

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1464/20-21  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/12/20/2

**Bills Committee on Financial Reporting Council (Amendment) Bill 2021**

**Minutes of the fourth meeting on  
Tuesday, 14 September 2021, at 3:00 pm  
in Conference Room 2A of the Legislative Council Complex**

- Members present** : Hon CHEUNG Kwok-kwan, JP (Chairman)  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon Holden CHOW Ho-ding  
Hon Tony TSE Wai-chuen, BBS, JP
- Members absent** : Hon Mrs Regina IP LAU Suk-ye, GBM, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon CHAN Chun-ying, JP
- Public officers attending** : Mr HUI Chark-shum, Sam  
Deputy Secretary for Financial Services and the Treasury  
(Financial Services) Special Duties
- Mr AU Ka-shing, Billy  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services)<sup>4</sup>
- Miss CHAN Hoi-ting, Gillian  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services)<sup>(4)1</sup>
- Mr LI Ming-fung, Gary  
Senior Government Counsel  
Department of Justice

**Clerk in attendance :** Ms Connie SZETO  
Chief Council Secretary (1)4

**Staff in attendance :** Miss Evelyn LEE  
Assistant Legal Adviser 10

Mr Hugo CHIU  
Senior Council Secretary (1)4

Ms Sharon CHAN  
Legislative Assistant (1)4

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**I Meeting with the Administration**

Matters arising from the previous meeting

(LC Paper No. CB(1)1326/20-21(01) — List of follow-up actions arising from the discussion at the meeting on 7 September 2021

LC Paper No. CB(1)1326/20-21(02) — Administration's response to issues raised at the meeting on 7 September 2021

LC Paper No. CB(1)1326/20-21(03) — Summary of views of submissions and the Administration's response

LC Paper No. CB(1)1197/20-21(03) — Letter dated 11 August 2021 from the Legal Service Division to the Administration

LC Paper No. CB(1)1262/20-21(03) — Administration's response to the Legal Service Division's letter dated 11 August 2021)

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Clause-by-clause examination of the Bill

(LC Paper No. CB(1)1197/20-21(01) — Marked-up copy of the Financial Reporting Council (Amendment) Bill 2021 prepared by the Legal Service Division)

The Administration's proposals to amend the Bill

(LC Paper No. CB(1)1326/20-21(04) — The Administration's proposals to amend the Bill)

Other relevant papers

(LC Paper No. CB(3)799/20-21 — The Bill

File Ref: ACCT/2/1/2C — Legislative Council Brief

LC Paper No. LS98/20-21 — Legal Service Division Report

LC Paper No. CB(1)1197/20-21(02) — Background brief prepared by the Legislative Council Secretariat)

Discussion

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

**II Any other business**

Meeting arrangement

2. The Chairman said that the Bills Committee had completed clause-by-clause examination of the Financial Reporting Council (Amendment) Bill 2021 ("the Bill"), and considered the Administration's proposals to amend the Bill.

3. The Bills Committee noted that the Administration was preparing its draft amendments to the Bill and agreed that the draft would be circulated for members' consideration as soon as possible. The Chairman said that subject to any views

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members or the Legal Adviser to the Bills Committee might have on the draft, he would decide whether to invite the Administration to provide written responses or to hold a further meeting if necessary.

Legislative timetable

4. The Bills Committee had no objection to the Administration's plan to resume the Second Reading debate on the Bill at the Council meeting of 20 October 2021. The Chairman said that he would make a verbal report on the deliberations of the Bills Committee at the House Committee meeting on 24 September 2021. The deadline for giving notice to move amendments to the Bill was 9 October 2021.

*(Post-meeting note: The Administration's draft amendments to the Bill were circulated to members vide LC Paper No. CB(1)1364/20-21(01) and CB(1)1391/20-21(01) on 23 September 2021 and 6 October 2021 respectively. Members were informed vide LC Paper No. 1391/20-21 on 6 October 2021 that the Bills Committee would complete the scrutiny of the Bill if no request for a further meeting was received from members by the deadline on 7 October 2021. No member raised such a request after the deadline. The Chairman reported the deliberations of the Bills Committee at the House Committee meeting on 24 September 2021.)*

