

# HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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



## APPLICATION FOR TRUST SERVICES LICENSE

### For Office Use Only

Firm Name: \_\_\_\_\_

Chinese Firm Name, if any: \_\_\_\_\_

Firm Registration No.: \_\_\_\_\_ Date received: \_\_\_\_\_

Approval given on: \_\_\_\_\_ By: \_\_\_\_\_

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

**IMPORTANT:**

- Please read Notes in pages 8-9 carefully before completing this Form.
- Please complete all sections in BLOCK LETTERS and in BLACK.
- All information provided will be used for purposes relating to the administration of the Trust Services Licensing. If there is inadequate space for an answer, please attach additional sheets.

If you have any questions in connection with the Trust Services Programme, please contact Mr. Gary Wong, Project Director (Innovation & Technology), at Tel: (852) 2287-7233 or email: [gary@hkicpa.org.hk](mailto:gary@hkicpa.org.hk).

For any enquiries in connection with this application or the licensing process please contact Ms. W.Y. Yu, Assistant Director, Membership Section at Tel: (852) 2287-7066 or email [yuwai@hkicpa.org.hk](mailto:yuwai@hkicpa.org.hk).

**Section 1 – PRACTICE UNIT DETAILS:** (see NOTE 1)Name of FirmRegistration No.

(in Chinese, if any)

Please tick where appropriate:

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> New Firm        | <input type="checkbox"/> Existing Firm               | <input type="checkbox"/> Change of Firm Name*             |
| <input type="checkbox"/> Re-application* | <input type="checkbox"/> Firm Resulting from Merger* | <input type="checkbox"/> Firm Resulting from Dissolution* |

\* Please provide full details on an additional sheet. In the case of a merger please supply the name and firm number of each firm involved in the merger.

**Section 2 – TYPE OF PRACTICE:**

- |  |                                      |   |
|--|--------------------------------------|---|
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Partnership | <input type="checkbox"/> Corporate Practice |
|--|--------------------------------------|---|

**Section 3 – DETAILS OF REGISTERED OFFICE OF PRACTICE:** (see NOTE 2)

Address: \_\_\_\_\_ (in English)

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

Tel. no.: \_\_\_\_\_ Fax no.: \_\_\_\_\_ Email address: \_\_\_\_\_

**Section 4 – DETAILS OF PRINCIPALS RESPONSIBLE FOR TRUST SERVICES ENGAGEMENTS:** (see NOTE 1.3 and NOTE 3)

<u>Name</u>	<u>Position Title</u>	HKICPA membership <u>no.</u>	HKICPA <u>P.C. no.</u>	<u>Practice</u> <u>Office</u> (see NOTE 3.3)	Full/Part- time <u>practice</u> (F/P)(see NOTE 4)	Date of Trust Services Classes attended (if <u>any</u> )	Responsible for Enrolment Identification <u>Number (✓)</u> (see NOTE 6)
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Contact Principal:

Other practising partners:

<u>Name</u>	<u>Position Title</u>	<u>HKICPA membership no.</u>	<u>Practice Office</u> (see NOTE 3.3)	<u>Full/Part-time practice</u> (F/P)(see NOTE 4)	<u>Date of Trust Services Classes attended (if any)</u>	<u>Responsible for Enrolment Identification Number (✓)</u> (see NOTE 6)
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**NON-PC HOLDER PARTNERS**  
(where applicable): (see NOTE 3)

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(Please use separate sheets, if necessary.)

**Section 5 – DETAILS OF EMPLOYEES PERFORMING TRUST SERVICES ENGAGEMENTS:** (see NOTE 5)

<u>Name</u>	<u>Position Title</u>	<u>HKICPA membership no.</u>	<u>HKICPA P.C. no. (if any)</u>	<u>Practice Office</u> (see NOTE 3.3)	<u>Full/Part-time practice</u> (F/P)	<u>Date of Trust Services Classes attended (if any)</u>	<u>Responsible for Enrolment Identification Number (✓)</u> (see NOTE 6)
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(Please use separate sheets, if necessary.)

