

**Press Release**

**10<sup>th</sup> Anniversary of the Financial Reporting Council**

(13 July 2017, Hong Kong) Being an independent statutory body that promotes high quality financial reporting and enhanced investor protection in Hong Kong, the Financial Reporting Council (**FRC**) today commemorated its 10<sup>th</sup> anniversary with the Financial Secretary, the Honorable Mr Paul Chan, as the Guest of Honour at its cocktail reception.

The FRC was established under the Financial Reporting Council Ordinance and became fully operational on 16 July 2007. All members of the Council are independent of the audit profession. The Hong Kong Government has proposed reforming the regulatory regime to make the oversight regime independent from the audit profession and designating the FRC to be the independent oversight body of listed entity auditors.

At the cocktail reception, Dr John Poon, Chairman of the FRC, said, “As a matter of public interest, we have been unwavering in our commitment to pursuing the auditor regulatory reform.” He added, “I look forward to the tabling and ultimate passage of the reform legislation that is in line with the Government consultation conclusions issued in 2015, so that Hong Kong can soon be recognised internationally as having an independent auditor regulatory regime for publicly listed entities.”

Mr Paul F. Winkelmann, Chief Executive Officer of the FRC, said, “Over the last decade, the FRC has handled approximately 400 complaints, completed 11 enquiries and over 50 investigations, and has referred 67 cases to HKICPA for follow up. We have also shared our investigation conclusions with other regulators such as the SFC and HKEX for their consideration.”

The global audit regulatory environment continues to evolve and the FRC published an Update on Independent Audit Oversight Report in 2016 which shows that over 40 jurisdictions have both membership of the International

Forum of Independent Audit Regulators (**IFIAR**) and European Commission (**EC**) equivalence status. Hong Kong is not part of either community. The proposed new auditor regulatory regime, if enacted, will enable the FRC to be eligible for membership of the IFIAR.

Dr Poon concluded “The much awaited independent auditor regulatory regime will enhance global investors confidence and further entrench Hong Kong’s status and reputation as a robust international financial centre.

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## **Note to editors**

### **About the FRC**

The FRC is a statutory body established in December 2006 under the Financial Reporting Council Ordinance. The FRC is entrusted with the statutory responsibilities to conduct independent investigations into possible auditing or reporting irregularities by auditors of listed entities and to enquire into possible non-compliance with accounting requirements by listed entities. The FRC has 11 members with a variety of professional backgrounds the majority of whom, including the Chairman, are lay persons. For more information, please visit [www.frc.org.hk](http://www.frc.org.hk).

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