



To: Business/Assignment Editor
(For Immediate Release)

Hong Kong Institute of CPAs Cheers the Passing of the Financial Reporting Council Bill Today

Completes accounting profession's regulatory reform

(HONG KONG, 13 July 2006) – The passage of the Financial Reporting Council Bill wraps up the accounting profession's regulatory reform in Hong Kong and brings new strength to these regulations, according to Winnie C.W. Cheung, Chief Executive of the Hong Kong Institute of CPAs.

“The FRC will give us a stronger mechanism for dealing with alleged wrong doing in financial reporting of listed companies and we're looking forward to working in partnership with the new body and other funding partners,” she says.

The Hong Kong Institute of CPAs is one of four funding parties of the FRC along with the Government's Companies Registry Trading Fund, the Securities and Futures Commission and the Hong Kong Stock Exchange.

The Institute will continue to regulate its members and keep its investigatory power over the audits of non-listed companies. The Financial Reporting Council will have the added authority to investigate complaints concerning standards of financial reporting and audits of listed companies. The Hong Kong Institute of CPAs will continue to monitor the published financial statements of listed companies and will refer cases of suspect practices to the FRC.

“We started our regulatory reform more than three years ago, and the establishment of the FRC completes the process,” says Cheung. “The other steps we have taken in a post-Enron world are amending the Professional Accountants Ordinance, and including non-accountants in our governing Council and in our investigation and disciplinary processes in order to increase the objectivity and transparency of our regulatory and governance processes.

“As the statutory body for the accounting profession, the Hong Kong Institute of CPAs has demonstrated its willingness to share its regulatory powers while at the same time shouldering part of the responsibility and financing of this very important work to ensure the regulatory regime is credible and effective.”

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Editor's Notes

About Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorised by law to register and grant practising certificates to Certified Public Accountants in Hong Kong. The Institute has more than 25,000 members and nearly 10,000 registered students. Members of the Institute are entitled to the description *Certified Public Accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate CPA Qualification Programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

For more information, please contact:

Stella To, Deputy Director, Communications
Hong Kong Institute of Certified Public Accountants
Email: stella@hki CPA.org.hk
Phone: 2287 7209
Mobile: 9027 7323

Florence Chan, Assistant Director, Communications
Hong Kong Institute of Certified Public Accountants
Email: fchan@hki CPA.org.hk
Phone: 2287 7036
Mobile: 9877 2915