Total number of employees responsible for the Trust Services work \_\_\_\_\_

**Section 6 – NAME(S) OF CONNECTED FIRMS/CORPORATE PRACTICES:** (see NOTE 7)

**a) Connected firm registered for Trust Services License**

<u>Name of firm/corporate practice</u>	<u>Relationship with applicant firm</u>	<u>Firm Address</u>	<u>Turnover</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**b) Connected firm not registered for Trust Services License**

<u>Name of firm/corporate practice</u>	<u>Relationship with applicant firm</u>	<u>Firm Address</u>	<u>Turnover</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Please use separate sheets, if necessary.)

**SECTION 7 – FOR COMPLETION BY SOLE PRACTITIONER OR SOLE PRACTISING MEMBER CORPORATE PRACTICE ONLY**

- (a) Is practice in this firm your full-time occupation?  Yes  No
- (b) If “no”, are you:
- (i) Retired from full-time work?  Yes  No
- (ii) Part-time, with no other occupation?  Yes  No
- (iii) Also in practice as a sole practitioner, partner or director in another firm?  Yes  No  
 If yes, please give name of the other firm and firm number if known: \_\_\_\_\_
- (iv) Also employed on Trust Services work in another firm?  Yes  No
- (v) Others, please specify: \_\_\_\_\_
- (vi) If this is not your full-time occupation, how many hours each week do you spend in this firm? \_\_\_\_\_

**Section 8 – PRACTICE INCOME:** (see NOTE 8)

For Financial Year Ending: \_\_\_\_\_

Please check the firm turnover that applies to you:

- HK\$50 million and below       Between HK\$50 million – 200 million       Over HK\$200 million

**Section 9 – PROFESSIONAL INDEMNITY INSURANCE (PII)** (see NOTE 9)

- Name of insurer/underwriter:  \_\_\_\_\_
- HKICPA Master PII Policy
- Coverage period    From \_\_\_/\_\_\_/\_\_\_    To \_\_\_/\_\_\_/\_\_\_    Policy No. \_\_\_\_\_

**Section 10 – COMPETENCE TO UNDERTAKE TRUST SERVICES ASSURANCE SERVICE**

- (a) Have you assessed the competence of those who will deal with the technology aspects of Trust Services work?  Yes  No
- (b) Have you assessed the competence of those who will deal with the non-technology aspects of Trust Services work?  Yes  No
- (c) Are these staff employed directly by the firm?  Yes  No  
 If no, what is their relationship to your firm? \_\_\_\_\_

**Section 11 – MAINTAINING INDIVIDUAL COMPETENCE**

(a) Please indicate which of the following are or will be used regularly by principals and employees responsible for Trust Services, to maintain competence and keep up-to-date on Trust Services related matters.

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Update Services         | <input type="checkbox"/> In-house courses  | <input type="checkbox"/> Institute courses           |
| <input type="checkbox"/> Training consortium     | <input type="checkbox"/> Other firm’s in-house courses                           | <input type="checkbox"/> Other commercial courses    |
| <input type="checkbox"/> Local discussion groups | <input type="checkbox"/> In-house technical discussion group                     | <input type="checkbox"/> Access to technical library |
| <input type="checkbox"/> Articles, newsletters   | <input type="checkbox"/> Private reading: technical papers, accountancy journals | <input type="checkbox"/> Others: _____               |

(b) Are or will individual training records be maintained for all principals and employees involved in Trust Services work?  Yes  No

(c) Please provide the name of the principal within the firm who is responsible for:  
 (i) Assessing the competence of principals and employees on Trust Services assignments  
 (ii) Ensuring that principals and employees receive relevant training

Name

Position Title

\_\_\_\_\_

\_\_\_\_\_

(Please use separate sheets, if necessary.)

