以

“則財匯”。

(13) 附表6，英文文本，第4条，标题——

废除

“Chairman”

代以

“chairperson”。

(14) 附表6，第4(1)条——

废除

“他所擔任的主席職位的職能，則財務匯報”

代以

“主席的職能，則財匯”。

(15) 附表6，英文文本，第4(1)条——

废除

“temporary Chairman”

代以

“temporary chairperson”。

(11) Schedule 6, section 3(2)—

Repeal

“Council appoints”

Substitute

“FRC appoints”.

(12) Schedule 6, section 3(2)—

Repeal

“Council shall”

Substitute

“FRC must”.

(13) Schedule 6, English text, section 4, heading—

Repeal

“Chairman”

Substitute

“chairperson”.

(14) Schedule 6, section 4(1)—

Repeal

“Chairman of a Review Committee is unable to perform the functions of his office as Chairman, the Council”

Substitute

“chairperson of a Review Committee is unable to perform the chairperson’s functions, the FRC”.

(15) Schedule 6, English text, section 4(1)—

Repeal

“temporary Chairman”

Substitute

“temporary chairperson”.
(16) Schedule 6, section 4(1)—
    Repeal
    “his place during his”
    Substitute
    “the chairperson’s place during the chairperson’s”.
(17) Schedule 6, section 4(2)—
    Repeal
    “Chairman, is unable to perform the functions of his office as member, the Council”
    Substitute
    “chairperson, is unable to perform the member’s functions, the FRC”.
(18) Schedule 6, section 4(2)—
    Repeal
    “his place during his”
    Substitute
    “the member’s place during the member’s”.
(19) Schedule 6, English text, section 4(3)—
    Repeal
    “Chairman” (wherever appearing)
    Substitute
    “chairperson”.
(20) Schedule 6, Chinese text, section 4(3)—
    Repeal
    “他”
    Substitute
    “其”.
85. **Schedule 7 added**

After Schedule 6—

Add

“Schedule 7

[ss. 50A, 50B, 50C & 61]

**Calculation of Levies**

1. **Levies payable by sellers and purchasers of securities**

   (1) Subject to subsections (2) and (3), the levy payable for a sale and purchase of securities is—

      (a) for the seller—0.00015% of the consideration for the sale; and

      (b) for the purchaser—0.00015% of the consideration for the purchase.

   (2) No levy is payable for a sale and purchase of a stock option.

   (3) No levy is payable for a sale and purchase of securities by an exchange participant, if the exchange participant—

      (a) holds a securities market maker permit in relation to the securities that is in force at the time of the sale or purchase; and

      (b) makes the sale or purchase in the course of making a market for the securities.

   (4) In this section—
2. Levies payable by PIEs

(1) The levy payable by a PIE for a calendar year is 4.2% of the prepaid annual listing fee.

(2) For the purposes of subsection (1), the prepaid annual listing fee is the annual listing fee that is payable by the PIE to the HKEC in advance in 1 instalment for the calendar year under the Listing Rules.

(3) The levy payable by a PIE for a calendar year, as calculated in accordance with subsection (1), is not to be adjusted even if the annual listing fee payable by the PIE to the HKEC for the year is subsequently adjusted under the Listing Rules.

3. Levies payable by PIE auditors

(1) Subject to subsection (2), the levy payable by a PIE auditor for a calendar year is the sum of—

(a) $6,155 \times N; and

(b) 0.147% of TR,

where—

- exchange participant (交易所參與者) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);
- securities market maker permit (證券莊家執照) has the meaning given by section 2 of the Securities and Futures (Levy) Order (Cap. 571 sub. leg. Z).
Part 2
Section 85
Financial Reporting Council (Amendment) Ordinance 2019

N = the number of PIEs for which the auditor is carrying out, as at 31 December of the preceding calendar year, an engagement specified in item 1 of Part 1 of Schedule 1A (specified engagement); and

TR = the total remuneration paid to the auditor, in the preceding calendar year, by the PIEs for which the auditor carried out specified engagements.

(2) However, if N is 0, the levy payable by the PIE auditor for the calendar year is $2,000.

(3) For ascertaining N and TR, the HKICPA or the FRC (as the case requires) may refer to—

(a) the annual financial statements of the PIEs submitted to the HKEC under the Listing Rules; or

(b) any information or document provided by the PIE auditor to the HKICPA or the FRC under section 50C(2).

