

# HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

(Incorporated by the Professional Accountants Ordinance, Cap. 50)



## APPLICATION FOR REGISTRATION OF A CORPORATE PRACTICE

### IMPORTANT

Applicant should read carefully the Corporate Practices (Registration) Rules, Corporate Practices (Professional Indemnity) Rules and Notes to Forms RCP-1A and RCP-1B before completing this Form.

### For Office Use Only

Name of Corporate Practice: \_\_\_\_\_

Name of Corporate Practice in Chinese, if any: \_\_\_\_\_

Corporate Practice Registration No.: \_\_\_\_\_

Formal approval given on: \_\_\_\_\_ at \_\_\_\_\_ C.M.

Registration effective from: \_\_\_\_\_

Reference No. **IMPORTANT:**

- Please read Notes carefully before completing this Form.
- Please complete all sections in BLOCK letters and in BLACK.
- **Personal Data (Privacy) Ordinance:** All information provided in this form will be used for purposes relating to the administration of the Professional Accountants Ordinance and Professional Accountants By-laws including corporate practice registration. In addition, the Institute may use the collected data for statistical research and analysis, and for keeping CPA practices informed of its services. The provision of personal data by means of this form is voluntary. However, insufficient information may result in rejection of an application. Data collected is accessible to officers, committees or persons processing the registration and related matters.

Applicants may access their personal data kept by the Institute and if applicable correct or update it. Please contact the Admission Department at 37th Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong (tel: 2287 7228) for the purpose.

**Section 1: – DECLARATION/UNDERTAKING:**

I \_\_\_\_\_ being a Certified Public Accountant (Practising)  
*(Full name in BLOCK letters)*  
of the Hong Kong Institute of Certified Public Accountants ("the Institute"/"HKICPA") and a member and Managing Director of  
\_\_\_\_\_  
*(Name of Corporate Applicant)* ("the company") hereby, for and on behalf of

the company, whose members and directors are named and whose particulars are provided in this application form:-

- (i) make an application to register the company as a corporate practice under section 28E of the Professional Accountants Ordinance ("the Ordinance");
- (ii) declare that the information supplied in this application is true and complete and that all claims against the HKICPA for any loss or damage the company or any of its members or directors may suffer arising from this application are waived;
- (iii) acknowledge that none of the HKICPA's officers or servants or members of its Council or Committee is to be liable for anything done or omitted in discharge or purported discharge of any of its functions connected with registering the corporate practice under the Ordinance and related rules, unless the act or omission is shown to have been in bad faith;
- (iv) acknowledge that certified public accountants who are shareholders and directors of a corporate practice shall be responsible for and accountable to the HKICPA for the conduct of the corporate practice, and that they shall be severally liable to disciplinary action for any failure by the corporate practice and any non-member director★ of the corporate practice to comply with the Professional Accountants By-laws, professional standards and other rules and any of them as may be amended from time to time which apply to all certified public accountants ("the Institute's rules");
- (v) declare that the Memorandum and Articles of Association submitted is identical to the one approved by the Council under Form RCP-1A;
- (vi) undertake-
  - (a) to procure compliance by the company with the Institute's rules, including the Corporate Practices (Registration) Rules, the model Memorandum and Articles of Association and the Corporate Practices (Professional Indemnity) Rules;
  - (b) to inform the Institute of any proposed change in the name, directors, shareholders, registered office or the Memorandum and Articles of Association of the company, and any other changes of circumstances as set out in Rule 16 of the Corporate Practices (Registration) Rules and to provide or procure the company to provide such other information in respect of the company as the Council may from time to time require (see NOTE 9);
  - (c) to continue to maintain in force a contract of insurance which provides the company with professional indemnity cover not less in amount and conditions than as set out in the Corporate Practices (Professional Indemnity) Rules and to advise the Institute if the contract of insurance is refused, cancelled or lapses or ceases to comply with those Rules (see NOTE 9); and
  - (d) to submit all documents as required under NOTES 10 and 11 in accordance with the procedures under NOTE 1.2 of this application form.