**Section 12 – CONTROL OF TRUST SERVICES WORK**

- (a) Will the firm ensure that it has appropriate arrangements to deal with the following :
- (i) Fit and proper considerations  Yes  No
  - (ii) Independence  Yes  No
  - (iii) Confidentiality  Yes  No
  - (iv) Approach to Trust Services Work  Yes  No
  - (v) Recording of work done  Yes  No
  - (vi) Review procedures  Yes  No
  - (vii) Recruitment  Yes  No
  - (viii) Staff appraisal  Yes  No
  - (ix) Training standards  Yes  No
  - (x) Discipline  Yes  No
  - (xi) Reporting and supervisory responsibilities in the firm  Yes  No
- (b) Will the firm have a manual to record how it undertakes Trust Services work?  Yes  No
- (i) If yes, who is this manual produced by: \_\_\_\_\_
  - (ii) If this is not the manual available through the Institute, please confirm that it covers at least all the contents included in the training course material.  Yes  No
  - (iii) If no, please supply a schedule highlighting the course material omitted.  Yes  No

**SECTION 13 – FIT AND PROPER (see NOTE 10)**

Please check the boxes below. For answers indicate a “yes”, please provide further explanation in a separate sheet.

- (a) **Financial integrity and reliability**  
 In the last five years has the firm or any principal made any compromise or arrangement with creditors, or otherwise failed to satisfy creditors in full?  Yes  No
- (b) **Civil Liability**  
 In the last five years has the firm or any principal been the subject of any civil action relating to professional or business activities which resulted in a finding against it by a court, or a settlement being agreed?  Yes  No
- (c) **Good reputation and character**  
 In the last five years, has the firm or any principal been:
- (i) Refused the right to carry on any trade, business or profession for which a specific license, registration or other authority is required or had such right restricted or withdrawn?  Yes  No
  - (ii) Refused entry to any professional body or trade association, or decided not to continue with an application or had membership restricted or withdrawn?  Yes  No
  - (iii) Reprimanded, warned about future conduct, disciplined or publicly criticized by any professional or regulatory body?  Yes  No
  - (iv) Made the subject of a court order at the instigation of any professional or regulatory body?  Yes  No
  - (v) Investigated on allegations of misconduct or malpractice in connection with professional or business activities which resulted in a formal complaint being proved but no disciplinary order being made?  Yes  No

**Section 14 - CONFIRMATIONS**

- (a) We/ I confirm that this firm has professional indemnity insurance which will cover claims against the firm and its principals and employees in respect of Trust Services work, worldwide including the USA and Canada.
- (b) We/ I confirm that the ownership and control of this firm is in accordance with the requirements of the Trust Services license.
- (c) We/ I confirm that we/ I have taken steps to ensure that all principals and employees involved in Trust Services work are fit and proper persons.

**Section 15 – DECLARATIONS, UNDERTAKINGS AND ACKNOWLEDGEMENTS**

Should this application be approved, we/ I / the firm:

- (a) undertake that the firm will at all times comply with all the terms and conditions of the Trust Services license;
- (b) declare that the firm will deal with the Institute in an open and co-operative manner and inform the Institute promptly about anything concerning the firm that these terms and conditions require;
- (c) acknowledge that none of the Institute, its officers, staff, members of its Council or Committees, can be held liable in damages for anything done or not done in dealing with any of the functions connected with these terms and conditions or the monitoring of compliance with these terms and conditions in any respect, unless the act or omission is shown to have been in bad faith;
- (d) will not directly or indirectly question the title of the HKICPA, AICPA or CICA to the Trust Seal or the Related Marks or the validity of this license;
- (e) will not use or permit its clients or any other third parties to use or display the Trust Seal except when, upon completion of Trust Services, it has issued to its client an unqualified report attesting that a web-site currently meets the Trust Services Principles and Criteria, or as permitted under the Trust Services license;
- (f) will not use or provide consent to others to use the Trust Seal as a trademark or service mark, or in any other way inconsistent with their status as certification marks or their equivalent under the applicable law of the jurisdiction in which it uses the seal. The Trust Seal may be used in all jurisdictions:
- (i) on a web-site after the firm has issued an unqualified report that the web-site complies with the Trust Services Principles and Criteria;
- (ii) in advertising by the owner of a certified web-site to promote the fact of its certification; or
- (iii) by the firm, in a form approved by the Institute, in an informational sense to communicate the nature of the Trust Services Program and significance of the Trust Seals and related Marks;
- (g) will not make or provide consent to any client to make a representation to others concerning the Trust Services Principles and Criteria or otherwise referring to the Trust Seal or Related Marks except in connection with the firm's issuance of an unqualified report and delivery to the client of a Trust Seal;
- (h) will not infringe the copyrights in any HKICPA, AICPA or CICA materials relating to the Trust Services Program (including the Trust Services training course materials), provided, however, that the firm may as a licensee hereunder and without payment of additional royalty, reproduce and distribute the Trust Services Principles and Criteria to its employees, clients and prospective clients. Such reproduction must be complete and accurate and include the appropriate copyright notice and may include the firm's name or logo on its cover; provided that the firm hereby grants to the Institute a non-exclusive, royalty-free, perpetual license to reproduce, transmit, distribute and create works related to the Trust Services Program created by or on behalf of the firm, and to sublicense such rights to HKICPA, AICPA and/or CICA;
- (i) will not disclose any confidential or otherwise non-public information of or concerning the HKICPA, AICPA or CICA to which the firm becomes privy during the period of the license, except:
- (i) by order of a court of competent jurisdiction, administrative agency or governmental body, or by subpoena, summons or other legal process, or by law, rule or regulation, or as required by applicable regulatory or professional standards, or
- (ii) to the extent such information:
- will have otherwise become publicly available;
  - is disclosed to the firm by a person other than the Institute whom the firm reasonably believes is legally entitled to disclose such information on a non-confidential basis;
  - is known by the firm prior to its receipt from the Institute without any obligation of confidentiality with respect thereto; or
  - is developed by the firm independently of any disclosures made by the Institute to the firm;