5. There being no other business, the meeting ended at 4:04 pm.

Council Business Division 1  
Legislative Council Secretariat  
5 November 2021

**Proceedings of the fourth meeting of  
the Bills Committee on Financial Reporting Council (Amendment) Bill 2021  
on Tuesday, 14 September 2021, at 3:00 pm  
in Conference Room 2A of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
<b>Agenda item I — Meeting with the Administration</b>			
000557 – 004117	Chairman Administration Mr Tony TSE Ms Starry LEE	<p>Briefing by the Administration on (a) its response to issues raised at the meeting on 7 September 2021; and (b) summary of views of submissions and its response</p> <p>[LC Paper Nos. CB(1)1326/20-21(02) and CB(1)1326/20-21(03)]</p> <p>Mr TSE's enquiries as follows:</p> <p>(a) whether the post-reform Financial Reporting Council ("FRC") or the Hong Kong Institute of Certified Public Accountants ("HKICPA") would be responsible for assessing if a party had complied with the additional continuing professional development ("CPD") requirements imposed by FRC for applications on issuance and renewal of practising certificates, and if it was the former, how FRC would carry out the work; and</p> <p>(b) the details on the composition of the proposed statutory advisory committee, including whether the Financial Reporting Council (Amendment) Bill 2021 ("the Bill") would specify that the committee must include practitioners and service users.</p> <p>The Administration responded as follows:</p> <p>(a) it would propose amendments to the Bill to replace HKICPA with FRC as the authority for setting additional CPD requirements for individual applications for issuance and renewal of practising certificates;</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>(b) under the reformed new regime, HKICPA would, under the oversight of FRC, set general CPD requirements for certified public accountants ("CPAs"). FRC could impose, on top of the general CPD requirements set by HKICPA, additional CPD requirements for individual applications on issuance and renewal of practising certificates as necessary; and</p> <p>(c) the current drafting of the Bill provided flexibility for the composition of the statutory advisory committee. The committee would certainly comprise practitioners and service users. Furthermore, relevant stakeholders (like academics and experts) who were familiar with the accounting profession, and people (such as innovation and information technology professionals) who could offer advice conducive to the development and regulation of the accounting profession, would be appointed as advisory committee members when necessary.</p> <p>Ms LEE's enquiries and views as follows:</p> <p>(a) whether the Administration would propose amendments to the Bill specifying FRC's involvement in the development of the accounting profession including its role to provide CPD training;</p> <p>(b) details of FRC's oversight of HKICPA's function of providing CPD training for CPAs, and if the oversight power would cover other CPD providers; and</p> <p>(c) FRC should, apart from discharging its regulatory functions, provide CPD training for CPAs at reasonable prices and should not charge high level of fees for CPD programmes with a view to subsidizing its operation;</p> <p>(d) FRC should also disseminate information on CPAs' development opportunities in the Mainland and overseas markets.</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>The Administration responded as follows:</p> <p>(a) it would propose amendments to the Bill to add a function of FRC in relation to promoting the development of the accounting profession, and would require FRC to step up its work in this regard;</p> <p>(b) FRC would only oversee HKICPA's function of setting CPD requirements and providing CPD training. While HKICPA would, under FRC's oversight, continue to play its existing role in (i) carrying out CPD audits to assess the relevance and quality of CPD content provided by other institutions; and (ii) verifying relevant hours of CPD undertaken by CPAs, it was not the Administration's intention to require HKICPA to accredit CPD providers or to take over all CPD training and activities from the market. FRC was also not empowered in this legislative exercise to regulate the provision of CPD training by other institutions; and</p> <p>(c) FRC would mainly be funded by levies and application fees for practising certificates and registration of firms and corporate practices, and would not offer expensive CPD training with a view to funding its operations.</p>	
<b>Clause-by-clause examination of the Bill</b>			
004118 – 005633	Chairman Administration	<p><b>Financial Reporting Council (Amendment) Bill 2021</b></p> <p><b>Part 3</b></p> <p><b>Related and Consequential Amendments</b></p> <p><i>Division 2 — Amendments to Professional Accountants By-laws (Cap. 50 sub. leg. A)</i></p> <p><u>Clause 136 – By-law 33A added</u></p> <p>33A. <i>Student Disciplinary Panel</i></p> <p>The Administration said that it would propose amendments to the proposed new section 33A</p>	

Time Marker	Speaker	Subject(s)	Action Required
		of the Professional Accountants By-laws (Cap. 50 sub. leg. A).	
<b>Consideration of amendments proposed by the Administration</b>			
005634 – 010656	Chairman Administration Assistant Legal Adviser 10 ("ALA10")	Briefing by the Administration on its proposals to amend the Bill  [LC Paper No. CB(1)1326/20-21(04)]  In response to the Chairman's and ALA's enquiry, the Administration advised that it would provide the draft amendments to the Bill for members' perusal as soon as possible.	
<b>Agenda item II — Any other business</b>			
010657 – 010744	Chairman Administration	Legislative timetable and way forward	

Council Business Division 1  
Legislative Council Secretariat  
 5 November 2021