***(Items (vii) and (viii) are not applicable to and should be deleted by a sole practising member corporate applicant)***

- (vii) declare that not less than two-thirds of the voting shares of the company are beneficially owned by the practising member directors; and
- (viii) declare that all the shareholders are the ultimate beneficial owners of shares that they hold in the company.

★ As defined in the Corporate Practices (Registration) Rules.

**Section 2 – NAME OF CORPORATE APPLICANT:** (see NOTE 3)

\_\_\_\_\_ (in English)  
*(BLOCK letters)*  
 \_\_\_\_\_ (in Chinese, if any)

**Section 3 – OWNERSHIP:** (Please list all shareholders of the Corporate Applicant)

<u>Name</u> <i>(Full name in BLOCK letters)</i>	<u>Shareholding</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

*(Please use separate sheet, if necessary.)*

**Section 4 – NUMBER OF DIRECTORS:**

Number of practising member director(s) ★ \_\_\_\_\_

Number of non-practising member director(s) ★ \_\_\_\_\_

Number of non-member director ★ \_\_\_\_\_

**Section 5 – DETAILS OF PRACTISING MEMBER DIRECTOR(S):** (see NOTE 4)

<u>Name</u> <i>(Full name in BLOCK letters)</i>	<u>Membership no.</u>	<u>P.C. no.</u>	<u>Full/Part-time practice</u> (F/P)	<u>Personal signature</u> (see NOTE 5)	<u>Specimen signature of Corporate Applicant</u>	<u>Current mode of practice</u> (F/P) (if any)
<b>Managing Director:</b>						
_____						
<b>Other Director(s):</b>						
_____						
_____						
_____						

*(Please use separate sheet, if necessary.)*

**Section 6 – DETAILS OF NON-PRACTISING MEMBER DIRECTOR(S):**

<u>Name</u> <i>(Full name in BLOCK letters)</i>	<u>Membership No.</u>	<u>Personal signature</u> (see NOTE 5)	<u>Specimen signature of Corporate Applicant</u> <i>(for general purpose only)</i>
_____	_____	_____	_____
_____	_____	_____	_____

*(Please use separate sheet, if necessary.)*

★ As defined in the Corporate Practices (Registration) Rules.

**Section 7 – IN THE CASE OF A SOLE PRACTISING MEMBER CORPORATE APPLICANT:****A. Details of the "B" shareholder/director:**

<b>Name</b> (Full name in BLOCK letters) Miss / Mr. / Mrs. /Ms. *	<b>HK ID card / Passport no.</b>	<b>Age</b>	<b>Personal signature</b> (see NOTE 5)	<b>Specimen signature of Corporate Applicant</b> (for general purpose only)
_____	_____	_____	_____	_____

**B. Authorised person** (where applicable): (see NOTE 6)

<b>Name</b> (Full name in BLOCK letters) Miss / Mr. / Mrs. /Ms. *	<b>Membership no.</b>	<b>P.C. no.</b>	<b>Personal signature</b>	<b>Specimen signature of Corporate Applicant</b>
_____	_____	_____	_____	_____

**Section 8 – NAMES OF OTHER FIRM(S) OR CORPORATE PRACTICE(S), IF ANY, UNDER WHICH A DIRECTOR OF THE CORPORATE APPLICANT IS REGISTERED AS A PROPRIETOR, A PARTNER, A DIRECTOR, AN AUTHORISED SIGNATORY OR AN AUTHORISED PERSON:** (see NOTE 7)

<b>Name of director(s)</b> (Full name in BLOCK letters)	<b>Name of firm/corporate practice</b>
_____	_____
_____	_____
_____	_____

(Please use separate sheet, if necessary.)

