

ANNUAL
GENERAL
MEETING
2020

LEADING
WITH
TRUST



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

MESSAGE FROM THE PRESIDENT



DEAR MEMBERS,

Every year throws up unexpected challenges – that's why organizations spend so much time and effort in preparing for a range of scenarios – nonetheless 2020 is unprecedented in modern times. Yet, through two important traits found in CPAs, resilience and adaptability, we have persevered and prepared the Institute and the now over 45,000 accounting professionals who are our members for the future.

RENEWING OUR OPERATIONS

Over the past year, we have invested considerable energy into the Institute's service offering. The recruitment of the Chief Executive and Registrar, who joined at the start of the financial year, has enabled us to push on with the strategic planning for the future, culminating in the release of the *Strategic Plan 2020-2022* in June this year. The plan sets out how the Institute's operations will be renewed and enhanced, and how we will continue building trust in our profession. The next three years will see the Institute adapt in support of the profession's continuing transformation to Accounting Plus, through offering guidance, support and more engagement across different sectors of the profession.

COVID-19 has required us to adapt. We are delivering more services virtually, and our webinars and e-seminars have attracted thousands of enrolments. As well as these webinars, we have published more guidance for our members, to help them understand the accounting implications of the pandemic. Amid these challenges we are still able to roll out new outreach programmes, meeting members working in the public sector including the Audit Commission, Inland Revenue Department and the Treasury.

“Our members expect us to advocate for them. This is what we have been doing this year through discussions with the government and regulators.”

WORKING WITH PARTNERS

One of the major changes to the profession this year in Hong Kong was the Financial Reporting Council (FRC) taking over the regulation of auditors of listed entities. The Institute has long supported the government’s efforts to introduce an independent regulatory regime for the audits of listed entities, and to continue our engagement we signed a statement of protocol with the FRC to detail the oversight arrangements.

The Greater Bay Area (GBA) is important for Hong Kong and its accountants. In 2019, the Institute set up the GBA Committee, which I chair, and finalized our GBA strategy aimed at policy advocacy, facilitating information dissemination and organizing outreach and development activities. We also launched an online resource centre on our website containing GBA-related information. As well as organizing a number of delegations to visit various GBA cities, efforts to enhance our relationships with local government and accounting profession bodies and connect our small and medium practices with their counterparts in Guangdong and Macau to explore business opportunities also took place.

FINDING OUR VOICE

Our voice, and our publications, are our way of connecting with members and the general public. Over the year, we have improved our communications approach by expanding our activities on social media, revamping our newsletters and preparing a new customer records management system.

This year, we have produced guidance for the public, to help them through the COVID-19 pandemic by discussing how to deal with financial distress and avoid fraud. We have publicized these guides through engagement with the media and via our own channels, including social media.

Our members expect us to advocate for them. This is what we have been doing this year through discussions with the government and regulators on financial reporting, tax, and auditing matters that have been impacted by the COVID-19 pandemic.

STRENGTHENING OUR GOVERNANCE

Work continues on strengthening and updating our governance structures and processes. In particular, as proposed by the Governance Committee and endorsed by the Task Force for EGM Resolution 2 at its October 2019 meeting, early this year the Council set up an independent working

group to replace the task force. Reporting directly to Council, the role of the group is to explore and help formulate amendments to the Professional Accountants Ordinance (PAO) necessary for the implementation of the election of the President and Vice-Presidents by all members of the Institute. Good progress is being made, and a public consultation on the proposed framework is planned for 2021.

IMPROVING OUR REGULATORY ACTIVITIES

A project to improve our regulatory activities through amendments to the PAO has been ongoing since 2015. Council approval was obtained in previous years for proposed changes in the areas of audit practice requirements and the practice review system. In September 2020, Council endorsed proposed changes to the final major area, the Institute’s investigation and disciplinary functions. Public consultation on the proposed amendments to the PAO is planned for 2021.

ENHANCING OUR DISCLOSURES

The Best Corporate Governance Awards have been celebrating their 20th anniversary this year. Since the awards began, the corporate governance landscape has changed massively in Hong Kong. This is good for our city’s status as a leading financial hub, enhancing trust in our listed companies and public sector organizations. I am pleased to say that the Institute is also improving its disclosures, and this year you’ll see a longer chapter on our governance, and more disclosures about how the Institute operates. This is the start of a process of improvement, and further changes will be introduced in future annual reports.

