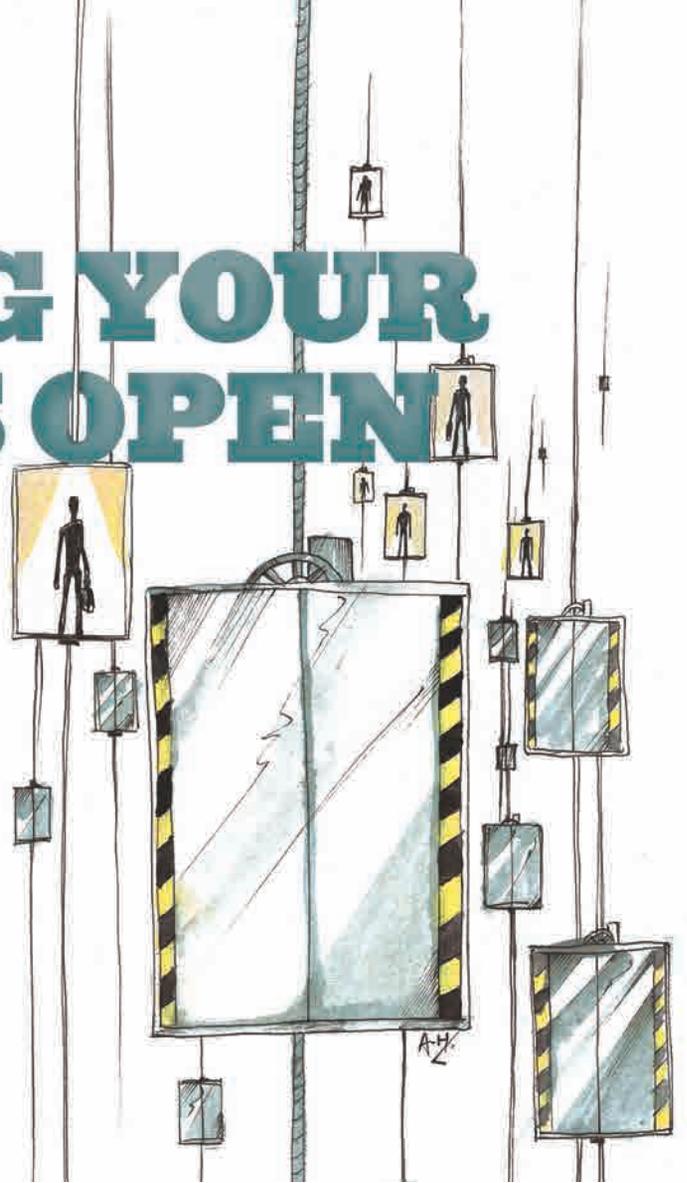


# KEEPING YOUR OPTIONS OPEN

With Hong Kong's business environment becoming more complex, accounting firms have expanded and so have specialist opportunities for CPAs. *Jemelyn Yadao* finds out how accountants are getting into the most in-demand fields

Illustrations by Alan Ho



**A**ll accountants might believe they are a part of a special profession, but many are trying to stand out from the crowd even more, by entering the more rarefied world of specializations.

Galaxy Chan, a partner at KPMG China and a member of the Hong Kong Institute of CPAs, followed the usual career path: she joined a CPA firm as an audit junior. But after swapping financial statements for distressed companies, she is now in the restructuring services team and has found her niche role.

As Hong Kong's business environment becomes more sophisticated, so too are the roles of accountants. An increasing number of Institute members are finding post-qualified career development appealing and building their expertise by pursuing a specialism. By specializing, many of them are finding that they are setting the right course for their career and achieving their full potential.

The accounting profession is now far-ranging, offering employees numerous specializations and career options, which, as Chan remembers, were previously scarce. "There wasn't any transaction and restructuring specialism [when I first joined the firm], but the firm had a general insolvency department, which did not offer the various services we offer today, but was branching out into the areas of corporate finance and forensic accounting," recalls Chan.

Since then, KPMG's transactions and restructuring service has expanded and currently encompasses many divisions. "As well as restructuring... we have corporate finance, forensic accounting, transaction services, debt advisory and valuation," Chan says.

The spread of new service areas in firms continues, giving CPAs more chances to specialize. This year, Deloitte Touche Tohmatsu is launching a public sector practice. "While the consulting practice is the dominant [area] for our China firm, the public sector is probably the fastest growing industry around the world for many firms," says Karon Wan, the firm's public sector managing partner and an Institute member.

Like many other firms, Deloitte has been developing its industry programme by building dedicated teams around various sectors. The move brings the number of industries the firm serves to eight – all of which demand specialist expertise. "We want to give value added services, whether it's the public sector, the retail business or the oil and gas business," says Wan.

"So we need people who understand the trends and insights of the industry – valuable experiences that we are able to give to customers," he says, adding that existing employees who are interested in working in new service offerings can be trained.