**Section 9 – DETAILS OF REGISTERED OFFICE:** (see NOTE 8)**a. Address:** \_\_\_\_\_ (in English)

\_\_\_\_\_ (in Chinese)

**Tel. no.:** \_\_\_\_\_ **Fax no.:** \_\_\_\_\_**Email address:** \_\_\_\_\_ **Website:** \_\_\_\_\_**b. Size of premises:** \_\_\_\_\_ sq. ft./sq. m. \* (approx.)**c. Name under which the lease is taken:** \_\_\_\_\_**d. Nature of lessee's occupation** (if applicant is not the lessee): \_\_\_\_\_

\_\_\_\_\_  
**Signature of the Managing Director**  
 (for and on behalf of the Corporate Applicant)

\_\_\_\_\_  
**Date**

\* Please delete as appropriate.

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**IN THE CASE OF A SOLE PRACTISING MEMBER CORPORATE APPLICANT, THE "B" SHAREHOLDER/DIRECTOR HAS TO MAKE A DECLARATION AS FOLLOWS:** (see NOTE 11.4)

I \_\_\_\_\_ declare that I hold not more than one share of the company  
(Full name in BLOCK letters)

in trust for \_\_\_\_\_ who is the sole practising member director of the  
(name of the sole practising member director)  
company and that I am not disqualified to act as a director under Part IV A of the Companies Ordinance.

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**Signature of the "B" Shareholder/Director  
of a Sole Practising Member Corporate Applicant**

**Date**

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The completed application form should be returned with appropriate fees and relevant supporting documents by registered mail to:  
The Registrar, Hong Kong Institute of Certified Public Accountants, 27th Floor, Wu Chung House, 213 Queen's Road East, Wan Chai,  
Hong Kong.

P.S. Applicants may also submit their applications by hand to the Institute's office at the above address during office hours.

## NOTES

PLEASE READ THESE NOTES CAREFULLY BEFORE COMPLETING **FORM RCP-1B**

### **Note 1 – PROCEDURES FOR REGISTRATION OF A CORPORATE PRACTICE**

- 1.1 The registration of a corporate practice is governed by Sections 28D to 28H of the Professional Accountants Ordinance ("PAO"), the Corporate Practices (Registration) Rules, the Corporate Practices (Professional Indemnity) Rules, and the Professional Accountants By-laws 28 and 29 as contained in Volume 1 of the HKICPA Members' Handbook.
- 1.2 Corporate applicants should follow the registration procedures below:
- (a) submit Form RCP-1A with the draft Memorandum and Articles of Association ("M&A") for the initial approval of the name and M&A by the Registration and Practising Committee and the Council of the Institute. Applicants will normally be notified of the Institute's decision seven weeks after each submission deadline with a Reference Number. The name approved will be held for the corporate applicant by the Institute for up to three months from the date of approval. Please refer to the submission deadline announced by the Institute from time to time;
  - (b) register the proposed corporate practice with the Companies Registry;
  - (c) obtain Professional Indemnity Insurance (It is advisable to take steps to secure insurance terms and coverage applicable to the corporate practice at an early stage when registration is contemplated.); and
  - (d) submit Form RCP-1B and all supporting documents (quoting the Reference Number given by the Institute) within three months from the date of approval of the name and M&A for formal approval by the Council.

### **Note 2 – PRACTICE REVIEW**

All certified public accountants (practising), whether practising in own name or in the name of a CPA practice, are subject to practice review. Applicants should refer to Part IVA of the Professional Accountants Ordinance which is included in Volume 1 of the Members' Handbook and the Practice Review Procedures Manual which has been distributed to all practising certificate holders.

### **Note 3 – NAME OF A CORPORATE PRACTICE**

Initial approval of the name of the corporate practice under Form RCP-1A may be withdrawn by the Institute if there is any subsequent change in the proposed shareholders/directors. The corporate applicant is required to notify the Institute if there is such change when submitting this application form.

### **Note 4 – MODE OF PRACTICE**

For registration of a corporate practice, at least one of the practising member directors or the sole practising member director must practise on a full time basis.