Although it is not the year we expected when I was elected President last December, I have applied my own resilience and adaptability to the situation and have been the Institute’s first “virtual president”. Truly, being president of our Institute has been a pinnacle of my career.

I want to end by thanking all Council members, committee members and the management of the Institute for their support. Particular thanks go to my two Vice-Presidents, Nelson Lam and Loretta Fong, and the Chief Executive, Margaret Chan. Together we have demonstrated the resilience needed to respond to the challenges and adapted our work to prepare our members for a better future.

Johnson Kong
President

MESSAGE FROM THE CHIEF EXECUTIVE AND REGISTRAR



DEAR MEMBERS,

When I joined the Institute in July 2019, I saw an organization that was operating well and with the intentions of members at its heart, but those members were not necessarily hearing what it was doing for them. This message was reinforced through the feedback we received at the Members' Forums held in September, and other discussions I had with members over the year.

From these conversations it was clear therefore that the bonds of trust between the Institute, its members and other stakeholders were wearing. This is why the concept of building trust is at the heart of our strategic plan for the next three years that we released in June 2020.

A PLAN FOR US

The business environment, technology, accounting standards and the regulatory landscape are changing the accounting profession. In order for our members to stay relevant they must change too. The plan recognizes the challenges facing the profession, and provides a set of strategic objectives and initiatives based on the Institute's role as a statutory organization to meet these challenges over the coming years.

The plan also includes changes to our constitution, governance and organization structure to ensure that we remain a top-tier professional body and enable us to support Hong Kong's accounting community.

“Although we are facing challenges now, I believe that through our strategic plan, the dedicated efforts of our Council and committee members, and the support of the Institute’s management and staff, we can overcome any obstacles.”

A CHALLENGING YEAR

The past year has been challenging for Hong Kong and the world. COVID-19 is the latest – and most serious – challenge to face our city after social unrest in 2019, and one that has required us to significantly change our operations and activities. As one of the first locations to receive cases outside of the epicentre, Hong Kong has spent 2020 responding to the challenges the pandemic has brought. To support our members and students we have been delivering more virtual continuing professional development courses, producing guidance for accountants and auditors, and liaising with regulators and government departments on matters affecting the profession to advocate flexibility in reporting deadlines. We were also among the first bodies in Hong Kong to create a dedicated webpage containing links to government relief schemes, and advice and guidance from professional bodies and others.

AN UPGRADE TO OUR QUALIFICATION

One of the hardest actions for us to take was the cancellation of the June 2020 examination session. Though this was disappointing to many, the health and wellbeing of all our students, members, and management staff throughout the pandemic is our top priority. Although this has delayed students’ entry to the profession, this will just be a temporary delay in their careers.

The cancellation also delayed the roll out of the new Qualification Programme (QP), with the first sitting of the new QP’s Associate Level now in December 2020. The new QP will train graduates with the skills they need for business success – whatever role they may choose to take. To raise awareness of the new QP we have been promoting the programme in the media and through social media.

A LOOK AT OUR FINANCES

Regarding the financial performance of the Institute in 2019/20, the Institute recorded a deficit of HK\$93 million, up from HK\$60 million in 2019, primarily driven by COVID-19

and the membership fee waiver. The cancellation of the examination session saw HK\$33 million in foregone income. The Council approved membership fee waivers for 2019 and 2020, in this financial year, the impact was a HK\$67 million reduction in revenue.

The Institute’s net assets fell to HK\$262 million, due to the fall in total cash (including time deposits) held. The year-end total cash balance could support the operating cash flow for approximately six months.

Recognizing that the difficulties faced by our members under the pandemic, the Council after careful consideration granted some one-off concessions for 2021. While the Institute pursues a policy of prudent financial management, we are facing a structural deficit, in part the result of the full fee waivers, and various fee rebates since 2016.

To reduce the deficit, the management has been trying their best to curb costs by containing expenses and adopting a salary freeze. However, a fee adjustment in membership year 2022 may be inevitable in order for the Institute to maintain its functions and activities. This would be the first increase in the membership fee since 2013.

A BRIGHTER FUTURE

Although we are facing challenges now, I believe that through our strategic plan, the dedicated efforts of our Council and committee members, and the support of the Institute’s management and staff, we can overcome any obstacles. I look forward to working closely with our fellow members to implement the strategic objectives in the strategic plan over the next three years, and build up that trust in our profession.

