

## Chairman's Message

### 主席的話



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The Financial Reporting Council (FRC) has on 18 September 2014 submitted its response to the public consultation paper on proposals to improve the regulatory regime for listed entity auditors (**the Consultation Paper**) and invited the Financial Services and the Treasury Bureau to vigorously pursue an auditor regulatory regime for Hong Kong that is at least on par with other major international financial centres.

In this special edition of the eNews, I am pleased to share with you our submission prepared from a public interest perspective, having due regard to the international best practices and experience as well as our local auditor regulatory framework which have largely been covered in our published international comparative study. Our full submission on the Consultation Paper is available on our website at [www.frc.org.hk](http://www.frc.org.hk).

The international comparative study on independent audit oversight published by the FRC in October 2013 (**the Report**) reveals that auditor regulators of major jurisdictions, such as the United Kingdom, the United States, Canada, Australia and Singapore, are independent of the profession with authority over at least auditors of listed entities ([www.frc.org.hk/Report on Independent Audit Oversight.pdf](http://www.frc.org.hk/Report on Independent Audit Oversight.pdf)).

As stated in the Consultation Paper, the existing regulatory regime for listed entity auditors is not consistent with international standards and practices in that the oversight

財務匯報局於2014年9月18日就優化上市實體核數師監管制度的建議的公眾諮詢文件(**諮詢文件**)提交意見書，並敦請財經事務及庫務局致力促進香港的核數師監管制度與其他主要國際金融中心看齊。

我很樂意在這份電子簡訊與大家分享意見書的內容。本局的意見書是從公眾利益出發，並適當參考國際最佳做法與經驗，亦有顧及本港的核數師監管制度框架。這些參考資料大部份已包括在本局發表的國際比較研究報告。本局對諮詢文件的完整回應，已上載於本局的網站([www.frc.org.hk](http://www.frc.org.hk))。

財務匯報局於2013年10月發表的獨立審計監管國際比較研究(**研究報告**)([www.frc.org.hk/Report on Independent Audit Oversight.pdf](http://www.frc.org.hk/Report on Independent Audit Oversight.pdf))列明，主要司法管轄區(例如英國、美國、加拿大、澳洲及新加坡)的核數師監管機構均獨立於業界，最低限度亦擁有監管上市實體核數師的權力。

誠如諮詢文件所述，現行的上市實體核數師監管制度，並不符合上市實體核數師監管工作須由獨立於業界的機構監察的

of the regulation of listed entity auditors should be independent of the profession itself. As a result, Hong Kong is not eligible to be represented on the International Forum of Independent Audit Regulators (IFIAR), and Hong Kong has not achieved regulatory equivalence with the European Commission (EC).

The FRC believes that the reform should at a minimum enable Hong Kong to be eligible for membership in the IFIAR and to attain regulatory equivalence status with the EC. This would enhance international recognition of our auditors and bring Hong Kong in line with about 40 jurisdictions around the world which currently meet the regulatory or equivalence requirements of the EC and are also members of IFIAR.

To achieve this, the governing body of the auditor regulator must be independent from the audit profession. The independence of the FRC, both in fact and in the eyes of the public, is paramount at all times. The Council of the FRC is currently composed of a majority lay members and in the future will be composed of a majority of non-practitioners. Moreover, future funding of the FRC must be secure, stable and free from influence by the audit profession. This ensures the FRC meets the independence requirement in accordance with international standards.

## The reform

While there can be different approaches to meeting the reform objective, we support, subject to our submissions, the proposals set out in the Consultation Paper.

According to the Report, the auditor regulatory regimes of major international financial centres include six functional areas: registration, inspection, investigation, enforcement, continuing professional development (CPD) and standard setting on professional ethics, auditing and assurance.

In particular, the FRC supports the proposal to enlarge its remit by empowering it, to be

- directly responsible for
  - inspection of auditors of listed entities
  - investigation of auditors of listed entities (which is currently within the scope of the FRC)
  - discipline of auditors of listed entities
- to oversee the Hong Kong Institute of Certified Public Accountants (HKICPA) in respect of
  - registration of listed entity auditors
  - CPD of listed entity auditors
  - standard-setting on professional ethics, auditing and assurance related to listed entities.

