

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

**List of follow-up actions arising from the discussion  
at the meeting on 31 August 2021**

Funding arrangement of the post-reform Financial Reporting Council

The Administration is requested to respond to a member's views that the Administration should provide undertaking during the resumption of the Second Reading debate on the Financial Reporting Council (Amendment) Bill 2021 ("the Bill") on the following matters:

- (a) the post-reform Financial Reporting Council ("FRC") will maintain the Hong Kong Institute of Certified Public Accountants ("HKICPA")'s current level of fees for issuing practising certificates to certified public accountants ("CPAs") and registration of firms and corporate practices for a certain period of time (say, five years) after the implementation of the proposed reform; and
- (b) the Administration will inject additional seed capital into FRC to help it migrate to the reformed new regime.

Development of the accounting profession

2. The Administration is requested to respond to a member's views that:
- (a) the post-reform FRC should be entrusted with the duty to promote the further development of the accounting and auditing profession, and such duty should be explicitly stated in the proposed amended section 9 of the Financial Reporting Council Ordinance (Cap. 588) on the functions of FRC and be included in the long title of the Bill;
  - (b) the post-reform FRC should participate in the continuing professional development training for practising CPAs through measures including organization of relevant seminars and provision of development opportunities in the Mainland for CPAs; and
  - (c) the Administration should undertake to report within 2022 to the Panel on Financial Affairs on the progress of its discussion with stakeholders in prohibiting the use of descriptions which attempt to mislead the public into believing that an individual or a company is a CPA or a practice unit registered with HKICPA or FRC.

Guidelines by the post-reform Financial Reporting Council

3. In respect of the guidelines on pecuniary penalties to be developed by the post-reform FRC, the Administration is requested to provide the following information:

- (a) how the post-reform FRC will formulate its guidelines for imposing pecuniary penalties, and whether such guidelines will be subsidiary legislation; and
- (b) the situations of other comparable regulators including the Securities and Futures Commission, the Insurance Authority, the Property Management Services Authority and the Estate Agents Authority in the formulation and promulgation of their statutory or non-statutory guidelines on the imposition of pecuniary penalties.

Council Business Division 1  
Legislative Council Secretariat  
3 September 2021