

**立法會**  
***Legislative Council***

LC Paper No. CB(1)666/18-19  
(These minutes have been seen  
by Hon Kenneth LEUNG, the  
Hong Kong Institute of  
Certified Public Accountants  
and the Administration)

Ref : CB1/BC/4/18

**Bills Committee on Professional Accountants (Amendment) Bill 2018**

**Minutes of second meeting  
on Friday, 18 January 2019, at 10:45 am  
in Conference Room 2 of the Legislative Council Complex**

**Members present** : Hon Charles Peter MOK, JP (Chairman)  
Hon James TO Kun-sun  
Hon Starry LEE Wai-king, SBS, JP  
Hon Kenneth LEUNG  
Hon CHAN Chun-ying, JP

**Member absent** : Hon Alice MAK Mei-kuen, BBS, JP

**Attendance by  
invitation** : Agenda item I

Hong Kong Institute of Certified Public Accountants

Ms Tracy WONG  
Director, Admission

Mr Kenneth NG  
Legal Counsel

**Public officer Attending** : Financial Services and the Treasury Bureau

Mr Billy AU  
Principal Assistant Secretary for Financial Services  
and the Treasury (Financial Services)4

**Attendance by invitation** : Agenda item I

The Association of Chartered Certified Accountants Hong Kong

Ms Natalie CHAN  
Chairman

Hong Kong Accounting Professionals Association

Ms LIU Po-chu  
Secretary

Individual

Mr Tony WONG Kim-tin

Mid-Tier Firm Alliance

Mr Raymond CHENG Chung-ching  
Convenor

**Clerk in attendance** : Mr Desmond LAM  
Chief Council Secretary (1)3

**Staff in attendance** : Ms Clara TAM  
Assistant Legal Adviser 9

Mr Joey LO  
Senior Council Secretary (1)8

Ms May LEUNG  
Legislative Assistant (1)3

Miss Zoe YIP  
Clerical Assistant (1)3

---

**I. Meeting with deputations, the Hong Kong Institute of Certified Public Accountants and the Administration**

(LC Paper No. CB(1)452/18-19(01) -- List of follow-up actions arising from the discussion at the meeting on 17 December 2018

LC Paper No. CB(1)452/18-19(02) -- Hong Kong Institute of Certified Public Accountants' response to issues raised at the meeting on 17 December 2018)

Draft amendments to the Bill

(LC Paper No. CB(1)474/18-19(01) -- Draft amendments proposed by Hon Kenneth LEUNG

LC Paper No. CB(1)480/18-19(01) -- Hong Kong Institute of Certified Public Accountants' response to the draft amendments proposed by Hon Kenneth LEUNG)

*Relevant papers*

(LC Paper No. CB(3)99/18-19 -- The Bill

LC Paper No. CB(1)341/18-19(01) -- Marked-up copy of the Bill prepared by the Legal Service Division (Restricted to members only)

(issued vide LC Paper No. -- Legislative Council Brief provided  
CB(1)338/18-19 on 14 December by Hon Kenneth LEUNG  
2018)

LC Paper No. CB(1)401/17-18(03) -- Hon Kenneth LEUNG's paper on "Background Brief on the Professional Accountants (Amendment) Bill 2018" for the meeting of the Panel on Financial Affairs on 5 January 2018

LC Paper No. LS12/18-19 -- Legal Service Division Report

- LC Paper No. CB(1)341/18-19(02) -- Paper on Professional Accountants (Amendment) Bill 2018 prepared by the Legislative Council Secretariat (background brief)
- LC Paper No. CB(1)341/18-19(03) -- Assistant Legal Adviser's letter dated 9 November 2018 to Hon Kenneth LEUNG
- LC Paper No. CB(1)341/18-19(04) -- Hon Kenneth LEUNG's reply to Assistant Legal Adviser's letter dated 9 November 2018)

### Disclosure of pecuniary interest

The Chairman drew members' attention to Rule 83A of the Rules of Procedure which provided that members should not speak on a matter in which they had a direct or indirect pecuniary interest, except where they disclosed the nature of that interest.