國際標準和做法。因此，香港未能符合獨立審計監管機構國際論壇的成員資格，也未取得歐洲委員會的監管等效地位。

財務匯報局相信，改革最基本應能讓香港符合獨立審計監管機構國際論壇的成員資格，以及取得歐洲委員會的監管等效地位。此舉可加強本港核數師的國際認受性，使香港與約40個司法管轄區看齊，而這些司法管轄區符合歐洲委員會的監管或等效規定，亦是獨立審計監管機構國際論壇的成員。

要達成上述目的，核數師監管機構的管治組織必須獨立於審計業。在任何時候，財務匯報局擁有實質獨立性及在公眾眼中被視為獨立，都極為重要。現時，財務匯報局成員主要是由業外成員組成，將來大部份成員亦將會是非執業人士。除此以外，本局日後的經費來源必須穩妥可靠，不受審計業影響，以確保符合國際標準對獨立性的規定。

## 有關改革

儘管有不同方法可達成改革目標，除了本局於意見書提出的建議外，本局支持諮詢文件所述的建議。

根據研究報告指出，主要國際金融中心的核數師監管制度涵蓋六個主要監管範疇：註冊、查核、調查、執法、專業進修及專業道德標準及審計和核證準則的制訂。

其中，財務匯報局贊同擴大本局職權範圍的建議

- 由本局直接負責
  - 查核上市實體核數師
  - 調查上市實體核數師（現屬財務匯報局的職權範圍）
  - 對上市實體核數師採取紀律處分
- 由本局監察香港會計師公會履行下列職能
  - 上市實體核數師的註冊
  - 上市實體核數師的專業進修
  - 有關上市實體專業道德標準及審計和核證準則的制訂。

Since the government published the Consultation Paper, we note that the accounting profession has raised some concerns regarding the objectivity of the disciplinary decisions of the FRC.

The FRC is committed to ensuring that the future regulatory system is fair, and all principles of natural justice will be afforded to all parties concerned. For example, the person subject to disciplinary proceedings will be informed in writing of the apparent prima facie case against him, and he will be given a reasonable opportunity of being heard before the FRC exercises disciplinary powers. We are also committed to implementing appropriate measures to segregate the investigative and disciplinary functions.

## Other key recommendations

### Governance of the FRC

We consider that the independence of the FRC, both in fact and in the eyes of the public, is paramount. We agree with the Government's proposal that the Council of the future FRC will be composed of not fewer than seven members appointed by the Chief Executive, with a majority of members who are non-practitioners (a person who is not, or has not during the previous three years been a practising certified public accountant or a partner, director, agent or employee of a practice unit). At least two members of the future FRC Council should possess knowledge of and experience in the auditing of Hong Kong listed entities.

### Oversight

To ensure that the oversight is effective, in addition to the arrangements proposed in the Consultation Paper (i.e. receive periodic reports, conduct quality review and give written directions), we consider that the FRC should also be given the power to require, at any time, information from the HKICPA. Moreover, to ensure that the FRC has the ability to enforce its directions and decisions on a timely basis, the FRC should be equipped with the reserve powers to act itself where circumstances so warrant in respect of matters subject to its oversight, namely registration, setting of CPD requirements, setting of standards on professional ethics, auditing and assurance.

### Registration

#### *Hong Kong auditors*

The FRC agrees with the Government's current proposal that there should be no change to the existing qualification and experience requirement for considering whether a person is fit and proper

自從政府發表公眾諮詢文件後，我們留意到會計界對財務匯報局的紀律處分決策的客觀性存有疑慮。

財務匯報局承諾會致力確保未來的監管制度公平公正，並對有關各方秉持自然公義的原則。例如，我們會向面對紀律行動人士發出書面通知，並載列有關案件的指控及表面證據，並在行使紀律處分權力前，給予該人士合理機會作出陳詞。本局亦會實施合適措施，使調查及紀律處分的職能權責分明。

## 其他主要建議

### 財務匯報局的管治

本局認為在任何時候，財務匯報局擁有實質獨立性及在公眾眼中被視為獨立，都極為重要。本局贊同政府建議日後財務匯報局成員將由不少於七名由行政長官委任的成員組成，其中大部分成員為非執業人士，而非執業人士是指該人士現時或過去三年並非執業會計師，或非任何執業單位的合伙人、董事、代理人或僱員。本局成員亦須有最少兩名成員具備審計香港上市實體財務報告的知識及經驗。

### 監察

為了確保監察行之有效，除了諮詢文件所載的安排(即收取定期報告、進行質量審核及給予書面指示)外，我們認為財務匯報局應獲賦予權力，可以隨時要求香港會計師公會提交資料。為了確保財務匯報局能夠及時執行指令及決策，財務匯報局應獲賦予保留權力，在其監察範圍內(即註冊、專業進修、專業道德標準及審計和核證準則的制訂)，根據情況按需要自行行事。

### 註冊

#### 香港核數師

財務匯報局贊同政府建議不應改變現時成為下列適當人選所須符合的資格及經驗規定

- to be registered as a listed entity auditor
- to perform the roles of an audit partner, an engagement quality control reviewer or a person responsible for quality control system.