The firms can benefit from supporting the development of specialized streams, notes Wan. "It's very competitive these days. In order to stay ahead of the industries, we have to specialize in different areas that



## SPECIAL OFFERS

Compared with a decade ago, the career paths offered by accounting firms are wider and more varied. Here are some of today's most popular accounting specializations in Hong Kong.

### Corporate finance

These specialists not only inhabit the glamorous world of initial public offerings and other fundraising measures, they also have acquired grassroots knowledge of valuation and credit analysis.

The right specialist is a person with initiative and a knack for problem solving.

### Corporate governance

This specialization focuses on the establishment, testing and monitoring of internal controls and risk management functions, and understanding the role of directors and audit committees.

The right specialist has a keen interest in the operations of a company and how processes and principles that govern a company are set up in order to elevate investor confidence.

### Forensic accounting

Forensic accountants apply their knowledge to litigation and investigations covering risk management, fraud investigation, litigation support, dispute analysis and expert witness services.

The right specialist is a natural sceptic with great interviewing and presentation skills who can simplify complex information for lay readers.

### Information technology

This specialism includes identification and assessment of information technology abilities, needs and strategies, covering IT budgets, infrastructure, software, procedures, staff and data.

The right specialist is tech-savvy with an interest in translating accounting into technology.

### Management accounting

Management accountants utilize business acumen and commercial awareness in providing analysis, planning and risk assessment to devise strategies for companies to deliver shareholder value.

The right specialist is self-confident, assertive and has passion for the business, whether in engineering, manufacturing or services.

### Restructuring and insolvency

This specialization requires knowledge of insolvency and winding-up procedures, creditor protection, schemes of arrangement, compulsory and voluntary liquidation and asset recovery.

The right specialist has a good commercial mind and a business-oriented attitude. He or she won't be so easily demoralized by the downs of the job (for example, losing potential clients).

### Risk management

Accountants contribute to managing risk through properly executed financial forecasting, budgeting and internal reporting and countering dysfunctional and self-interested management behaviour.

The right specialist has great communication skills, both in terms of report writing and verbal. He or she also has a sound analytical mind and has the flexibility to travel.

### Taxation

Tax specialists provide guidance on Hong Kong's direct and indirect taxes, duties and rates, as well as tax strategy, appeals against determinations, and China and international tax compliance.

The right specialist has good language skills and a logical and creative mindset and should see opportunities when everyone else sees obstacles.

## Career development

provide a stream of steady revenues.”

Wan adds that it's not just Big Four firms like his that have turned to specialization. “I would say that a lot of so-called tier-two accounting firms can do as much as we can these days.”

### Changing rules, changing roles

Another example of a CPA who has benefited from specializing is Brenda Tung at RSM Nelson Wheeler and an Institute member, who found the right specialism for her during a three-month secondment to the firm's risk advisory services department.

“Now I have great satisfaction in being able to convince clients to accept our recommendations to enhance their internal control procedures,” says Tung, who joined from the firm's technical department in 2010. Such procedures, she adds, help client companies satisfy listing requirements in Hong Kong.

Tung, who is a senior manager in the department, says that compared to five years ago, she has noticed a growth in younger professionals joining her stream “as regulatory bodies are placing more and more emphasis on corporate governance in Hong Kong, and the responsibilities of directors of listed companies are increasing.”

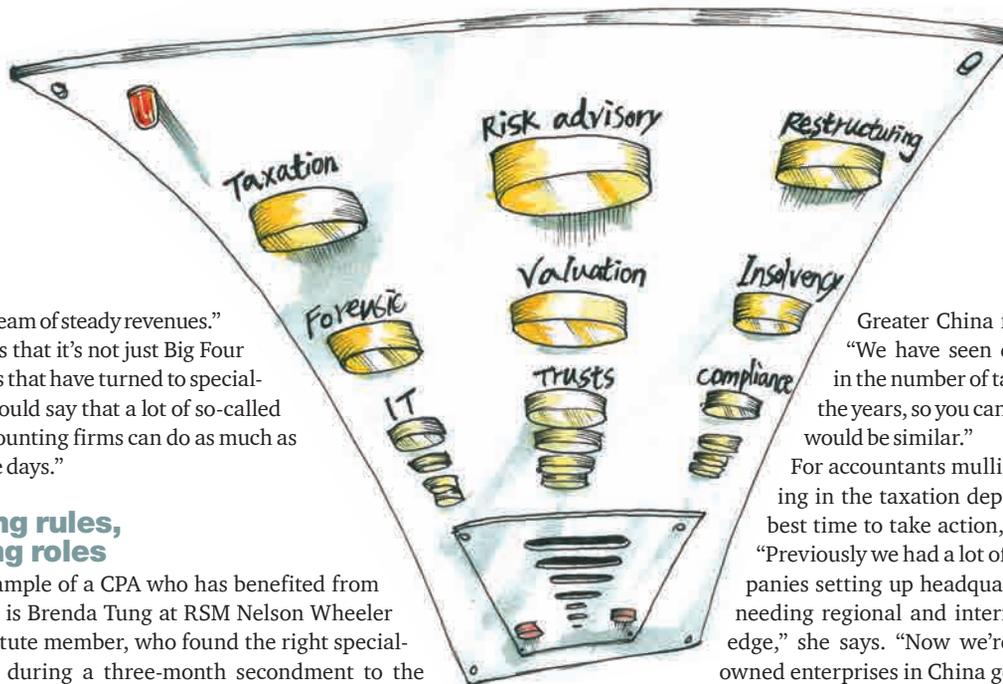
Tax is another specialization with growing appeal. With ever-changing laws around the world, tax specialists these days are busy handling increasingly sophisticated tax issues.