(4) For the purposes of subsection (1), a PIE auditor is carrying out an engagement for a PIE on a day if—

(a) the auditor undertakes the engagement on that day; or

(b) the auditor has undertaken the engagement before that day and the engagement has not been completed by that day.”.
Part 3—Division 1

Section 86

Financial Reporting Council (Amendment) Ordinance 2019

Part 3

Related and Consequential Amendments

Division 1—Amendments to Professional Accountants Ordinance (Cap. 50)

86. Section 32B amended (Council’s powers under this Part)

Section 32B(1)(b), before “issue directions”—

Add

“subject to section 32BA,”.

87. Section 32BA added

After section 32B—

Add

“32BA. Practice reviews not to be carried out or continued in relation to PIE engagements

(1) The Council must not issue any direction under section 32B(1)(b) that has the effect of—

(a) requiring a practice review to be carried out in relation to a PIE engagement completed on or after the commencement date by a specified practice unit; or

(b) allowing a practice review to be carried out or continued, after the end of the 5-year period beginning on the commencement date, in relation to a PIE engagement completed before that date by a practice unit.

(2) In this section—
88. **Section 34 amended (disciplinary provisions)**

(1) Section 34(1)(a)(ia) —

*Repeal*

“section 31”

*Substitute*

“section 21F or 31”.

(2) Section 34(1)(a)(ib) —

*Repeal*

“section 25, 26, 27 or 28”

*Substitute*

“section 21C(2), 21D(1) or (2), 25(1) or 26(1) or (2)”.

89. **Section 42CA amended (referral of matter to FRC)**

(1) Section 42CA(1) —

*Repeal*
在“某些情況”之後而在“須將”之前的字句代以
“，顯示以下人士曾作出執業方面的不當行為（《財務匯報局條例》第4條所指者）——
(a) 除註冊公眾利益實體核數師或非公眾利益實體核數師的執業單位；或
(b) 除註冊公眾利益實體核數師的註冊負責人的執業會計師，
則”。
(2) 第42CA(2)條——
廢除
“《財務匯報局條例》(第588章)”
代以
“《財務匯報局條例》”。
(3) 在第42CA(2)條之後——
加入
“(3) 在本條中——
非公眾利益實體核數師 (non-PIE auditor) 與《財務匯報局條例》第3A條所給予的涵義；
《財務匯報局條例》(FRC Ordinance) 指《財務匯報局條例》(第588章)；
註冊公眾利益實體核數師 (registered PIE auditor) 與《財務匯報局條例》第3A條所給予的涵義；
註冊負責人 (registered responsible person) 與《財務匯報局條例》第2(1)條所給予的涵義。”。

everything after “circumstances” and before “even if it may”

Substitute
“suggesting that—
(a) a practice unit that is a registered PIE auditor or non-PIE auditor; or
(b) a certified public accountant (practising) who is a registered responsible person of a registered PIE auditor,
has committed a practice irregularity within the meaning of section 4 of the FRC Ordinance, the Council must refer the matter to the FRC and must not”,

(2) Section 42CA(2)—
Repeal
“Financial Reporting Council Ordinance (Cap. 588)”
Substitute
“FRC Ordinance”.
(3) After section 42CA(2)—
Add
“(3) In this section—
FRC Ordinance (《財務匯報局條例》) means the Financial Reporting Council Ordinance (Cap. 588);
non-PIE auditor (非公眾利益實體核數師) has the meaning given by section 3A of the FRC Ordinance;
registered PIE auditor (註冊公眾利益實體核數師) has the meaning given by section 3A of the FRC Ordinance;
registered responsible person (註冊負責人) has the meaning given by section 2(1) of the FRC Ordinance.”.
90. **Section 52 amended (Council may delegate)**

Section 52(1)—

Repeal

everything after “on the Council”

Substitute

“under—

(a) this Ordinance (except section 51); or
(b) the Financial Reporting Council Ordinance (Cap. 588).”.

Division 2—**Amendment to Resolution of the Legislative Council Establishing Companies Registry Trading Fund (Cap. 430 sub. leg. B)**

91. **Schedule 1 amended (services to be provided by the trading fund)**

Schedule 1—

Repeal section 6A.