The FRC also agrees with the Government's current proposal that the HKICPA Registrar be assigned the role of Registrar of Listed Entity Auditors and be vested with registration functions and powers, subject to the FRC's oversight.

#### *Overseas auditors*

The FRC also supports the Government's proposal that the FRC be vested with the statutory powers to receive and make decisions on applications for recognising overseas auditors of specific overseas entities which have been approved for listing in Hong Kong on a case-by-case basis.

We agree with the Government's proposal that an applicant for recognition as an overseas auditor of a specified overseas entity listed in Hong Kong must meet the following criteria

- (1) be a member of a body of accountants recognised by the FRC
- (2) there is in force an agreement of mutual or reciprocal cooperation arrangement between the overseas regulator of the auditor and the FRC, and
- (3) the auditor must demonstrate that he has adequate resources and possesses the capability to perform the relevant audit.

Criteria (2) above would enable us to follow through on any issues concerning these recognised non-Hong Kong audit firms by referring such cases to the respective overseas regulators.

During the transitional period before the FRC signs bilateral agreements with overseas regulators, the FRC would recognise overseas auditors currently accepted by the Stock Exchange of Hong Kong and the Securities and Futures Commission to ensure that overseas incorporated listed entities and their auditors will not be affected.

#### **CPD and standard-setting**

The Government proposes that, subject to independent oversight by the FRC (see above), HKICPA should continue to perform the statutory functions and exercise the powers of

- setting CPD requirements for listed entity auditors, and
- standard setting on professional ethics, auditing and assurance related to listed entity auditors.

- 註冊上市實體核數師
- 審計項目合伙人、審計項目質量控制覆核人員或質量控制系統的負責人。

財務匯報局亦贊同政府建議由香港會計師公會註冊主任擔任上市實體核數師註冊主任一職，以及在財務匯報局的監察下，負責履行註冊的職能及權力。

#### *海外核數師*

本局亦贊同政府建議，財務匯報局應獲賦予法定權力，在特定海外上市實體已獲准在香港上市時，可受理其海外核數師的認可申請並作出決定。

我們贊同政府建議任何人如申請認可為指定香港上市海外實體的海外核數師，必須符合以下條件

- (1) 屬於獲財務匯報局認可的會計師團體的成員
- (2) 所在地的監管機構與財務匯報局訂立了有效的相互或交互合作安排，以及
- (3) 必須證明其有足夠資源，能夠勝任有關的審計工作。

上述準則(2)可容許我們把個案轉介相關的海外監管機構，從而跟進涉及該等已認可海外核數師事務所的問題。

在財務匯報局與海外監管機構簽訂雙方協議前的過渡期內，財務匯報局會認可已被香港交易所及證券及期貨事務監察委員會接納的海外核數師，確保海外註冊上市實體及其核數師不受影響。

#### **專業進修及準則制定**

政府建議香港會計師公會在財務匯報局獨立監察下(請參考上文所述)，繼續就下列事宜履行其現有法定職能和行使權力

- 制訂上市實體核數師的專業進修規定，及
- 有關上市實體核數師的專業道德標準及審計和核證準則的制訂。

To ensure efficient and effective co-operation and co-ordination between the HKICPA and the FRC, we recommend that the two parties should enter into a memorandum of understanding which would set out the working arrangements to ensure that the HKICPA Council would duly take into account FRC's views before it makes any decision on standard setting.

### Inspection

The FRC supports the Government's proposal to transfer the statutory functions to conduct recurring inspections of listed entity auditors in respect of their listed entity audit and assurance engagements from HKICPA to FRC.

In addition, the FRC considers

- to achieve the highest level of independence and in line with international standards, we do not consider it appropriate for the FRC to delegate to HKICPA its functions and powers to inspect listed entity auditors, and
- the scope of inspection should also cover the quality control system of the listed entity auditors to ensure a comprehensive review and to fulfil international expectations and requirements.