### **Note 5 – BANKRUPTCY**

- 5.1 Section 30(7) of the PAO stipulates that : -  
 "A practising certificate shall not be issued to, and the Council may cancel the practising certificate of, a certified public accountant who is or has become bankrupt or has entered into a voluntary arrangement with his creditors within the meaning of the Bankruptcy Ordinance (Cap. 6)."
- 5.2 Section 156 of the Companies Ordinance provides that if any person being an undischarged bankrupt acts as director of, or directly or indirectly takes part in or is concerned in the management of any company, he shall be guilty of an offence and is liable to imprisonment and a fine. However, s/he may act as director with the leave of the court by which s/he was adjudicated bankrupt.
- 5.3 The personal signature of the proposed shareholders/directors serves as a declaration by the signer that s/he is not or has not become bankrupt or has not entered into a voluntary arrangement with his/her creditors within the meaning of the Bankruptcy Ordinance.
- 5.4 For a proposed shareholder/director who has adjudicated bankrupt but has been granted leave by the court to act as a director, s/he should provide a certified copy of the document issued by the court on such permission together with this application for the Institute's consideration.

**Note 6 – APPOINTMENT OF AN AUTHORISED PERSON IN CASE OF A SOLE PRACTISING MEMBER CORPORATE APPLICANT OR CORPORATE PRACTICE**

- 6.1 Special arrangement for a sole practising member corporate applicant or corporate practice is provided for under Rules 24 and 25 of the Corporate Practices (Registration) Rules, whereby an authorised person may sign an audit report in the name of the corporate practice in the event of death or incapacity or disqualification or involuntary absence of the sole practising member director.
- 6.2 An "authorised person" means a practising member who has been duly authorised by the board of directors of a sole practising member corporate applicant or corporate practice and approved by the Council to practise as a certified public accountant (practising) in the name of the sole practising member corporate practice in the event of death or incapacity or disqualification or involuntary absence of the sole practising member for such period and subject to such conditions as the Council may impose.

**Note 7 – MAXIMUM NUMBER OF FIRM/CORPORATE PRACTICE NAMES THAT CAN BE REGISTERED BY A DIRECTOR**

The Council rules that the number of firm/corporate practice names under which a director of a corporate practice may register as a sole proprietor, partner, director, authorised signatory or authorised person (as the case may be) should in no case exceed three.

**Note 8 – REGISTERED OFFICE**

- 8.1 Under section 31(5)(b) of the PAO, the registered office should be the one registered for the purpose of the Companies Ordinance (Cap. 32).
- 8.2 In order to facilitate the statutory requirement for publishing the list of corporate practices in the Government Gazette, the applicant is required to provide the address of its registered office in both English and Chinese.

**Note 9 – NOTIFICATION OF CHANGE OF PARTICULARS OF A CORPORATE PRACTICE**

- 9.1 The corporate applicant is required to inform the Registrar in writing within 14 days of any change in the information supplied in this Form.
- 9.2 After registration, corporate practices shall notify the Registrar of the Institute of any other changes as specified in Rule 16 of the Corporate Practices (Registration) Rules (including the Memorandum and Articles of Association and Professional Indemnity Insurance) by filing with the Institute a Form RCP-3A or RCP-3B.
- 9.3 Form RCP-3A shall be used for updating changes not requiring Council's prior approval while RCP-3B for any alterations requiring Council's prior approval. Certified copy of any forms and documents submitted to the Companies Registry for notification of any of such changes should also be given to the Institute within one month of submission for the Institute's record.
- 9.4 Corporate practices will be provided a checklist upon approval of their registration advising them the procedures and filing requirements in respect of these changes.

**Note 10 – SUPPORTING DOCUMENTS/REMITTANCE REQUIRED**

All supporting documents should be submitted together with this Form. All photocopies of documents submitted must be certified as true copies by a HKICPA member or a legal practitioner. Name of the HKICPA member (full name in BLOCK letters) and membership number should be included for verification purpose.