### Presentation of views by deputations/individuals

2. The Bills Committee received oral views from four deputations/individuals on the Professional Accountants (Amendment) Bill 2018 ("the Bill") at the meeting. The Chairman reminded the representatives of deputations and individuals attending the meeting that when addressing the Bills Committee, they would not be covered by the protection and immunity of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) and their written submissions were also not covered by the said Ordinance. Members also noted the written submissions provided by the following deputations which did not attend the meeting –

- (a) The Hong Kong Institute of Chartered Secretaries (LC Paper No. CB(1)452/18-19(05) (English version only)); and
- (b) The Society of Chinese Accountants and Auditors (LC Paper No. CB(1)452/18-19(06) (English version only)).

3. The Bills Committee deliberated (Index of proceedings attached at **Annex**).

### Follow-up actions to be taken by Mr Kenneth LEUNG, the Hong Kong Institute of Certified Public Accountants and the Administration

4. The following table set out the follow-up actions to be taken by Hon Kenneth LEUNG, the Member in charge of the Bill, Hong Kong Institute of

Certified Public Accountants ("HKICPA") and the Administration arising from the discussion at the meeting –

<b>Responsible party</b>	<b>Follow-up actions</b>
Hon Kenneth LEUNG	<p>(a) to provide a written response to the deputations' written submissions received and views expressed at the meeting; and in his written response, to further elaborate his initial views expressed at the meeting, including:</p> <ul style="list-style-type: none"><li>(i) a company using in its name the description "professional accounting services" providing accounting services rather than auditing services without the intention of causing a person to believe that it was a practice unit registered under the Professional Accountants Ordinance (Cap.50) ("PAO") would unlikely to be prosecuted for contravention of PAO if the Bill was passed;</li><li>(ii) the suggestion by the Association of Chartered Certified Accountants on restricting the use of the description "registered auditors" instead of the additional descriptions proposed in the Bill would not completely resolve the problem involving the use of misleading descriptions by firms or companies not being practice units registered under PAO; and</li><li>(iii) currently it was not an offence under section 42(2) of PAO for any member of any institute of accountants outside Hong Kong, not being a certified public accountant ("CPA"), to use any description or initials which he/she was entitled to use under the constitution of that institute if by such use he/she did not represent that he/she was a CPA or was entitled to practise as a CPA (practising);</li></ul>
HKICPA	<p>(b) to provide a written response to the deputations' written submissions received and views expressed at the meeting;</p>

Responsible party	Follow-up actions
	(c) to provide information on the penalties for offences relating to the use of misleading descriptions by individuals and companies which were not professional accountants/CPAs or practice units in overseas jurisdictions, and the comparison with the penalties for the relevant offences under PAO;
Administration	(d) to provide comments and views on whether and how the Bill would effectively prevent accounting-related services providers, such as bookkeeping, taxation and company secretarial services, from inadvertently contravening PAO if the Bill was passed; in particular, what would constitute an intention of causing a person to believe that a body corporate or a firm was a practice unit registered under PAO, and the essential factor(s) for determining whether a prohibited act under PAO was committed with the relevant intention;
Hon Kenneth LEUNG, HKICPA, and Administration	<p>(e) to provide details of court cases whereby the defendants concerned were convicted or acquitted of the offences under section 42 of PAO relating to misleading representation, and the relevant penalties imposed; and</p> <p>(f) to give views on whether the problem involving the collusion between bogus CPA firms and unscrupulous CPAs signing "substandard" financial reports without performing due diligence could be resolved with the HKICPA's tighter monitoring and more stringent disciplinary actions against its members who were found guilty of professional misconduct, without resorting to the legislative amendments proposed in the Bill.</p>

(*Post-meeting note:* Mr Kenneth LEUNG's, HKICPA's and the Administration's responses were issued to members vide LC Paper Nos. CB(1)591/18-19(02) to (04) respectively on 19 February 2019.)

