

HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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



APPLICATION FOR REGISTRATION OF A FIRM

For Office Use Only

Firm Name: _____

Name in Chinese, if any: _____

Firm Registration No.: _____

Formal approval given on: _____ at _____ C.M.

Registration effective from: _____

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 firm 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 – NAME OF FIRM: (see NOTE 3)

_____ (in English)
(BLOCK letters)

_____ (in Chinese, if any)

Section 2 – OWNERSHIP OF FIRM: #

Sole proprietorship

Partnership (see NOTE 4)

No. of practising partner(s) _____

No. of non-PC holder partner(s) _____

Section 3 – DETAILS OF SOLE PROPRIETOR/PRACTISING PARTNER(S)*:

<u>Name</u> <i>(Full name in BLOCK letters)</i>	<u>Membership no.</u>	<u>P.C. no.</u>	<u>Full/Part-time practice (F/P)</u> <i>(see NOTE 5)</i>	<u>Personal signature</u> <i>(see NOTE 6)</i>	<u>Specimen signature of firm name</u>	<u>Current mode of practice</u> <i>(F/P, if any)</i>
Sole proprietor/Senior partner: *						
_____	_____	_____	_____	_____	_____	_____

Other practising partner(s):

_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

(Please use separate sheet, if necessary.)

Section 4 – DETAILS OF NON-PC HOLDER PARTNER(S): (see NOTES 4 and 13.4)

<u>Name</u> <i>(Full name in BLOCK letters)</i>	<u>Membership no.</u>	<u>Full/Part-time practice (F/P)</u> <i>(see NOTE 5)</i>	<u>Personal signature</u>	<u>Specimen signature of firm name</u> <i>(for general purpose only)</i>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

* Please delete as appropriate.

Please put a "√" in the appropriate box.

Section 5 – DETAILS OF AUTHORISED SIGNATORY (i.e. any CPA holding a current practising certificate, other than the sole proprietor/practising partner(s) of the firm, who is/are authorised to sign on behalf of the firm):

<u>Name</u> <i>(Full name in BLOCK letters)</i>	<u>Membership no.</u>	<u>P.C. no.</u>	<u>Full/Part-time practice (F/P)</u> <i>(see NOTE 5)</i>	<u>Personal signature</u> <i>(see NOTE 6)</i>	<u>Specimen signature of firm name</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Section 6 – NAME OF OTHER FIRM(S) OR CORPORATE PRACTICE(S), IF ANY, UNDER WHICH THE SOLE PROPRIETOR/PARTNER(S) IS REGISTERED AS A PROPRIETOR, A PARTNER, A DIRECTOR, AN AUTHORISED SIGNATORY OR AN AUTHORISED PERSON: (see NOTE 7)

<u>Name of sole proprietor/partner(s)</u> <i>(Full name in BLOCK letters)</i>	<u>Name of firm/corporate practice</u>
_____	_____
_____	_____
_____	_____

(Please use separate sheet, if necessary.)

Section 7 – 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 the applicant is not the lessee): _____

Section 8 – OTHERS:

Applications considered and approved by the Council in or after November each year will normally become effective on 1 January of the next calendar year. Applicants who wish to have their application to take effect from the current calendar year should indicate so by putting a "√" in the following box: # (see NOTE 13.6)

Current year (Registration fees are to be paid accordingly.)

* Please delete as appropriate. # Please put a "√" in the appropriate box.

Section 9 – DECLARATION

I DECLARE THAT THE ABOVE INFORMATION IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

I/WE* WAIVE ALL CLAIMS AGAINST THE HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR ANY LOSS OR DAMAGE MY/OUR* FIRM MAY SUFFER ARISING FROM THIS APPLICATION.

Signature of sole proprietor/senior partner: * _____ **Date:** _____
(dd/mm/yyyy)

* Please delete as appropriate.

The completed application form should be returned with all supporting documents and appropriate fees 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 RF-1

NOTE 1 – REGISTRATION OF FIRMS

The registration of firms is governed by sections 28A, 28B, 28C of the Professional Accountants Ordinance and Professional Accountants By-laws 28 and 29:-

"Section 28A. **Registration of firm name**

- (1) A certified public accountant (practising) practising on his own account under a firm name shall apply to the Council for registration of the firm name under this Ordinance.
- (2) A firm of certified public accountants (practising) shall apply to the Council for registration of a firm name under this Ordinance.
- (3) No person shall practise -
 - (a) on his own account as a certified public accountant (practising) under a firm name; or
 - (b) in partnership as a firm of certified public accountants (practising), unless his firm name or, as the case may be, the firm in which he is a partner is registered under this Ordinance.
- (4) The Council may reject an application under subsection (1) or (2) if the firm name proposed to be registered -
 - (a) is the same as a firm name already registered;
 - (b) so nearly resembles a firm name already registered as to be likely to cause confusion; or
 - (c) is, in the opinion of the Council, misleading, offensive or otherwise contrary to the public interest.
- (5) A firm of certified public accountants (practising) shall not be qualified to be registered under subsection (2) unless all partners of the firm are certified public accountants and at least such proportion as the Council may from time to time prescribe of its partners is or are certified public accountant (practising) or certified public accountants (practising).
- (6) For the avoidance of doubt, it is hereby declared that a person other than the holder of a current practising certificate shall not be entitled to sign an audit report on behalf of a firm of certified public accountants (practising).