### Disciplinary system

#### *Persons subject to disciplinary action*

The Government proposes, and the FRC supports, that disciplinary action may be imposed on a listed entity auditor, a person approved to be its audit engagement authorized person and/or a person approved to be its engagement quality control reviewer.

The FRC also considers that the individuals who assume ultimate responsibility for the system of quality control of a practice unit should be accountable for the absence/systemic failure of such system. This is consistent with the existing obligations under the local standard and prevents a gap in the statutory framework.

If individuals with responsibility for the firm's system of audit quality control are not required to be held accountable, the "firm" itself would need to be subject to disciplinary proceedings for cases involved firm-wide or systemic deficiencies. This would affect all partners/directors of the firm, irrespective of whether they are involved in the firm's system of audit quality control, and may severely impact the firm.

#### *Penalty*

The FRC, on the whole, supports the Government's proposal to give the FRC the following disciplinary powers

為確保香港會計師公會及財務匯報局的合作及協調工作具效率及效益，我們建議雙方應簽訂合作備忘錄，訂立相關工作安排，確保香港會計師公會理事會就制訂準則作出任何決定前，已充分考慮財務匯報局的意見。

### 查核

財務匯報局支持政府建議把香港會計師公會定期查核上市實體核數師為上市實體執行的審計及核證項目的法定職能交由財務匯報局履行。

此外，財務匯報局認為

- 為了達到最高的獨立性以及符合國際標準，查核上市實體核數師的職能及權力，不適合轉授予香港會計師公會，及
- 查核範圍應包括上市實體核數師的質量控制系統，以確保查核的完整性，並符合國際期望及規定。

### 紀律處分制度

#### *受紀律處分人士*

財務匯報局贊同政府建議可以對上市實體核數師、其批准的審計項目的獲授權人，以及/或其批准出任審計項目質量控制覆核人員採取紀律行動。

本局認為，執業單位內對質量控制系統負上最終責任的一名/多名人士，應對該執業單位缺乏有關系統或該系統出現系統性失誤負責。這項建議符合本港現有準則所規定的責任，亦可以避免法定制度出現漏洞。

如負責核數師事務所的質量控制系統的人士無須負上責任，當失誤涉及整家核數師事務所或是系統性的失誤，核數師事務所便需要面臨紀律處分程序。不論其有否參與核數師事務所的質量控制工作，所有合伙人/董事均會受到牽連，這或會對核數師事務所構成嚴重影響。

#### *罰則*

財務匯報局贊同政府建議賦予財務匯報局下列紀律處分權力

- to public or private reprimand
- to give directions on remedial actions
- to remove a name from the register of listed entity auditors permanently or for a specified period of time
- to prohibit a person from applying to be registered / approved as a regulated person for such period or until the occurrence of specified event
- to impose registration/approval conditions
- to grant costs orders
- to grant maximum penalty orders not exceeding the greater of (i) \$10 million, or (ii) a multiple of engagement fee (see below).

Regarding the basis of determination of the maximum pecuniary penalty, the FRC considers that reference to a multiple of profit gained or loss avoided by the auditor in question is not appropriate and is difficult to quantify. It should be a factor to be considered when determining the level of pecuniary penalty to be imposed but not a basis for maximum pecuniary penalty. Audit is not a transaction but a service where the audit fee charged is referenced to the hours expended on an audit engagement. The profit or loss of an engagement may involve numerous indirect costs which would be subject to arbitrary allocation. We recommend a reference to a multiple of the engagement fee which is more objective and appropriate for the type of engagements performed by auditors of listed entities.

The FRC agrees with the government's proposal that it would be required by law to issue and observe penalty guidelines. The factors which would be considered by the FRC when determining the level of pecuniary penalty to be imposed would include, for example

- the nature and seriousness of the irregularity
- the audit fee received
- other circumstances, such as the size and financial resources of the firm or individual and that the penalty should not have the likely effect of putting a firm or individual in financial jeopardy.

Any pecuniary penalty paid or any amount paid to the FRC arising from a resolution would be paid by the FRC into the Government general revenue to avoid any perceived conflict of interest.