Date of next meeting

5. The Chairman said that the Secretariat would follow up the arrangements for the next meeting.

*(Post-meeting note: With the concurrence of the Chairman, the third meeting of the Bills Committee was scheduled for Friday, 22 February 2019 from 10:45 am to 12:45 pm.)*

**II. Any other business**

6. There being no other business, the meeting ended at 12:29 pm.

Council Business Division 1  
Legislative Council Secretariat  
6 March 2019

**Proceedings of the second meeting of  
the Bills Committee on Professional Accountants (Amendment) Bill 2018  
on Friday, 18 January 2019, at 10:45 am  
in Conference Room 2 of the Legislative Council Complex**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
<b>Agenda Item I – Meeting with deputations, the Hong Kong Institute of Certified Public Accountants and the Administration</b>			
000458 – 000845	Chairman	Opening remarks.	
000846 – 001044	Ms Natalie CHAN, Chairman, the Association of Chartered Certified Accountants Hong Kong ("C/ACCA Hong Kong")	Presentation of views as set out in submission (LC Paper No. CB(1)452/18-19(03) (English version only)).	
001045 – 001309	Ms LIU Po-chu, Secretary, Hong Kong Accounting Professionals Association ("S/HKAPA")	Presentation of views as set out in submission (LC Paper No. CB(1)452/18-19(04) (Chinese version only)).	
001310 – 001510	Mr Tony WONG Kim-tin	Presentation of views.	
001511 – 001819	Mr Raymond CHENG Chung-ching, Convenor, Mid-Tier Firm Alliance ("C/MTFA")	Presentation of views.	
001820 – 002515	Chairman Mr Kenneth LEUNG	At the invitation of the Chairman, Mr Kenneth LEUNG gave an initial response to the views expressed by the attending deputations/individuals on the Bill as follows –  (a) of the five organizations which had provided the views on the Bill, four of them, including ACCA, the Hong Kong Institute of Chartered Secretaries, the Society of Chinese Accountants and Auditors, and the Mid Tier Firm Alliance, were in support of the Bill;  (b) the proposed increase in the penalty level for certain offences under section 42(1) of the Professional Accountants Ordinance	Mr Kenneth LEUNG to follow up as per paragraph 4(a).



Time marker	Speaker	Subject(s)	Action required
		<p>(Cap. 50) ("PAO") from level 4 (HK\$25,000) to level 5 (HK\$50,000) was far more lenient when compared to the current penalty level for offences under the Ordinances applicable to other professionals, such as section 46(1) of the Legal Practitioners Ordinance (Cap. 159), which provided that "any unqualified person who wilfully pretends to be, or takes or uses any name, title, addition or description implying that he is qualified or recognized by law as qualified to act as, a solicitor shall be guilty of an offence and shall be liable on summary conviction to a fine of HK\$500,000";</p> <p>(c) as regards a deputation's concern about the impact of the Bill on small and medium sized enterprises providing bookkeeping, taxation or company secretarial services, the Competition Commission had confirmed that it did not consider the Bill to have raised any competition concerns;</p> <p>(d) the possibility was remote that the mere use of the prohibited descriptions by an individual who was not a certified public accountant ("CPA") or a body corporate or a firm which was not a practice unit registered under PAO in its name without the intention of causing, or in a way which might reasonably cause, a person to believe that such individual or firm was CPA or practice unit registered under PAO would constitute an offence;</p> <p>(e) likewise, an individual or a body corporate holding professional accounting qualifications or membership of international accounting institutes/bodies in other jurisdictions would not be affected by the proposed amendments to PAO unless such individual or body corporate had the intention to mislead other persons to believe that they were qualified to provide professional accounting or auditing services under PAO. The amendments would not apply in relation to the use by any member of any body or institute of accountants outside Hong Kong, not being</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>a CPA, of any description or initials which he was entitled to use under the constitution of that body or institute if by such use he did not represent that he was a CPA or was entitled to practise as a CPA (practising);</p> <p>(f) he would propose an amendment to the Bill to provide for the commencement date of the Bill, which, if passed, would be 1 January 2020 so as to allow sufficient time for public promotion of the details of the Bill and for the relevant firms to make preparations for the implementation of the provisions of the Bill; and</p> <p>(g) he would provide a written response to the submissions received and views expressed at the meeting.</p>	
002516 – 002835	Chairman Director, Admission of Hong Kong Institute of Certified Public Accountants ("D/HKICPA")	<p>At the invitation of the Chairman, D/HKICPA gave an initial response to the views expressed by the attending deputations/individuals on the Bill as follows –</p> <p>(a) HKICPA agreed with Mr Kenneth LEUNG's initial response to the views expressed by the attending deputations/individuals;</p> <p>(b) the exclusive use of the description "professional accountant" by HKICPA members was adopted since 1973 when PAO was enacted. In 2004, the exclusive use of the description "certified public accountant" (in addition to the description "professional accountant") by HKICPA members was subsequently adopted due to the change in the statutory designation of its members. Allowing members of overseas professional accounting bodies to use the description of "professional accountant" in Hong Kong would involve additional amendments to PAO which would not be within the scope of the Bill;</p> <p>(c) currently it was not an offence under section 42(2) of PAO for any member of any institute of accountants outside Hong Kong, not being a CPA, to use any description or initials which he/she was</p>	HKICPA to follow up as per paragraph 4(b).

