

# A BILL

## To

Amend the Professional Accountants Ordinance to tighten up restrictions on the use of misleading descriptions by individuals, firms and companies that are not certified public accountants or practice units.

Enacted by the Legislative Council.

**1. Short title**

This Ordinance may be cited as the Professional Accountants (Amendment) Ordinance 2018.

**2. Professional Accountants Ordinance amended**

The Professional Accountants Ordinance (Cap. 50) is amended as set out in section 3.

**3. Section 42 amended (offences and penalties)**

(1) Section 42(1)(h)(i)—

**Repeal**

““certified public accountant” or”

**Substitute**

““certified public accountant”, ”.

(2) Section 42(1)(h)(i), after ““certified accountant”, ”—

**Add**

““registered accountant”, “professional accounting”, “registered accounting”, “certified public accounting” or “certified accounting”,”.

- (3) Section 42(1)(h)(i)—

**Repeal**

““會計師” or”

**Substitute**

““會計師”,”.

- (4) Section 42(1)(h)(i), after ““註冊會計師”,”—

**Add**

““專業會計”, “註冊會計”, “認可會計” or “執業會計”,”.

- (5) Section 42(1)(ha)(iv), before ““certified public accountant”,”—

**Add**

““professional accountant”,”.

- (6) Section 42(1)(ha)(iv), after ““certified public accountant”,”—

**Add**

““certified accountant”, “registered accountant”, “professional accounting”, “registered accounting”, “certified public accounting” or “certified accounting”,”.

- (7) Section 42(1)(ha)(iv), before ““會計師”,”—

**Add**

““專業會計師”,”.

- (8) Section 42(1)(ha)(iv), after ““會計師”,”—

**Add**

“, “註冊會計師”, “專業會計”, “註冊會計”, “認可會計” or “執業會計”, or any written words, initials or abbreviations of words”.

- (9) Section 42(1)(ha)(iv), English text—

**Repeal**

“in each case”.

- (10) Section 42(1)(ha)(iv), English text, after “referred to in subparagraph (iii)”—

**Add a comma.**

- (11) Before section 42(1)(ia)—

**Add**

“(iaa) being a firm which is not a practice unit registered under section 28A, other than a sole proprietorship of a certified public accountant, includes in, or uses in conjunction with, its name the description “professional accountant”, “certified public accountant”, “certified accountant”, “registered accountant”, “professional accounting”, “registered accounting”, “certified public accounting” or “certified accounting”, the initials “CPA” or the characters “專業會計師”, “會計師”, “註冊會計師”, “專業會計”, “註冊會計”, “認可會計” or “執業會計”, or any written words, initials or abbreviations of words, with the intention of causing, or in a way which may reasonably cause, a person to believe that it is a practice unit;”.

- (12) Section 42(1)(i)—

**Repeal**

“level 4”

**Substitute**

“level 5”.

- (13) Section 42(1)(ii)—

**Repeal**

“of certified public accountants (practising)”

**Substitute**

“(including a firm of certified public accountants (practising))”.

- (14) Section 42(1)(ii)—

**Repeal**

“level 4”

**Substitute**

“level 5”.

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## Explanatory Memorandum

The purpose of this Bill is to prohibit the use of descriptions by individuals, firms or companies which may mislead the public into believing that they are certified public accountants or practice units registered with the Hong Kong Institute of Certified Public Accountants, when in fact they are not. It seeks to amend section 42 of the Professional Accountants Ordinance (Cap. 50) (*Ordinance*) to prohibit—

- (a) a person who is not a certified public accountant from using additional specified descriptions which are similar in meaning to “professional accountant” or “certified public accountant” in the person’s business, trade, calling or profession; and
  - (b) a body corporate or a firm, not being a practice unit registered under the Ordinance, from using in its name additional specified descriptions which are similar in meaning to “professional accountant” or “certified public accountant”, or any written words, initials or abbreviations of words, if it intends to cause or may reasonably cause any person to believe that the body corporate or the firm is a practice unit.
- 2. Clause 3(1) to (4) amends section 42(1)(h)(i) of the Ordinance to prohibit a person who is not a certified public accountant from using 9 additional specified descriptions, namely “registered accountant”, “professional accounting”, “registered accounting”, “certified public accounting”, “certified accounting”, “專業會計”, “註冊會計”, “認可會計” and “執業會計”.
- 3. Clause 3(5) to (10) amends section 42(1)(ha)(iv) of the Ordinance to prohibit a body corporate which is not a

corporate practice registered under the Ordinance from using in its name 13 additional specified descriptions, namely “professional accountant”, “certified accountant”, “registered accountant”, “professional accounting”, “registered accounting”, “certified public accounting”, “certified accounting”, “專業會計師”, “註冊會計師”, “專業會計”, “註冊會計”, “認可會計” and “執業會計”, or any written words, initials or abbreviations of words, if the body corporate intends to cause or may reasonably cause any person to believe that it is a practice unit. The 13 specified descriptions include the 9 new specified descriptions introduced into section 42(1)(h)(i) of the Ordinance under clause 3(2) and (4), and the descriptions “professional accountant”, “certified accountant”, “專業會計師” and “註冊會計師” which currently appear in section 42(1)(h)(i) of the Ordinance.

4. Clause 3(11) adds a new paragraph (iaa) to section 42(1) of the Ordinance to prohibit a firm, which is not a practice unit registered under section 28A of the Ordinance, other than a sole proprietorship of a certified public accountant, from using in its name 16 specified descriptions, namely “professional accountant”, “certified public accountant”, “certified accountant”, “registered accountant”, “professional accounting”, “registered accounting”, “certified public accounting”, “certified accounting”, “CPA”, “專業會計師”, “會計師”, “註冊會計師”, “專業會計”, “註冊會計”, “認可會計” and “執業會計”, or any written words, initials or abbreviations of words, if the firm intends to cause or may reasonably cause any person to believe that it is a practice unit. The 16 specified descriptions are identical to the ones provided for a body corporate under section 42(1)(ha)(iv) of the Ordinance as amended by clause 3(5) to (10) (i.e. “certified public accountant”, “CPA” and “會計師” currently appearing in

section 42(1)(ha)(iv) of the Ordinance plus the 13 specified descriptions in paragraph 3).

5. Clause 3(12) and (14) increases the level of fine payable for breaches of section 42(1) of the Ordinance, except for breaches of section 42(1)(l) of the Ordinance, from level 4 to level 5.
6. Clause 3(13) amends section 42(1)(ii) of the Ordinance to rectify an existing lacunae that the subsection only refers to a firm of certified public accountants (practising) but not a firm which is not a firm of certified public accountants (practising).