- 10.1 **Certificate of Incorporation**  
Section 28D(1) of the Professional Accountants Ordinance stipulates that only a company limited by shares and formed and registered under the Companies Ordinance (Cap. 32) shall be qualified for registration as a corporate practice. To this effect, a certified copy of the Certificate of Incorporation should be produced.
- 10.2 **Professional indemnity insurance**  
Certification that the corporate applicant satisfies the Corporate Practices (Professional Indemnity) Rules in a Standard Form as per attached (Appendix I) together with a certified copy of the cover note should be provided.

**10.3 Memorandum and Articles of Association**

A copy of the Memorandum and Articles of Association of the corporate applicant that has been approved by the Council under Form RCP-1A should be produced.

**10.4 Registered office**

An official letter of consent from the landlord/leaseholder must be produced to the effect that he/she/they has/have no objection to such use and to the erection of a signboard at the entrance to the registered office. A standard format of such letter (Appendix II) is attached to this Form for reference.

**10.5 Change of mode of practice of practising member director**

A practising member director who will practise on a full time basis but is currently engaged in a full time employment should provide documentary proof that s/he has resigned from his/her current employment, and s/he will not engage in other full time employment upon approval of the registration of corporate practice. Those who are currently practising on a full-time basis in firm/corporate practice name are exempt from this requirement.

**10.6 Board resolution for an authorised person**

In relation to the authorised person named under Section 7(B) of the application form who has been duly authorised by the board of directors of the corporate applicant to act as such, a certified copy of the board resolution should be submitted.

**Note 11 – FILING REQUIREMENTS AFTER THE REGISTRATION OF A CORPORATE PRACTICE**

11.1 To complete the registration procedures, certified copies of the forms and documents pertinent to incorporation of the corporate applicant submitted to the Companies Registry at the time of incorporation and afterwards should be submitted to the Institute when they are available. They are:

- Form D1 – Notification of first secretary and director
- Form D3 – Consent to act as director
- Form R1 – Notification of situation of registered office
- Form SC1 – Return of allotments

11.2 Section 30(6) of the Professional Accountants Ordinance stipulates that:

"If a certified public accountant fails to commence practice within six months from the date of issue of the practising certificate, the Council may cancel the practising certificate."

To this effect, a copy of the Business Registration Certificate should be produced within six months from the date of issue of a certificate of registration to a corporate practice as evidence of their commencement of business.

11.3 The Council rules that after the issue of a corporate practice registration certificate to a corporate practice, they should within three months thereof, file in:

- (a) a specimen of letterhead bearing the name of the corporate practice and the registered office; and
- (b) a completed Reply Slip in respect of confirmation of erection of a signboard at the entrance to the registered office.

11.4 The "B" shareholder/director of a sole practising member corporate practice is required to confirm in writing his/her agreement to various matters concerning his/her legal obligations to procure compliance by the corporate practice of the filing and notification requirements of the Companies Ordinance, other statutory duties imposed upon him/her as a director under the Companies Ordinance, and his/her other obligations under the Professional Accountants Ordinance as a member and director of a corporate practice and restrictions imposed thereby when acting as such.

**Note 12 – ENQUIRIES**

For enquiries in relation to the application, please contact the Membership Section of the Institute via email: [hkicpa@hkicpa.org.hk](mailto:hkicpa@hkicpa.org.hk); telephone: 2287 7228; or fax: 2865 6603/2537 9392.

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**Appendix I**

To: The Registrar,  
Hong Kong Institute of Certified Public Accountants,  
27th Floor, Wu Chung House,  
213 Queen's Road East,  
Wan Chai,  
Hong Kong.

