

香港會計師公會的信頭
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31 March 2000

Mrs. Constance Li,
Clerk to the Bills Committee,
Legislative Council Secretariat,
3/F., Citibank Tower,
3 Garden Road, Central,
Hong Kong.

Dear Madam,

Broadcasting Bill (the Bill)

We have reviewed the Bill and our comments are set out below.

Section 16 "Separate accounting"

- a. If sub-section (1) is intended to impose a requirement on a licensee to keep separate accounting records for its activities in relation to its licenses under the Telecommunications Ordinance and the proposed Broadcasting Ordinance respectively, the existing wording as drafted does not seem to have achieved that objective, as it refers to the "adoption of accounting practices" which ensure that an activity can be readily understood. It would seem to be a more meaningful requirement to state that, apart from keeping a set of accounting records for the entity as a whole, separate subsidiary segmental accounting records in respect of the two activities in question are also required to be kept by the licensee.
- b. It is unclear as to why the Broadcasting Authority is to be given the power in sub-section (2) to direct the licensee to adopt an "accounting practice" for the purpose of securing, or assisting the securing of, compliance with sub-section (1). It is considered useful to specify the circumstances under which the Broadcasting Authority is to exercise that power.

If you have any queries on our above comments, please do not hesitate to contact Stephen Chan, our Deputy Director of Professional Standards, in the first instance.

Yours faithfully,

LOUIS L.W. WONG
REGISTRAR
HONG KONG SOCIETY OF ACCOUNTANTS

LW/SSLC/jc

c.c. Hon. Eric Li (2827 5086)