Florence Chan, partner and regional tax leader at EY, says CPAs joining this area are attracted to the challenges involved as well as the opportunities. “Tax is very special in a sense that each country has its own system,” says Chan.

“When you have cross-border transactions, there's definitely a need to know what will be the resulting issues. Whether it's withholding tax on dividend distribution, payment interests or payment royalties, there are very complicated areas involved.”

Chan says the number of people specializing in tax in Hong Kong has grown significantly, citing EY's

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Greater China firm as an example. “We have seen double digit growth in the number of tax professionals over the years, so you can imagine other firms would be similar.”

For accountants mulling the idea of working in the taxation department, now is the best time to take action, according to Chan. “Previously we had a lot of multinational companies setting up headquarters in Hong Kong, needing regional and international tax knowledge,” she says. “Now we're also seeing state-owned enterprises in China going out to different

parts of the world so we are positioned to capture the opportunities in this area.”

### Special skills

Meanwhile, the growing popularity of forensic accounting is ascribed to the development of anti-fraud and anti-bribery legislation around the world, imposing more responsibilities on business owners.

Few CPAs in Hong Kong are specialized in this area, but many Institute members believe that the demand for forensic accountants is stronger than ever. “This industry is really going,” says Alick Fong, manager of corporate recovery and forensic services at Mazars and an Institute member.

The intellectual challenges and the broad range of projects are what make many choose to become forensic accountants. Fong is one of them. “In one project you may be asked to do some forensic investigation into a fraud, in another project you may be asked to do some internal control duties to prevent a fraud. The diversity attracts me.”

Conducting forensic investigations requires certain soft skills as documents may be incomplete and won't tell the full story. “You have to interview people in a way that you can dig out the required information,” he explains.

Like many other CPAs, Fong has found greater job satisfaction by specializing. “It's a high-pressure role, but it's very rewarding.” He advises accountants interested in the forensic side to sign up early in their careers. “It may take some time to develop the sceptical and investigative mindset required.”

In addition to accounting firms, forensic accountants are also sought-after by regulatory bodies, such as the Independent Commission Against Corruption, which has been



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stepping up its efforts to hire more candidates to cope with a surge of graft investigations and the growing complexity of the cases.

### Transitional tryouts

Switching roles to find your specialism needn't always be complicated, suggests Chan at KPMG, citing her own smooth transition.

Some firms, such as KPMG, provide employees opportunities for short-term internal transfers if there are vacancies. “If you are unsure that you want to make a permanent commitment in your department or want to try a different one, the human resources team can arrange a short-term secondment,” says Chan. “After that, you can always go back to your [original] department.”

Chan now acts as an informal mentor to junior staff working within the firm's hands-on restructuring services division. She frequently offers advice on how to handle tough situations such as formal insolvency procedures including liquidations or receiverships.

“In the case of liquidations, we are working to realize as much as we can from the assets of a failed business for the benefit of the creditors, which usually include the staff of the company,” she explains. “These situations are quite stressful as we are dealing with people who have lost money and who are anxious. We have to deal with them in a calm and even-handed manner.”

The Institute continues to support CPAs who specialize through its faculties, which include restructuring and insolvency, and taxation. Chan at EY is the chairman of the tax faculty executive committee.

Last year the Institute launched its Advanced Diploma in Specialist Taxation programme to provide members with an integrated study of Hong Kong, China and international taxation. “Because of the increased complexity of taxation, and the business environment in the city becoming more globalized,” Chan explains, “it will be beneficial for our members to widen their scope of knowledge [beyond] Hong Kong tax.”

EY also offers a diverse range of tax sub-services, such as business tax services and transfer pricing, and employees are also encouraged to “rotate” and experience working in these areas. “Generally after two to three years they can make a decision as to what speciality they would like to pursue further,” says Chan.

Giving them even further insight into these specialist areas, Chan says that each of the taxation sub-services offer employees a useful combination of classroom lectures and on-the-job training.

To determine which specialism is right for them, most Institute members believe that it ultimately comes down to thinking about where their strengths and interests lie. To help them along the way, it's likely that firms will continue to nudge employees in the right direction, not only, as Chan points out, for the good of CPAs themselves. “As a profession, people and knowledge are our only asset – we need knowledgeable people.” **A**