#### Resolution

The FRC also considers that we should have the ability to enter into resolution with the person subject to disciplinary

- 公開或非公開地譴責有關人士
- 指示有關人士執行本局所指明的補救行動
- 命令把有關人士的姓名或名稱從上市實體核數師註冊紀錄冊中永久刪除，或在本局所指明的一段時間內刪除
- 禁止有關人士在本局所指明的期間內，或在本局所指明的事件發生之前，申請註冊/審批成為受規管人士
- 施加註冊/審批條件
- 命令有關人士繳付費用
- 命令有關人士繳付不多於(i)1,000萬元或(ii)審計項目費用的倍數，以較高者為準（請參見下文）。

財務匯報局認為，把最高罰款的基準定為有關核數師的利潤金額或避免的損失金額的倍數，並不適當以及難以計算。利潤金額或避免的損失金額的倍數應該是考慮罰款水平的其中一項因素，而不是釐定最高罰款水平的基準。審計工作不是一項交易，而是一項根據審計項目所花時間收取審計費用的服務。審計項目的利潤或損失涉及可隨意分配的間接成本。我們建議就上市實體核數師提供審計項目而言，將最高罰款的基準定為有關審計項目費用的倍數是更為客觀及適當。

財務匯報局贊同政府建議在法例中規定本局須發出及依循罰則指引。財務匯報局在釐定罰款水平時應考慮各種因素，例如包括

- 不當行為的性質和嚴重程度
- 所收取的審計費用
- 其他情況，包括有關事務所或人士的公司規模及財政資源，而罰款額不應可能導致該事務所或人士拮据財困。

財務匯報局收取任何罰款或因解決個案所得的任何款項，會一概撥歸政府一般收入，以避免任何利益衝突。

#### 解決紀律處分個案的方法

財務匯報局亦認為，於其認為符合投資大眾的利益或公眾利益的情況下，我們

action at any time during the disciplinary process after having satisfied itself that it is in the interest of the investing public or in public interest.

### Appeal

A person who is aggrieved by a disciplinary decision of the FRC or disagrees with a registration decision made by the HKICPA Registrar may appeal to the proposed new independent appeals tribunal set up for hearing appeals. In addition, any person who disagrees with a decision of the independent appeals tribunal may further appeal to the Court of Appeal.

### Funding mechanism

We are neutral as to how the future operations of the FRC would be funded as long as we have a stable and secure source of funding, free from influence by the audit profession and sufficient to execute our power and responsibilities, which are the requirements of the IFIAR and EC.

### Scope of the reform

The Government's current proposal is to define public interest entities (PIEs) to cover listed entities in Hong Kong. FRC recommends that the new legislation should provide for the flexibility to amend the definition of PIEs by regulation. This is because

- the European Statutory Audit Directive requires oversight of regulation of all statutory auditors
- some larger capital markets worldwide already define PIEs more broadly than just listed entities, and
- the International Ethics Standards Board for Accountants may also in the future extend the scope of PIEs.

### Conclusion

We are confident that the reform proposals in the Consultation Paper together with our recommendations will enhance Hong Kong's regulatory regime for listed entity auditors and enable Hong Kong to be eligible for IFIAR membership and achieve EC regulatory equivalence status. The FRC can then enter into reciprocal arrangements with overseas regulators to facilitate cross-border regulatory cooperation.

We look forward to the successful implementation of an enhanced and robust auditor regulatory regime for Hong Kong which will improve the quality of financial reporting and ultimately strengthen our investor protection.

**John Poon**  
Chairman

應該有能力在紀律程序中與可能受紀律處分人士解決紀律事宜。

### 上訴機制

任何人士如對財務匯報局的紀律決定感到受屈或對香港會計師公會註冊主任的註冊決定感到不滿，可向擬議新成立的獨立上訴審裁處申請上訴。此外，任何人士如對獨立上訴審裁處的決定感到不滿，可進一步向上訴法庭提出上訴。

### 財政機制

我們對財務匯報局日後運作的經費來源保持中立態度，只要日後的經費來源穩妥可靠，不受審計業的影響，足以履行本局的權力及責任便可，也即是符合獨立審計監管機構國際論壇及歐洲委員會的規定。

### 改革範圍

政府現時建議公眾利益實體界定為香港的上市實體。財務匯報局建議這定義在新法例中應可透過修定規例作出修改。此乃由於

- 歐洲聯盟的法定審計指令要求監察所有法定核數師的規管
- 部份較大的資本市場已將公眾利益實體的定義擴大至不限於上市實體，及
- 國際會計師職業道德準則理事會或會於將來擴大公眾利益實體的範圍。

