



Dear Members,

On 30 October 2006, the Beijing office of the Institute, the first one that we have ever set up outside Hong Kong, was officially opened. I am delighted to report that the new Beijing office and the visit of the delegation led by the Institute to Beijing are major milestones for the Institute and our members in many ways.

During the visit, the delegation was accorded the great honour of meeting with Cheng Siwei (成思危), vice chairman of the Standing Committee of the National People's Congress, Wang Jun (王军), vice minister of finance, and other top officials. It is an honour rarely, if ever, bestowed on the Institute's delegations or other Hong Kong professionals. This afforded us the golden opportunity to bring outstanding items on our wish list under CEPA to top ranking officials for their support and prompt attention.

On this, I am pleased to report that Wang Jun said that our request to extend the exemption from two papers of the CICPA examination to non-QP members and to add one more exemption (i.e. financial reporting) will be pursued speedily. On the issue of allowing practice in association with mainland firms, he explained that it would take a much longer time to achieve as it involves legislative changes.

In the meetings, we discussed participation in the setting of international standards and cooperation in the governing bodies for the accounting profession in the international arena. In these discussions, our technical expertise and advanced standing and positions at the IASB, IFAC, CAPA and other international bodies were acknowledged. The officials were also convinced that, with our joint efforts and the rising economic power of China, we should be able to exert our influence in the international accounting arena.

We were privileged to have the Honourable Frederick Ma, secretary for financial services and the treasury, and C.Y. Leung, chairman of the Coalition of Professional Services and convenor of the Executive Council, as our guests of honour from Hong Kong to officiate at the opening ceremony of our Beijing office along with senior mainland officials. I would like to take this opportunity to express our heartfelt gratitude to them for their invaluable support. I am particularly grateful for their help in advocating the interests of our profession on the mainland on this and other occasions. By joining forces, we have been able to leverage our influence to ensure that our voices are heard at the right levels.

The delegation comprised prominent people from a wide spectrum of our membership, including our past presidents, Council members, leaders of other accounting bodies, practitioners from firms of different sizes and members in business and academia. The unity of the accounting profession in Hong Kong and the staunch support of top government officials and community leaders, as exhibited through this event, bode a bright future for our profession and reaffirm the stature and the leading position of the Institute in Hong Kong.

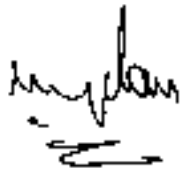
Our new Beijing office is the first of its kind for a Hong Kong professional body. This office will benefit all our members, both in Hong Kong and on the mainland. It was set up to provide member services, including networking functions and CPD courses for those working in Beijing and adjacent areas. The office will also serve as a “China desk” for members who may need assistance or business information. Furthermore, members visiting Beijing may use the office as a business centre where they can hold meetings and conduct business.

The delegation to Beijing is the culmination of a yearlong effort to strengthen our relationship with the mainland and the HKSAR government to further the interests of our members. This year, I joined the Chief Executive of the HKSAR, Donald Tsang, on two trips to the mainland and on both occasions I was among the very few professionals invited to make presentations to senior government officials and business leaders to promote Hong Kong’s professional services, in particular accounting services. I was also invited to join a small group of top Hong Kong business and professional leaders invited to a session with Jia Qinglin (賈慶林), chairman of the National Committee of the Chinese People’s Political Consultative Conference. This session was also attended by the HKSAR Chief Executive and many top ministers and officials from the mainland and Hong Kong. I have taken the opportunity to reiterate the wish list of the accounting profession under CEPA.

These milestones are the fruits of strenuous efforts of many, including my fellow Council members, committee members, the secretariat, as well as our predecessors and supporters. These have laid down a solid foundation and paved the way for furtherance of the interests of the accountancy profession in Hong Kong and the mainland.

I would like to end this message by sharing a personal observation. I am deeply impressed by the concept of “stewardship of influence” put forward by Rick Warren (author of “The Purpose Driven Live”). Those who are in positions of power or influence should always be mindful of the importance of using their power or influence with integrity and fairness and should always seek to use it wisely for the good of those they serve. This is a principle that I have always striven to uphold in my position as President of the Institute and in other public appointments.

Sincere regards,



Paul M.P. Chan

President, Hong Kong Institute of CPAs