Time marker	Speaker	Subject(s)	Action required
		<p>entitled to use under the constitution of that institute if by such use he/she did not represent that he/she was a CPA or was entitled to practise as a CPA (practising); and</p> <p>(d) HKICPA would take into account the suggestion of adopting the description "registered auditor" for its practising members which sought to clarify to the public that they were registered under PAO to provide auditing services, during its ongoing review on the regulation of audit practices.</p>	
002836 – 003020	Chairman Administration	<p>At the invitation of the Chairman, Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) 4 ("PAS(FS)4") gave an initial response to the views expressed at the meeting by the attending deputations/individuals as follows –</p> <p>(a) currently it was an offence under section 42(1) of PAO for a company not being a corporate practice to use certain specified descriptions in its name with the intention of causing, or in a way which might reasonably cause a person to believe that it was a practice unit; and</p> <p>(b) the Administration agreed that the legislative intent of the Bill was to further protect the interest of the public by preventing misleading representation and helping the public to identify qualified professional accountants.</p>	
003021 – 003551	Chairman Mr James TO	<p>Mr James TO expressed the following views/enquiries –</p> <p>(a) the Administration might wish to reserve its stance about the Bill if there were views expressed by the attending deputations/individuals which the Administration had not considered before;</p> <p>(b) as the list of the proposed restrictions on the use of misleading descriptions under the Bill was so large that the affected parties, which might include experienced</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>accounting-related services providers who were not members of HKICPA, might be deprived of any choice of descriptions in naming their companies or introducing themselves to their clients, he had reservations on the Bill; and</p> <p>(c) he invited the attending deputations/individuals to respond to ACCA's suggestion of restricting the use of the description "registered auditor" under PAO instead of the prohibited descriptions as proposed in the Bill.</p>	
003552 – 003623	Chairman Mr James TO C/ACCA Hong Kong	In response to Mr James TO's enquiry, C/ACCA Hong Kong said that ACCA was of the view that its suggestion of restricting the use of the description "registered auditor" should be able to effectively differentiate locally registered auditors from holders of membership of overseas accounting institutes.	
003624 – 003716	Chairman Mr James TO S/HKAPA	In response to Mr James TO's enquiry, S/HKAPA said that HKAPA would not raise any objection to ACCA's suggestion of restricting the use of the description "registered auditor", as the existing PAO already prohibited non-HKICPA-registered accountants from providing auditing services.	
003717 – 004110	Chairman Mr James TO C/MTFA	<p>In response to Mr James TO's enquiry, C/MTFA opined that –</p> <p>(a) CPA and CPA (practising) were both certified and regulated by HKICPA in providing professional accounting (in the case of CPA) or auditing (in the case of CPA (practising)) services, while bogus CPAs claiming to be professional accountants were not subject to any regulation; and</p> <p>(b) ACCA's suggestion of restricting the use of the description "registered auditor" would only guard against bogus auditors but not bogus accountants claiming to be professional accountants, i.e. CPAs.</p>	