**PART I**  
**Certification of Insurance under**  
**The HKICPA PII Master Policy by the Scheme Broker**

(A) At the request of \_\_\_\_\_ ("the Company"), we hereby certify, on  
*(Name of company)*

the basis of written information supplied to us in a proposal by the Company that:-

I. The Company has professional indemnity insurance ("PII") cover(s) as required by the HKICPA Corporate Practices  
(Professional Indemnity) Rules ("the Rules") for the period from \_\_\_\_\_ to  
*(Commencement date)*  
\_\_\_\_\_;  
*(Expiry date)*

- # II.  The minimum level of indemnity as required by the Rules is fully covered under the HKICPA PII Master Policy.  
 The minimum level of indemnity as required by the Rules is partly covered by the HKICPA PII Master Policy  
and top-up cover is taken out with \_\_\_\_\_.  
*(Name of insurer)*

(B) We undertake to inform the Registrar of the HKICPA in writing:-

- (i) Upon notification of a second claim against the Company during any period of insurance; and  
(ii) Upon expiry or cancellation of the policy under the HKICPA PII Master Policy, if this has not been renewed or  
reinstated within 14 days.

\_\_\_\_\_  
**Signature** **Company chop**

\_\_\_\_\_  
**Name of the Insurance Broker of the HKICPA PII Master Policy** **Date**

# Please put a "√" in the appropriate box.

**P.T.O.**

**PART II – where applicable**  
**Certification of PII Top-up Insurance**  
**Cover by an Authorised Broker or Insurer**

(A) At the request of \_\_\_\_\_ ("the Company"), we hereby certify that :-  
*(Name of company)*

I. the Company has a valid PII policy with \_\_\_\_\_  
*(Name of insurer)*

("the Policy") for the period from \_\_\_\_\_ to \_\_\_\_\_ ;  
*(Commencement date) (Expiry date)*

II. the terms and conditions of the cover of the Policy meet the requirements of the HKICPA Corporate Practices (Professional Indemnity) Rules;

III. (i) #  the insurance is arranged through \_\_\_\_\_  
*(Name of broker)*

who is an authorised broker under the Hong Kong Insurance Companies Ordinance; or

the insurance is placed directly with \_\_\_\_\_ ; **AND**  
*(Name of insurer)*

(ii) the policy is written by \_\_\_\_\_ who is authorised or licensed to carry  
*(Name of insurer)*

carry on insurance business by the Insurance Authority of Hong Kong / \_\_\_\_\_ . \* (see Note 1)  
*(Other country)*

(B) We undertake to inform the Registrar of the HKICPA in writing upon expiry or cancellation of the Policy, if it has not been renewed or reinstated within 14 days, or any changes in the terms and conditions of the cover of the Policy which render our declaration under (A) II above no longer valid.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Company chop**

\_\_\_\_\_  
**Name of broker/insurer** \* (see Note 2)

\_\_\_\_\_  
**Date**

# Please put a "√" in the appropriate box.

\* Please delete as appropriate.

**Note 1 – Extract from Rule 5(b) of the Corporate Practices (Professional Indemnity) Rules:**

"The insurer shall be:

- (i) authorised to carry on insurance business by the Insurance Authority; or
- (ii) authorised or licensed to carry on insurance business by an authority in a country or territory outside Hong Kong and providing the cover through an authorised insurance broker under the Insurance Companies Ordinance (Cap. 41)."

**Note 2 – Extract from Rule 6 of the Corporate Practices (Professional Indemnity) Rules:**

"If the corporate practice requires insurance in addition to the HKICPA PII Master Policy it shall obtain a written statement from the insurance broker through whom the additional insurance has been placed, who shall be an authorised insurance broker under the Insurance Companies Ordinance (Cap. 41), or where the insurance is placed directly, from the insurer providing the additional insurance certifying that on the basis of written information supplied to the broker or the insurer as appropriate in a proposal or otherwise by or on behalf of the corporate practice, the terms of additional insurance of the corporate practice comply with the requirements of these Rules."

