

Dear Sirs,

First of all, thank you for inviting us to share our views on the exemption arrangements for statutory bodies under the Competition Bill. We noted that 575 statutory bodies will be exempted while 6 statutory bodies will not be exempted. These statutory bodies are from different industries. We would like to give our view and in particular on statutory bodies relating to the accounting industry.

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) and its committees would be one of those exempted statutory bodies. HKICPA is the only professional accounting body authorised by law to register and grant practising certificates to certified public accountants in Hong Kong. HKICPA operates under the Professional Accountants Ordinance and works in the public interest. HKICPA 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. HKICPA has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

As HKICPA has the statutory responsibilities for the registration and regulation in the accounting industry, it is thus appropriate for HKICPA to be exempted. There are other professional accounting bodies providing professional development services in Hong Kong, if in future there is any change on the responsibilities of HKICPA (e.g. the responsibilities for the registration and regulation are transferred to another body), there should be further consideration on whether HKICPA should remain its exempted status. Regular review of the lists of exempted and un-exempted statutory bodies should therefore be implemented.

In general, it is difficult to categorise a statutory body on whether it will be exempted or not, because it may engage into different activities (e.g. it may have one activity of regulatory nature and another one of commercial nature). There should be further review on whether to abolish the lists of exempted and un-exempted statutory bodies totally in the future. Instead each activity of the statutory bodies should be considered separately that whether it follows the Competition Bill or not.

Yours faithfully,  
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Co-Chairman and CEO

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