By working together we will build solid foundations for the success of our profession.

Margaret W.S. Chan

Chief Executive and Registrar

NOTICE OF THE

48th

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 48th annual general meeting of the Hong Kong Institute of Certified Public Accountants will be held in the Auditorium, 27th floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong on Thursday, 10 December 2020 at 5:30 p.m. for the following purposes:

1. To receive the President's address.
2. To receive the annual report of the Institute and approve the statement of accounts.
3. To appoint an auditor of the Institute under Professional Accountants By-Law 42.
4. To elect seven Council members in accordance with sections 12 and 13 of the Professional Accountants Ordinance.
5. As special business, to consider and, if thought fit, pass the amendments to the By-Laws as set out in Appendix 1, attached hereto.
6. To transact any other ordinary business.

By order of the Council

Margaret W.S. Chan

Registrar

Hong Kong Institute of Certified Public Accountants

Dated this 28th of October 2020

ELECTION OF COUNCIL MEMBERS AT THE 48TH ANNUAL GENERAL MEETING

COMPOSITION OF THE COUNCIL – SECTION 10, PROFESSIONAL ACCOUNTANTS ORDINANCE

The Council shall consist of the following members: two ex-officio members, 14 elected members, the immediate past President of the Institute, up to two co-opted members and four lay persons appointed by the Chief Executive of the Hong Kong Special Administrative Region.

The two ex-officio members are:

- a. The Financial Secretary or a person appointed by him as his representative; and
- b. The Director of Accounting Services or a person appointed by him as his representative.

Chung Lai Ling, Ada (鍾麗玲) (retired on 3 September 2020) and Tsui Lai Ching, Kitty (徐麗貞) (appointed on 4 September 2020), representative of the Financial Secretary, and Wong Shing Hei, Charlix (黃成禧), Director of Accounting Services, are the ex-officio members serving on the Council.

The immediate past President of the Institute is Law Fu Yuen, Patrick (羅富源). He shall hold office as a member of the Council until the conclusion of the 48th annual general meeting.

The four lay persons appointed by the Chief Executive of the Hong Kong Special Administrative Region are:

- Au King Lun (區景麟)
- Ho Shuk Yee, Susie (何淑兒)
- Ng Choi Yuk, Theresa (吳彩玉)
- Wong Kam Pui, Wilfred (黃錦沛)

A lay person shall not be appointed for a term exceeding two years but shall be eligible for re-appointment for a further term or terms of not exceeding two years each.

The 14 elected members shall be certified public accountants registered under section 24(1) of the Professional Accountants Ordinance, each of whom shall on the day of the annual general meeting be ordinarily resident in Hong Kong and of whom at the time of election:

- a. not less than six shall be certified public accountants in full time practice as certified public accountants (practising); and
- b. not less than six shall be certified public accountants otherwise than in full time practice as certified public accountants (practising).

In other words, the 14 elected Council members may be made up as follows:

- a. six certified public accountants who are in full time practice as certified public accountants (practising) (hereafter represented by the letter "P");
- b. six certified public accountants who are not in full time practice as certified public accountants (practising), who may or may not hold a practising certificate (hereafter represented by the letter "N"); and
- c. two certified public accountants of whom either one or both can be of category P or of category N as mentioned above.

Under section 10(4) of the Professional Accountants Ordinance, the Council may co-opt not more than two certified public accountants, each of whom should then be ordinarily resident in Hong Kong, as members of the Council. The current incumbent is Zeng Tao (曾濤) (category N). Under section 12(4), he shall hold office until immediately before the conclusion of the 48th annual general meeting and he shall be eligible to be co-opted again (subject to Council rules on continuous terms of co-option) or elected as a member of the Council.

RETIRING COUNCIL MEMBERS

As prescribed by section 12 of the Professional Accountants Ordinance, the seven elected members who have been longest in office since their last election (at the 46th annual general meeting held on 13 December 2018) shall retire from office at the 48th annual general meeting, but shall be eligible for re-election.