28B. **Application for registration of a firm**

Application for registration of a firm of certified public accountants (practising) under this Ordinance shall be made to the Council in such form as the Council may specify and there shall be lodged with the application such registration fee as may be fixed by the Council.

28C. **Provisions of sections 22, 23, 26, 27, 28, 39 and 41 to apply to firms and firm names**

The provisions of sections 22, 23, 26, 27(1)(a)(iii) and (iv), (2), (3), (4), (5) and (6), 28, 39 and 41(1)(a) and (b)(i) shall apply mutatis mutandis in relation to the registration of a firm and a firm name as they apply in relation to the registration of a certified public accountant."

"By-law 28 **Certified public accountants not to practise with or employ certain persons**

Save with the approval in writing of the Council, a certified public accountant holding a practising certificate who knowingly-

- (a) permits his name to be made use of in connection with the practice of public accountancy by a person who is not a certified public accountant holding a practising certificate;
- (b) employs, in or in connection with his practice as an accountant, a person whose name has been removed from the register under section 35(1)(a) of the Ordinance and has not been restored thereto; or
- (c) practises in partnership or through a corporate practice as an accountant with a person who is not entitled to practise as a certified public accountant (practising), shall be guilty of professional misconduct."

29 **Restrictions on name in which practice may be carried on**

Save with the approval in writing of the Council, a certified public accountant who, either on his own account or in partnership with any other certified public accountant or through a corporate practice, practises as a certified public accountant (practising) other than -

- (a) in his own name;
- (b) in the case of a firm of certified public accountants (practising), in his own name in association with the names of his partners; or in the case of a corporate practice, in his own name in association with the names of the other members of such corporate practice, save and except the name of any such member who is not a certified public accountant;
- (c) in the name of a firm in which he was lawfully practising at the commencement of these by-laws;
- (d) in the name of a firm lawfully registered under section 28A of the Ordinance; or
- (e) in the name of a corporate practice lawfully registered under sections 28D(4) and 28E of the Ordinance, provided that such a name or any part thereof shall not contain or include any reference to the name of any member of such corporate practice who is not a certified public accountant, shall be guilty of professional misconduct."

NOTE 2 – PRACTICE REVIEW

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

NOTE 3 – FIRM NAME**3.1 Use of personalised name**

- (a) The firm name must be sufficiently indicative of the name(s) of the sole proprietor/full-time practising partners but not the part-time partners.
- (b) A firm name not indicative of its sole proprietor/full-time practising partners is not acceptable unless it is a registered firm name under an overseas accountancy body or a non-personalised firm name that is acceptable to the Institute's Council.
- (c) Members using a firm name by adding "& Co." after his/her own name must also include his/her initials or other names in addition to his/her surname, e.g. "A.B. Chan & Co.". The registration of a firm under the style of, say "Chan & Co." is therefore not permissible.

3.2 Use of non-personalised (trading) name

The proposed name should not be approved if, in the opinion of the Council that:

- (a) it is misleading; or
- (b) it is unlawful; or
- (c) it is not of professional good taste and is inconsistent with the image of the profession; or
- (d) it is in conflict with the ethical rules of the Institute, in particular Section 450 – Practice promotion of the Code of Ethics for Professional Accountants.

3.3 A firm is required to register its name in English as well as in Chinese, if it has or in fact uses a Chinese name.

NOTE 4 – PARTNERSHIP COMPOSITION

The Council has ruled under section 28A(5) of the Professional Accountants Ordinance that not less than two-thirds of the partners of a firm shall be practising partners.

NOTE 5 – MODE OF PRACTICE

For registration of a firm, the sole proprietor or at least one of its practising partners must practise on a full time basis.

NOTE 6 – BANKRUPTCY

6.1 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)."

6.2 The personal signature of a proposed sole proprietor/practising partner 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.

NOTE 7 – MAXIMUM NUMBER OF FIRM/CORPORATE PRACTICE NAMES UNDER WHICH A CERTIFIED PUBLIC ACCOUNTANT (PRACTISING) MAY PRACTISE

The Council rules that the number of firm/corporate practice names under which a certified public accountant (practising) 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

In order to facilitate the statutory requirement for publishing the list of firms in the Government Gazette, an applicant is required to provide the address of its registered office in both English and Chinese.

