

香港特別行政區政府  
財經事務及庫務局  
財經事務科  
香港金鐘道六十六號  
金鐘道政府合署十五樓



LC Paper No. CB(1)331/18-19(01)  
FINANCIAL SERVICES BRANCH  
FINANCIAL SERVICES AND  
THE TREASURY BUREAU  
GOVERNMENT OF THE HONG KONG  
SPECIAL ADMINISTRATIVE REGION  
15TH FLOOR  
QUEENSWAY GOVERNMENT OFFICES  
66 QUEENSWAY  
HONG KONG

電話 TEL.: 2528 9016  
圖文傳真 FAX.: 2869 4195  
本函檔號 OUR REF.: ACCT/2/1/2C (2018)  
來函檔號 YOUR REF.: CB1/BC/4/17

**By email (hytchiu@legco.gov.hk)**

13 December 2018

Clerk to Bills Committee  
(Attn.: Mr Hugo Chiu)  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Mr Chiu,

**Bills Committee on Financial Reporting Council (Amendment) Bill 2018  
("the Bill")**

**Draft Committee Stage Amendments**

Further to our paper issued to the Bills Committee on 27 November 2018 on the Government's proposed Committee Stage Amendments ("CSAs") to the Bill, we write to you to supplement a few proposed amendments which aim to avoid any potential ambiguity in relation to the definition of "2019 Ordinance commencement date" in the Bill. Two new draft CSAs are proposed for Clauses 4(13) and 19, and they supersede the corresponding draft CSAs presented in our paper of 27 November 2018. An additional draft CSA is also proposed for Clause 87 for the same purpose.

The three new draft CSAs are set out at **Annex A** for the Bills Committee's examination. A marked-up revision of the relevant clauses of the Bill is at **Annex B** for reference.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Billy AU'.

( Billy AU )

for Secretary for Financial Services and the Treasury

c.c. Financial Reporting Council (Attn: Ms Florence Wong)  
Department of Justice (Attn: Ms Mabel Cheung)  
Ms Carmen Chan)

Financial Reporting Council (Amendment) Bill 2018

**Committee Stage**

Amendments to be moved by the Secretary for Financial Services and the Treasury

<u>Clause</u>	<u>Amendment Proposed</u>
4(13)	<p>By deleting paragraph (a) and substituting—</p> <p>“(a) before the definition of <i>audit</i>—</p> <p><b>Add</b></p> <p>“<b>2019 Amending Ordinance</b> (《2019 年修訂條例》) means the Financial Reporting Council (Amendment) Ordinance 2019 ( of 2019);</p> <p><b>2019 Ordinance commencement date</b> (《2019 年條例》生效日期) means the day on which section 23 of the 2019 Amending Ordinance comes into operation;”;</p>
19	<p>By deleting the proposed section 17(2) and substituting—</p> <p>“(2) The first financial year of the FRC after the commencement of section 23 of the 2019 Amending Ordinance (<b><i>first financial year</i></b>)—</p> <p>(a) begins on the 2019 Ordinance commencement date; and</p> <p>(b) ends on the 31 March immediately after the first anniversary of that commencement date.”.</p>
87	<p>In the proposed section 32BA(2), in the proposed definition of <b><i>commencement date</i></b>, by adding “section 23 of” after “on which”.</p>

Financial Reporting Council (Amendment) Bill 2018

**Committee Stage**

Amendments to be moved by the Secretary for Financial Services and the Treasury

Marked-up Version

**[Note: This marked-up version is for general reference only. In case of doubt or discrepancy, the CSA version at Annex A shall prevail.]**

**Clause 4(13)**

“(13) Section 2(1)—

~~(a) before the definition of *audit*—~~

**Add**

~~“*2018 Amending Ordinance* (《2018 年修訂條例》) means the Financial Reporting Council (Amendment) Ordinance 2018 (— of 2018);~~

~~*2018 Ordinance commencement date* (《2018 年條例》生效日期) means the day on which the 2018 Amending Ordinance comes into operation;”;~~

(a) before the definition of *audit*—

**Add**

“*2019 Amending Ordinance* (《2019 年修訂條例》) means the Financial Reporting Council (Amendment) Ordinance 2019 ( of 2019);

*2019 Ordinance commencement date* (《2019 年條例》生效日期) means the day on which section 23 of the 2019 Amending Ordinance comes into operation;”;

**Clause 19**

“17. Financial years and estimates

(1) .....

- ~~(2) The first financial year of the FRC after the commencement of the 2018 Amending Ordinance (*first financial year*)—~~  
~~—(a) begins on the 2018 Ordinance commencement date; and~~  
~~—(b) ends on 31 March 2021.~~
- (2) The first financial year of the FRC after the commencement of section 23 of the 2019 Amending Ordinance (*first financial year*)—  
(a) begins on the 2019 Ordinance commencement date; and  
(b) ends on the 31 March immediately after the first anniversary of that commencement date.”

## **Clause 87**

Proposed section 32BA of the Professional Accountants Ordinance (Cap. 50):

### **“32BA. Practice reviews not to be carried out or continued in relation to PIE engagements**

- (1) The Council must not issue any direction under section 32B(1)(b) that has the effect of—
- (a) requiring a practice review to be carried out in relation to a PIE engagement completed on or after the commencement date by a specified practice unit; or
  - (b) allowing a practice review to be carried out or continued, after the end of the 5-year period beginning on the commencement date, in relation to a PIE engagement completed before that date by a practice unit.

- (2) In this section—

*commencement date* (生效日期) means the day on which section 23 of the Financial Reporting Council (Amendment) Ordinance 2019 ( of 2019) comes into operation;

*PIE engagement* (公眾利益實體項目) has the meaning given by section 3A of the Financial Reporting Council Ordinance (Cap. 588);

*registered PIE auditor* (註冊公眾利益實體核數師) has the meaning given by section 3A of the Financial Reporting Council Ordinance (Cap. 588);

*specified practice unit* (指明執業單位) means a practice unit that is a registered PIE auditor.”.