These seven retiring members are:

- Au Chun Hing (歐振興) (Category P)
- Au Ki Lun (區紀倫) (Category N)
- Cheng Chung Ching, Raymond (鄭中正) (Category P)
- Cheung Hok Yan, Jennifer (張學欣) (Category N)
- Fong Wan Huen, Loretta (方蘊萱) (Category P)
- Kong Chi How, Johnson (江智蛟) (Category P)
- Lam Chi Yuen, Nelson (林智遠) (Category P)

The following seven elected Council members will hold office for one more year until the 49th annual general meeting:

- Cheung Wai Lun, William (張煒麟) (Category N)
- Choy Kai Sing (蔡啟昇) (Category N)
- Fung Ling Yip (馮領業) (Category N)
- Lee Suk Yee (李淑儀) (Category N)
- Leung Man Chun (梁文俊) (Category N)
- Leung Sze Kit, Roy (梁思傑) (Category P)
- Li Kin Hang (李健恆) (Category N)

PROCEDURES FOR NOMINATION

By-Law 2(1A) states that "Only a certified public accountant, who shall on the day of the annual general meeting of the Institute be ordinarily resident in Hong Kong, shall become a candidate for election as an elected member of the Council." For the purpose of this By-Law, a person shall be treated as ordinarily resident if he or she has been present in Hong Kong for not less than 180 days in the preceding 12 months.

By-Law 2(1) states that "A certified public accountant who is a candidate for election as an elected member of the Council shall be nominated by 2 certified public accountants."

All nominations, signed by the proposer and the seconder, together with a notice signed by the candidate giving his or her consent to stand for election, must reach the Registrar on or before Monday, 16 November 2020 at 5:30 p.m. Please use the enclosed nomination form.

BALLOT FOR ELECTED MEMBERS OF THE COUNCIL – SECTION 13(1)(B) AND BY-LAW 3

If the number of certified public accountants nominated as candidates for election to the Council exceeds the number of vacancies for elected members, the election shall be determined by ballot. In such a case, the Registrar shall, not less than 17 days before the annual general meeting (i.e. Monday, 23 November 2020), send a ballot paper to each certified public accountant who shall be entitled to cast one vote in respect of each of the vacancies according to the prescribed ratios of category P and N members as illustrated below:

Elected Council members	Category P	Category N	Total
Present composition	6	8	14
Composition of retiring members at the 48th AGM	5	2	7
Composition of remaining members at the 48th AGM	1	6	7
Minimum - maximum number permissible	6 - 8	6 - 8	14
Minimum - maximum number of vacancies to be filled	5 - 7	0 - 2	7

Completed ballot papers must be returned to the Registrar not less than 72 hours before the date and time fixed for the annual general meeting (i.e. before 5:30 p.m. on Monday, 7 December 2020).

If equal votes have been cast between any candidates, the President shall have a casting vote to determine which one or more of these candidates shall be elected.

Notes:

1. *The above paragraphs are purely explanatory and members should always refer to the Professional Accountants Ordinance and By-Laws for formal guidance on the election procedures.*
2. *Members may choose to cast their votes online at the Institute's website. Details for voting online will be sent to members together with the ballot papers not less than 17 days before the 48th annual general meeting (i.e. Monday, 23 November 2020).*

TIMETABLE

The following is a timetable governing the various stages of the election to be conducted in accordance with the Professional Accountants Ordinance and By-Laws.

Procedures	Deadline	Authority
Nomination form to be lodged with the Registrar	5:30 p.m. Monday, 16 November 2020	By-Law 2(3)
Sending of the list of candidates to members	Monday, 23 November 2020	By-Law 2(5)
Issue of ballot paper to members*	Monday, 23 November 2020	By-Law 3(1)
Return of completed ballot paper to the Registrar*	5:30 p.m. Monday, 7 December 2020	By-Law 3(4)

*According to section 13(1)(b), these procedures shall become operative if the number of nominations exceeds the number of vacancies for elected members.

DISCLOSURE OF ELECTION RESULTS

The results of the election will be disclosed to members on the Institute's website, www.hkicpa.org.hk, after the Council receives the results from the auditor under By-Law 3(5). The same will be formally announced at the 48th annual general meeting at which the election is to be held.

HONG KONG INSTITUTE OF CPAS NOMINATION FORM FOR ELECTION TO COUNCIL AT THE 48TH AGM

Please lodge the duly signed nomination form with the Registrar before 5:30 p.m. on 16 November 2020 (See Note B below).