**Appendix II**

*Hereunder is a standard format of a letter of consent. You may request the leaseholder/landlord of your proposed registered office to reproduce it on their standard letterheads.*

Date: \_\_\_\_\_

Registrar,  
Hong Kong Institute of Certified Public Accountants,  
27th Floor, Wu Chung House,  
213 Queen's Road East,  
Wan Chai,  
Hong Kong.

Dear Sirs,

Letter of Consent from Leaseholder/Landlord\*

Re: \_\_\_\_\_  
(name of proposed corporate practice)

This is to confirm that the undersigned who is the leaseholder/landlord\* of the office situated at

\_\_\_\_\_ (in English)  
**SAMPLE**

\_\_\_\_\_ (in Chinese)

has no objection to the use of the premises as the registered office of the said corporate practice and has given permission to the said corporate practice to erect a signboard with appropriate description at the entrance to the registered office.

Yours faithfully,

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Full name in BLOCK letters)

\_\_\_\_\_  
(Position held)

\_\_\_\_\_  
(Company Chop)

\_\_\_\_\_  
(Name of Company)

\* Please delete as appropriate.

## APPLICATION FOR REGISTRATION OF A CORPORATE PRACTICE CHECKLIST FOR CORPORATE APPLICANTS

Before submitting your application, you are reminded to ensure that all supporting documents are in order. The following checklist serves to assist you in preparing the supporting documents. Please complete and return it together with your application Form RCP-1B. Please note that applications not substantiated by the required supporting documents will delay the processing procedure.

Please indicate the documents you have attached to your completed application Form RCP-1B by putting a “✓” in the appropriate boxes below:

**1. Documents to be submitted by ALL applicants**

- A copy of the Memorandum and Articles of Association (M&A) of the corporate applicant that has been approved by the Council under Form RCP-1A or a CERTIFIED<sup>✘</sup> copy thereof.
- A CERTIFIED<sup>✘</sup> copy of the Certificate of Incorporation.
- A certification issued by the insurance broker of the HKICPA Professional Indemnity Insurance (PII) Master Policy (i.e. Appendix I as per attached) together with a CERTIFIED<sup>✘</sup> copy of the PII cover note of the corporate applicant.
- A letter of consent from the landlord/leaseholder authorising the use of his/her/their premises as the corporate applicant’s registered office and the erection of a signboard at the entrance to the registered office.
- A CERTIFIED<sup>✘</sup> copy of each of the following Forms and documents pertinent to the incorporation of the corporate applicant submitted to the Companies Registry
  - Form D1 – Notification of first secretary and director
  - Form D3 – Consent to act as a director
  - Form R1 – Notification of situation of registered office
  - Form SC1 – Return of allotments

**2. Additional document to be submitted by applicants under the following situation**

- For practising member director who will practise on full time basis but is currently engaged in a full time employment
  - Documentary proof that s/he has resigned from his/her current employment, and that s/he will not engage in other full time employment upon approval of the registration of the corporate practice.  
(Those who are currently practising on full-time basis in own name, firm name and/or corporate practice name are exempt from this requirement.)

**For and on behalf of:** \_\_\_\_\_  
(Name of proposed corporate practice)

**Signature of the Practising Member Director:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name of Signer:** \_\_\_\_\_

<sup>✘</sup> **Certification of documents** - All photocopies must be certified as true copies by any of the following persons:

- a. A HKICPA member
- b. A legal practitioner
- c. Government District Officer (through statutory declaration)
- d. Authorised staff of the Institute (only if originals are presented with photocopies for certification)

# CORPORATE PRACTICE REGISTRATION

## PROFESSIONAL INDEMNITY INSURANCE

Under the Corporate Practices (Professional Indemnity) Rules (“PI Rules”), each corporate practice shall have a valid and binding contract of professional indemnity insurance (“PII”) under the Professional Indemnity Insurance Master Policy of the Hong Kong Institute of Certified Public Accountants (hereafter called “The Master Policy”) and any additional binding contract of PII required to ensure compliance with the minimum requirements set out in the PI Rules.