- (j) will not enter into any further license or agency agreement concerning the Trust Seal or Related marks; and
- (k) recognise that the value of the Trust Services Program depends on public acceptance of the Trust Seal and therefore will consider using commercially reasonable efforts, as appropriate, to promote the Trust Services Program.

#### Section 16 – LICENSE FEE (see NOTE 12)

We/ I enclose a cheque for HK\$ \_\_\_\_\_ (payable to Hong Kong Institute of Certified Public Accountants) as payment of the annual license fee for the period from 1 October 200( ) to 30 September 200( ).

The license fee must be sent with this application form. The fee is calculated by reference to the turnover of the firm and any connected firms who themselves do not have a Trust Services license (see NOTE 8).

#### Fees Table

	Firm Turnover (HK\$)	Annual Sub-License Fee (HK\$)
Tier 1	Above 200m	30,000
Tier 2	Above 50m – 200m	15,000
Tier 3	50m and below	5,000

If the application is not successful, the license fee will be refunded.

#### Section 17 – SIGNATURE

I certify that, to the best of my knowledge and belief, the information in, or provided with, this application is a true and accurate statement of the firm's circumstances.

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

Name: \_\_\_\_\_

Position Title: Sole Proprietor / Senior Partner / Managing Partner / Managing Director / Chairman

*\* delete where appropriate*

Please mark total number of additional sheets attached. \_\_\_\_\_

Before returning the completed application form, please go through the checklist on NOTE 13.

## NOTES

PLEASE READ THESE NOTES CAREFULLY BEFORE COMPLETING FORM TS-1

### NOTE 1 – PRACTICE UNIT DETAILS

- 1.1 Trust Services licenses are issued to practice units rather than individuals. To obtain a Trust Services license, a practice unit must provide evidence that at least one principal\* in the practice unit meets the following criteria, and agree that the signing principal on each Trust Services engagement will meet these criteria.
- 1.2 “**practice unit**” means
- (a) a firm of
    - (i) certified public accountants; or
    - (ii) public accountants; or
    - (iii) certified public accountants and public accountants, practising accountancy pursuant to the Professional Accountants Ordinance; or
  - (b) a certified public accountant or public accountant practising accountancy on his own account pursuant to this Ordinance; or
  - (c) a corporate practice.
- 1.3 \* “**principal**” means the sole practitioner of a CPA sole practitioner’s practice, a partner of a CPA partnership practice, or a director/shareholder of a CPA corporate practice.

### NOTE 2 – REGISTERED OFFICE

- 2.1 Registered Office is the office to which all communications on Trust Services will be sent by the Institute. These will be addressed to the Contact Principal who is responsible for all Trust Services related works.
- 2.2 The Council rules that a firm must operate from commercial premises. “Commercial premises” is defined as “non-residential premises”, and this means a firm cannot have a place of abode as a registered office.