### 結論

我們有信心諮詢文件的改革建議，連同本局的建議，將可以優化香港的上市實體核數師監管制度，讓香港具備獨立審計監管機構國際論壇的成員資格，以及取得歐洲委員會的監管等效地位，使財務匯報局能夠與海外監管機構建立互惠合作安排，促進跨境監管合作。

我們期望香港能成功實施一套更優質及穩健的核數師監管制度，以提升財務匯報的質素，加強對投資者的保障。

**潘祖明**  
主席

**Objective**  
**改革目的**

In the best interests of the public, the reform should at a minimum enable Hong Kong to be eligible for membership in the IFIAR and to attain regulatory equivalence status with the EC. The enhanced auditor regulatory regime should strengthen investor protection and Hong Kong's status as an international financial centre.

在公眾利益的大前提下，改革最基本應能讓香港符合獨立審計監管機構國際論壇的成員資格，以及取得歐洲委員會的監管等效地位。優化後的上市實體核數師監管制度應加強對投資者的保障以及鞏固香港作為國際金融中心的地位。

**Independence 獨立性**

**Governance of the FRC**  
**財務匯報局的管治**

- We consider that the independence of the FRC, both in fact and in the eyes of the public, is paramount. Therefore the majority of members of the Council of the FRC should be non-practitioners.

- 本局認為，財務匯報局擁有實質獨立性及在公眾眼中被視為獨立，都極為重要，因此財務匯報局成員的大部份成員應為非執業人士。

**Funding**  
**經費來源**

- Future funding of the FRC must be secure, stable, free from influence by the audit profession and sufficient to discharge its statutory responsibilities.

- 財務匯報局日後的經費來源必須穩妥可靠，不受審計業的影響，並足以履行法定責任。

**Five new functions in addition to investigation 調查以外的五個新職能**

**Oversight**  
**監察**

- Registration 註冊
- CPD 專業進修
- Standard setting 準則制定

- The FRC should be equipped with the reserve powers to act itself where circumstances so warrant in respect of matters subject to its oversight.
- The FRC should also be given the power to require, at any time, information from the HKICPA.

- 財務匯報局應有保留權力，在其監察範圍內，根據情況所需自行行事。
- 財務匯報局應獲賦予權力，可隨時要求香港會計師公會提交資料。

**Disciplinary system**  
**紀律處分制度**

- The FRC is committed to ensuring that the future regulatory system is fair, and all principles of natural justice will be afforded to all parties concerned. We are also committed to implementing appropriate measures to segregate the investigative and disciplinary functions.
- The maximum pecuniary penalty should be referenced to a multiple of the engagement fee which is more objective and appropriate for the type of engagements performed by auditors of PIEs.
- The FRC considers that the individual/individuals who assume(s) ultimate responsibility for the system of quality control of a practice unit should be accountable for the absence/systemic failure of such system. This would not only be consistent with the existing obligations under local standards but would also prevent a gap in the statutory framework.

- 本局承諾會致力確保未來的監管制度公平公正，並對有關各方秉持自然公義的原則。本局亦會實施合適措施，使調查及紀律處分的職能權責分明。
- 就公眾利益實體核數師執行的審計項目而言，將最高罰款的基準定為審計費用的倍數更為客觀及適當。
- 本局認為，執業單位內對質量控制系統負上最終責任的一名/多名人士應對該執業單位缺乏有關系統或該系統出現系統性失誤負責。這項建議與本港現有準則所規定的責任相符，亦可以避免法定制度出現漏洞。

**Inspection of listed entity auditors**  
**查核上市實體核數師**

- The scope of inspection and the statutory powers of inspectors/reviewers should also cover the quality control system of listed entity auditors.
- To achieve the highest level of independence, the FRC does not consider it appropriate for it to delegate to HKICPA its functions and powers to inspect listed entity auditors in respect of their listed entity audit and assurance engagements or their quality control systems.

- 查核人員/審核人員的查核範圍及其法定權力應包括上市實體核數師的質量控制系統。
- 財務匯報局認為，為了達到最高的獨立性，查核上市實體核數師為上市實體執行的審計和核證項目或質量控制系統的職能及權力，不適合授權予香港會計師公會。

**Scope of the reform 改革範圍**

**Scope of the reform**  
**改革範圍**

- To be more in-line with international standards and practices, the FRC recommends that the new legislation should have the flexibility to amend the definition of PIEs by regulation.

- 為了符合國際標準和做法，財務匯報局建議新法例應容許透過修訂規例修改公眾利益實體的定義。