Time marker	Speaker	Subject(s)	Action required
004111 – 004700	Chairman Mr CHAN Chun-ying	<p>Mr CHAN Chun-ying expressed the following views/concerns –</p> <ul style="list-style-type: none"> <li>(a) he supported in principle the Bill to protect the interests of the public from being harmed by bogus accountants/auditors;</li> <li>(b) however, a balance should be struck between, on one hand, the need to prevent deliberate misleading representation of business description/professional qualification, and on the other, the possibility of causing accounting-related services providers to contravene PAO inadvertently;</li> <li>(c) he agreed with members' suggestion that members of HKICPA should be required to have their membership numbers printed on their business cards and/or display their practising certificates at a prominent position of their offices. He further suggested that every member of HKICPA should be issued with a membership card to help the public identify "certified" accountants from "non-certified" ones; and</li> <li>(d) for avoidance of doubt, an explanatory provision should be included in the Bill to the effect that, in the absence of the intention to mislead, holders of overseas professional accounting qualifications would not be held responsible for contravening PAO if they used the description "professional accountant" in their titles or company names.</li> </ul>	
004701 – 005333	Chairman Mr Kenneth LEUNG Mr James TO	<p>Mr Kenneth LEUNG responded that –</p> <ul style="list-style-type: none"> <li>(a) the views of the Law Drafting Division of the Department of Justice ("DoJ") and different stakeholders had been taken into account in the drafting of the Bill. DoJ was of the view that such an explanatory provision in the Bill for the purpose of avoidance of doubt would not be necessary, and he opined that the use of such an explanatory provision did not align with the usual drafting practice;</li> </ul>	Mr Kenneth LEUNG to follow up as per paragraph 4(a).

Time marker	Speaker	Subject(s)	Action required
		<p>(b) members of an overseas professional accounting institute recognized by HKICPA could identify themselves as members of the institute concerned without the risk of being held responsible for contravening PAO after the passage of the Bill;</p> <p>(c) the suggestion by ACCA on restricting the use of the description "registered auditor" instead of the prohibited descriptions as proposed in the Bill would not completely resolve the problem involving the use of misleading descriptions by firms or companies not being practice units registered under PAO. Nevertheless, members of HKICPA, when performing services other than auditing, would also be subject to regulation by other legislation including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615); and</p> <p>(d) a company using in its name the description "professional accounting services" providing accounting services rather than auditing services without the intention of causing a person to believe that it was a practice unit registered under PAO would unlikely be prosecuted for contravention of PAO after the passage of the Bill.</p>	
005334 – 005441	Chairman D/HKICPA	D/HKICPA advised that the Registration and Practising Committee ("RPC") of HKICPA had discussed two years ago Mr Kenneth LEUNG's suggestion of requiring its practice units to display their registration numbers together with their names at all times. RPC was then of the view that the requirement would not help the public identify whether the entity was a practice unit registered with HKICPA. Nevertheless, the suggestion would be revisited by RPC.	
005442 – 005734	Chairman Mr Kenneth LEUNG	Quoting the precedent case of <i>Pepper v Hart</i> , whereby if the primary legislation was ambiguous or obscure the court might in certain circumstances refer to records of discussion on the relevant Bill in Parliament in construing that legislation, Mr Kenneth LEUNG said that he would provide a written account of the	Mr Kenneth LEUNG to follow up as per paragraph 4(a).