### NOTE 3 – PRINCIPALS

- 3.1 The Contact Principal is the principal with overall responsibility for making sure the firm complies with the Trust Services license terms and conditions.
- 3.2 Under the terms of the Trust Services license, there must be at least one principal who is a member of Hong Kong Institute of Certified Public Accountants, holding a practising certificate.
- 3.3 Please insert the location of the office from which the principal normally practises.

### NOTE 4 – MODE OF PRACTICE

For application for a Trust Services license, the proprietor or at least one of its practising partners must practise on full time basis.

### NOTE 5 – EMPLOYEES PERFORMING TRUST SERVICES

- 5.1 Please list all employees who have been designated as responsible for providing Trust Services to clients.
- 5.2 The firm must ensure that all employees who are responsible for Trust Services work attained the competencies needed for a Trust Services engagement.

### NOTE 6 – ENROLMENT IDENTIFICATION NUMBER

Each time the firm wants to provide a client with a copy of the Trust Services Seal, the firm must purchase an Enrolment Identification (EID) number from HKICPA. To control integrity of the Trust Services Seal, only authorized individuals within the firm can order an EID from HKICPA. The firm is permitted to authorize up to five members of the firm who can order an EID.

### NOTE 7 – CONNECTED FIRMS

- 7.1 Please list any connected firm registered for Trust Services work with, or applying for Trust Services License from Hong Kong Institute of Certified Public Accountants.
- 7.2 A connected firm is any practice unit located in Hong Kong and registered with HKICPA, which has one or more principals or directors/ shareholders of your firm among its principals, employees or directors/ shareholders.

**NOTE 8 – PRACTICE INCOME**

Please provide your firm’s total fee income from all sources including connected firm(s) described in NOTE 7 above. In arriving at the relevant turnover band for deciding the license fee, please aggregate the turnover of your firm and connected firm(s). Fee income for this purpose excludes the re-charge of out of pocket expenses. If the firm has not started trading, please give a forecast of the first year’s trading figures.

**NOTE 9 – PROFESSIONAL INDEMNITY INSURANCE (PII)**

- 9.1 To be eligible for a Trust Services license, a firm must have in place professional indemnity insurance. If you have not already notified the Institute of your insurance details, please enclose a copy of your cover note or schedule with this application.
- 9.2 You are advised to check that your PII will cover you for claims made against you, in respect of Trust Services work. Please also refer to General Guidance Statement 1.306 “Guidance on Reasonable Steps to be taken for PII Purposes”.
- 9.3 For corporate practice, please return a PII Annual Declaration to the Institute.

**NOTE 10 – FIT AND PROPER**

- 10.1 Any firm seeking a Trust Services license must satisfy the Institute that it is fit and proper. It is for each firm to ensure that all its principals and those employees involved directly or indirectly with Trust Services work are fit and proper. The fit and proper requirement would not normally extend to administrative/secretarial staff but would cover practice support staff such as technology specialists.
- 10.2 Where a firm has merged in the last 5 years, the questions relate to every constituent part of the merged firm.
- 10.3 A "yes" answer to any of the questions on this part of the application form will not automatically result in a firm being refused a license. The Institute may, however, wish to make further enquiries before reaching a decision.
- 10.4 If the Institute finds out about any matters which a firm did not disclose this will be viewed very seriously. It could jeopardize the firm's application or continuing license.

**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 The result of application will normally be available seven weeks after the submission deadline. Please refer to the submission deadlines announced by the Institute from time to time.
- 11.3 Urgent applications may be fast-tracked by circulation-approval process for straightforward cases.

**NOTE 12 – FEES**

Fees are paid in respect of each calendar year ending 30 September. An application must be accompanied by the appropriate registration fee (crossed cheque in Hong Kong dollars payable to “Hong Kong Institute of Certified Public Accountants”).

**NOTE 13 – COMPLETION CHECKLIST**

- 13.1 Check that you have completed all questions.
- 13.2 Ensure that you enclose two signed copies of the Trust Services Sub-license Agreement.
- 13.3 Ensure that a cheque for the license fee is enclosed.
- 13.4 Ensure that you have enclosed details of your PII.
- 13.5 Keep a copy of this form for your records.
- 13.6 Make sure any additional sheets are included with the form as stated in Section 17.

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