NOTE 9 – BUSINESS REGISTRATION

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

"If a certified public accountant fails to commence practice within 6 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 6 months from the date of issue of a firm registration certificate to a firm as evidence of their commencement of business.

NOTE 10 – FILING OF LETTERHEAD AND CONFIRMATION OF ERECTION OF A SIGNBOARD

The Council rules that after the issuance of a firm registration certificate to a firm, it should within 3 months thereof, file with the Institute:-

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

NOTE 11 – PROCESSING OF APPLICATION

- 11.1 The Registration and Practising Committee will examine an application made on this Form and submit its recommendations to the Council for approval.
- 11.2 According to Professional Accountants By-laws 21(1) and 27(1), the Committee meets at least once in every three months. Please therefore allow time for the processing of an application and refer to the submission deadlines announced by the Institute from time to time.
- 11.3 The result of an application will normally be available 10 weeks after the submission deadline.

NOTE 12 – NOTIFICATION OF CHANGE OF PARTICULARS OF A FIRM

After registration, firms are required to inform the Registrar promptly of any change in the information supplied in this Form (including addition of a Chinese name) by filing a Form RF-3 with appropriate filing fee.

NOTE 13 – SUPPORTING DOCUMENTS/REMITTANCE REQUIRED

All photocopies of documents submitted must be certified as true copies by a HKICPA member or a legal practitioner.

13.1 Registration of the name of an overseas/international accountancy practice

Where an application for the use of the name of an overseas/international accountancy practice in Hong Kong is submitted, such application must be supported by the following documents/information:-

- (a) Official letter of consent from the overseas/international accountancy practice giving its authorisation for the applicant to register the firm name with the Institute.
- (b) The background of the overseas/international accountancy practice, e.g. the location of its head office and details regarding the structure of partnership and composition of the practice.
- (c) Arrangements, if any, between the overseas/international accountancy practice and the firm applicant for the latter to act as their representatives in Hong Kong.
- (d) Proof that the overseas/international accountancy practice is a registered practice under the jurisdiction of an accountancy body currently accepted by the Council.

13.2 Non-personalised (trading) name registration

Where an application for the use of a trading name is submitted, the applicant is required to submit a letter providing the reason(s) for adopting such words/characters and/or the meaning of the words/characters to be used in the proposed English and/or Chinese firm name(s) to facilitate the Committee's consideration.

13.3 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 is attached to this Form for reference.

13.4 Registration of a non-PC holder partner

A letter applying for exemption from Professional Accountants By-law 28(c) to practise in partnership with a person who is not entitled to practise as a certified public accountant (practising) shall be submitted together with this Form.

13.5 Change of mode of practice of proposed sole proprietor/practising partner

If the proposed sole proprietor/practising partner of the firm under application is currently practising on part-time basis and intends to practise on full-time basis in the proposed firm name, s/he should provide documentary proof to prove that s/he has resigned from his/her current employment and has not engaged in other full-time employment.

13.6 Fee

- (a) Firm applicants are required to pay a one-off first registration fee for the firm registration and admission of a non-PC holder partner, if any. In addition, an annual fee will be levied for each sole proprietor, practising partner and non-PC holder partner. An application must be accompanied by the appropriate registration fee (crossed cheque in Hong Kong dollars payable to the "Hong Kong Institute of Certified Public Accountants"). Please refer to the Fee Schedule announced by the Institute from time to time.
- (b) A flat annual registration fee equivalent to the registration fee for one practising partner is charged for each additional firm name registered with the Institute under the same proprietorship/partnership.
- (c) Annual fees are paid in respect of each calendar year. Applications considered and approved by the Council in or after November each year will normally become effective on 1 January of the next calendar year. Applicants who wish to have their applications to take effect from the current calendar year are required to pay the annual registration fee for both current year and the next calendar year.

NOTE 14 – ENQUIRIES

For enquiries in relation to the application, please contact the Admission Department of the Institute via email: hkicpa@hkicpa.org.hk; telephone: 2287 7228; or fax: 2865 6603 / 2537 9392.

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 letterhead.

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: _____
(Proposed firm name)

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 firm, and has given permission to the said firm 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.

(For Reference Only)

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 1 p.m. from Monday to Friday (except public holidays). HKICPA members are welcome to call Ms. Anita Lee at 2862 4215 of Aon 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
Aon Hong Kong Limited

Re : HKICPA PII Master Policy

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

Practice : _____

Contact person : _____

Position : _____

Tel : _____ Fax : _____

Email Address : _____

If currently insured, please provide

Renewal Date _____

Current Insurer _____

Current Limit _____