The Master Policy is primarily designed to protect the corporate practices against legal liability arising from professional negligence, errors or omissions, including libel and slander. There are also many extensions of coverage under the Master Policy which is considered to be the broadest protection available in the current market. Registered firms of the HKICPA may also subscribe to the Master Policy.

The following is a summary of the salient features of the Master Policy for general reference.

### Minimum Limit of Indemnity

As stipulated in the PI Rules, the minimum limit of indemnity of the corporate practice in relation to each and every single claim during the period of insurance shall not be less than:

1. the minimum limit of indemnity of the HKICPA Master Policy (currently is HK\$5,000,000); or
2. 2.5 times its gross fee income for the financial year immediately preceding the beginning of the period of insurance subject to a maximum of HK\$15,000,000; or
3. the amount calculated by multiplying the number of principals in the practice as at the beginning of the period of insurance, by HK\$3,000,000;

whichever is the highest.

### Excess

Standard premiums are based on a standard excess of HK\$10,000 in respect of each and every claim for practices with annual gross fees at or below HK\$2,000,000. Practices with higher fee income will be subject to standard excess, equal to 0.75% of the annual gross fee. Premium discount will be given for increasing the excess voluntarily. However the maximum excess each and every claim shall not be more than:

1. The amount calculated by multiplying the number of principals of the corporate practice as at the beginning of the period of insurance, by HK\$200,000; or
2. 2% of the gross fee income of the corporate practice for the financial year immediately preceding the beginning of the period of insurance;

whichever is the greater.

There is also a requirement to have annual aggregate indemnity cover for all claims of not less than twice the minimum limit of indemnity. Such aggregate cover is provided under the Master Policy for the minimum cover as well as any top-up covers. In effect, this means that every corporate practice will have aggregate cover of \$10 million for all claims during an insurance period subject to a maximum of \$5 million per claim.

### **Insurance Cover**

The insurance must cover the corporate practice, any director or former director or authorised person of the corporate practice, and in the event of death, incapacity or bankruptcy of any such persons, the estates or the legal representatives of that person and all professional business undertaken by the corporate practice, and any civil liability or any act, error or omission arising therefrom.

### **Run-off Cover**

The PI Rules require the corporate practice to carry out insurance to cover their liabilities arising from any circumstances acts errors or omissions occurred in the last 7 years prior to the date of cessation and such insurance shall, if the policy is on a claims made basis (the Master Policy is offering cover on claims made basis) be maintained for a period of not less than 7 years after ceasing to have a current corporate practice registration certificate.

### **More Information and Enquiries**

The Master Policy is administered by the Insurance Brokers, Aon Hong Kong Limited ("Aon") in association with Windsor Professional Indemnity Ltd ("Windsor") in the United Kingdom and is underwritten by Lloyd's of London.

### **PII Bulletin**

To provide updated information about PII, the Brokers have prepared [PII Bulletins](#) from time to time for posting in the Institute's website for general guidance purposes.

### **Enquiries**

Aon have set up an enquiry hotline (2862 4242 / 2862 4243) which will be manned between 10 a.m. and 5 p.m. from Monday to Friday (except public holidays). HKICPA members are welcome to call Aon's hotline or complete the attached slip and send it to Aon to ask for a quotation or more information about the Master Policy.

**Fax No.:** 2862 4104

**To:** Ms. Anita Lee / Mr. Anthony Li  
Aon Hong Kong Limited

**Re : HKICPA PII Master Policy**

I would like to arrange for a quotation or to know more about the Professional Indemnity Insurance Master Policy for Member Practices of the Hong Kong Institute of Certified Public Accountants.

Name of Practice: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Position: \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Email Address: \_\_\_\_\_

If currently insured, please provide

Renewal Date: \_\_\_\_\_

Current Insurer: \_\_\_\_\_

Current Limit: \_\_\_\_\_