Time marker	Speaker	Subject(s)	Action required
		legislative intent of the Bill for the record.	
005735 – 005925	Chairman Assistant Legal Adviser 9 ("ALA9")	ALA9 drew members' attention to the existing section 42(2) of PAO which provided that it would not be a contravention of offences in section 42(1) of PAO relating to use of specified descriptions for a member of any institute of accountants outside Hong Kong, not being a CPA, to use such description or initials which he/she was entitled to use under the constitution of that institute if by such use he/she did not represent that he/she was a CPA or was entitled to practise as a CPA (practising).	
005926 – 010357	Chairman Mr James TO	Mr James TO had reservation about the Bill which sought to provide for members of HKICPA the exclusive right to use the descriptions "professional accounting", "registered accounting" and "certified accounting" as these were descriptions of the work itself rather than the professional title of the person performing the work. He added that it should be the use of the professional title of the accountant rather than accounting work which should be regulated. Issues of anti-competition practices would arise if all persons other than CPAs (i.e. HKICPA members) were to be prohibited from performing accounting work.	
010358 – 011058	Chairman C/MTFA Mr Kenneth LEUNG	<p>C/MTFA was worried that bogus accountants were misleading the public that they had the requisite professional qualifications to perform professional accounting/auditing work and were subject to regulation by HKICPA, thus seriously affecting the livelihood of genuine professional accountants who had put years of effort in striving for the requisite professional qualifications to enable them to perform their accounting/auditing work.</p> <p>Mr Kenneth LEUNG reiterated that if the Bill was passed, apart from the use of the specified descriptions, an individual and/or a firm had to have the intention of causing, or in a way which might reasonably cause, a person to believe that they were CPAs or practice units registered under PAO to be held responsible for contravening PAO.</p>	

Time marker	Speaker	Subject(s)	Action required
011059 – 011524	Chairman Mr James TO Administration	<p>Mr James TO enquired whether, in DoJ's view, whether and how the Bill would effectively prevent accounting-related services providers, such as bookkeeping, taxation and company secretarial services, from inadvertently contravening PAO if the Bill was passed; in particular, what would constitute an intention of causing a person to believe that a body corporate or a firm was a practice unit registered under PAO, and the essential factor(s) for determining whether a prohibited act under PAO was committed with the relevant intention.</p> <p>At Mr James TO's and the Chairman's request, PAS(FS)4 undertook to provide a written response on Mr TO's enquiry in consultation with DoJ.</p>	The Administration to follow up as per paragraph 4(d).
011525 – 011728	Chairman Mr Kenneth LEUNG	<p>Mr Kenneth LEUNG said that –</p> <ul style="list-style-type: none"> <li>(a) under Article 74 of the Basic Law, Members' bills relating to Government policies required the written consent of the Chief Executive ("CE") before they could be introduced. That the Bill was generally in order at the policy level was attested by the fact that CE had given such consent;</li> <li>(b) according to the findings of a company search he conducted on the website of the Companies Registry, there were 89 companies (which were non-HKICPA registered practice units) in which the company name had included the descriptions which were proposed to be restricted for use under the Bill;</li> <li>(c) an adaptation period of about one year would be introduced, i.e. the commencement date would be 1 January 2020 if the Bill was passed; and</li> <li>(d) there was a genuine need to restrict the descriptions of "professional accounting", "registered accounting" and "certified accounting" to the exclusive use by members of HKICPA.</li> </ul>	



Time marker	Speaker	Subject(s)	Action required
011729 – 012202	Chairman Mr James TO S/HKAPA	<p>In response to Mr James TO's enquiry, S/HKAPA said that –</p> <p>(a) HKAPA had not conducted any survey on the number of companies (which were non-HKICPA registered practice units) in which the company name had included the descriptions proposed to be restricted under the Bill; and</p> <p>(b) apart from the proposed restriction on the use of the specified descriptions by companies, the Bill would also restrict the use of such descriptions by individuals, including tens of thousands of members of overseas professional accounting bodies, who might be self-employed and had the specified descriptions such as "professional accounting" printed on their name cards.</p> <p><i>(Post-meeting note: A further submission from HKAPA was issued to members vide LC Paper No. CB(1)591/18-19(05) on 19 February 2019.)</i></p>	
012203 – 012555	Chairman Mr CHAN Chun-ying C/MTFA Mr James TO	<p>Mr CHAN Chun-ying enquired about the attending deputations'/individual's views on the proposed increase in the level of fine payable for offences under PAO relating to the use of misleading descriptions from level 4 (i.e. HK\$25,000) to level 5 (i.e. HK\$50,000).</p> <p>C/MTFA said that the proposed increase to level 5 in relation to the use of misleading descriptions was too moderate to provide deterrent effect when compared to the penalties given by the courts for the use of misleading descriptions in respect of other professions, e.g. medical practitioners.</p> <p>Mr James TO invited MTFA to provide information on cases relating to bogus CPA firms misleading the public that they could provide professional accounting and auditing services under PAO.</p> <p><i>(Post-meeting note: A submission from MTFA was issued to members vide LC Paper No. CB(1)614/18-19(01) on 21 February 2019.)</i></p>	

Time marker	Speaker	Subject(s)	Action required
012556 – 012721	Chairman Mr Tony WONG Kim-tin	<p>Mr Tony WONG said that –</p> <p>(a) it was not necessary to introduce the proposed amendments to PAO to restrict the use of the specified descriptions if the intention to mislead the public by using such specified descriptions had to be established. He was of the view that if such an intention could be established, prosecution could already be initiated under the existing laws; and</p> <p>(b) there should be an unknown number of individual accounting practitioners operating as unlimited companies which would be affected if the Bill was passed.</p>	
012722 – 012744	Chairman S/HKAPA	S/HKAPA said that HKAPA had no objection to the penalty level as its members were law-abiding.	
012745 – 013426	Chairman Mr James TO Mr Kenneth LEUNG	<p>Noting the attending deputations' view that the Bill might make accounting-related services providers worried about contravening PAO inadvertently, while CPAs who were members of HKICPA were worried about losing their business to bogus accountants without the amendments to PAO under the Bill, Mr James TO requested Mr Kenneth LEUNG and the Administration to provide details of the court cases whereby the defendants concerned were convicted or acquitted of the offences under section 42 of PAO relating to misleading representation, and the relevant penalties imposed, so as to facilitate the Bills Committee to further consider the merits of the Bill. HKICPA was requested to provide information on cases of misleading descriptions which could not be prosecuted under the existing PAO.</p> <p>Mr Kenneth LEUNG responded that the Bill sought to provide deterrent effect against the use of misleading descriptions by individuals and companies which were not CPAs or practice units registered under PAO. He pointed out that the provisions of the Bill would help deter existing malpractices involving the collusion between bogus CPA firms and unscrupulous CPAs signing "substandard" financial reports without performing due diligence.</p>	Mr Kenneth LEUNG, the Administration and HKICPA to follow up as per paragraph 4(e).

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
013427 – 013843	Chairman Mr James TO Mr Tony WONG Kim-tin	<p>Mr Tony WONG said that he was a member of CPA Australia but he was not speaking on its behalf. He said that many members of overseas professional accounting bodies were indeed very experienced and were highly "professional" accountants. He added that it should be the responsibility of HKICPA to deal with the problem of collusion between bogus CPA firms and unscrupulous CPAs, through tighter monitoring and more stringent disciplinary actions against its members who were found guilty of professional misconduct, without resorting to the legislative amendments proposed in the Bill.</p> <p>Mr James TO requested Mr Kenneth LEUNG, the Administration and HKICPA to give views on whether the problem involving the collusion between bogus CPA firms and unscrupulous CPAs signing "substandard" financial reports without performing due diligence could be resolved with the HKICPA's tighter monitoring and more stringent disciplinary actions against its members who were found guilty of professional misconduct, without resorting to the legislative amendments proposed in the Bill.</p>	Mr Kenneth LEUNG, the Administration and HKICPA to follow up as per paragraph 4(f).
013844 – 014445	Chairman HKICPA	HKICPA briefed members on its response to issues raised at the meeting on 17 December 2018 (LC Paper No. CB(1)452/18-19(02)).	
014446 – 014622	Chairman Mr CHAN Chun-ying	Mr CHAN Chun-ying requested HKICPA to provide information on the penalties for offences relating to the use of misleading descriptions by individuals and companies which were not professional accountants/CPAs or practice units in overseas jurisdictions, and the comparison with the penalties for the relevant offences under PAO.	HKICPA to follow up as per paragraph 4(c).
014623 – 014757	Chairman Mr CHAN Chun-ying	Meeting arrangement.	