To nominate one certified public accountant to the Council of the Hong Kong Institute of Certified Public Accountants under Professional Accountants By-Law 2.

(Please fill in using BLOCK LETTERS)

Name of candidate	Membership no.	Signature
Category: (Please refer to note A)		
Name of proposer	Membership no.	Signature
Name of seconder	Membership no.	Signature

Dated this _____ of _____ 2020

EXPLANATORY NOTES

- Under Professional Accountants By-Law 2(1) and (2), a certified public accountant who is a candidate for election as an elected member of the Council shall be nominated by two certified public accountants. The nomination shall be in writing, proposed by one certified public accountant and seconded by another certified public accountant. In this connection, both their signatures are required as above.
- Signature by a candidate on this form will be accepted by the Registrar as sufficient notice that he or she is willing to offer himself or herself for election to the Council under By-Law 2(2)(c). The signature also serves as a declaration by the candidate that he or she is ordinarily resident in Hong Kong under By-Law 2(1A).
- Signature by a candidate on this form will constitute agreement on his or her part to abide by the disclosure practice of the Council, if he or she is elected to the Council.

Notes:

A. Please signify:

- by the letter "P" for the candidate who is in full time practice as a certified public accountant (practising);
- by the letter "N" for the candidate who is not in full time practice as a certified public accountant (practising), who may or may not hold a practising certificate.

A certified public accountant shall be regarded as being in full time practice as a certified public accountant (practising) if he –

- holds a practising certificate;
- is free to devote substantially the whole of his time during normal office hours to provide his services as a certified public accountant (practising); and
- has not entered into and there is not subsisting a contract of employment between him and an employer [other than an employer who is a certified public accountant (practising) or a firm of certified public accountants (practising) or a corporate practice] under which he is bound to devote the whole or substantially the whole of his time during normal office hours to his employment.

A certified public accountant holding a practising certificate shall not be treated as not being in full time practice as a certified public accountant (practising)

by reason only of the fact that he is in the employment of a certified public accountant (practising) or a firm of certified public accountants (practising) or a corporate practice.

Normal office hours shall mean those hours at which banks are generally open for business in Hong Kong.

- B. In accordance with By-Law 2(3), this nomination form must be duly signed and lodged with the Registrar before 5:30 p.m. on Monday, 16 November 2020 under confidential cover marked "Nomination".

This year, Council has approved the submission of a scanned copy in pdf format by email to councilelection@hkicpa.org.hk, as an acceptable alternative to the physical lodging of the nomination form. The deadline for receipt of the scanned copies will be the same as for the receipt of physical copies i.e. 5:30 p.m. on 16 November 2020.

- C. In accordance with the resolution made by the Council in January 1994, the number of votes received by individual candidates of the Institute's Council election should be disclosed. This practice has applied since the 22nd AGM.

- D. Please refer to the section "Election of Council members at the 48th annual general meeting", pages 6 to 8.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS



26/F, Citicorp Centre
18 Whitefield Road
Causeway Bay
Hong Kong

TO THE MEMBERS OF HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (INCORPORATED IN HONG KONG UNDER THE PROFESSIONAL ACCOUNTANTS ORDINANCE)

OPINION

The summary financial statements of Hong Kong Institute of Certified Public Accountants (the “Institute”) set out on pages 11 to 18, which comprise the statements of financial position of the Institute and its subsidiaries (collectively referred to as the “Group”) and the Institute at 30 June 2020, and the statements of comprehensive income, the statements of changes in funds and reserve, and the statements of cash flows of the Group and of the Institute for the year then ended, and related notes, are derived from the audited financial statements of the Group and of the Institute for the year ended 30 June 2020 respectively (the “Audited Financial Statements”).

In our opinion, the summary financial statements as derived from the Audited Financial Statements are consistent, in all material respects, with the Audited Financial Statements, on the basis described in note 1 to the summary financial statements.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by Hong Kong Financial Reporting Standards issued by the Institute. Reading the summary financial statements and this report, therefore, is not a substitute for reading the Audited Financial Statements and our report thereon.

AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the Audited Financial Statements in our report dated 17 September 2020.

COUNCIL’S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Council of the Institute is responsible for the preparation of a summary of the audited financial statements in accordance with section 16(4A) of the Professional Accountants Ordinance and on the basis described in note 1 to the summary financial statements.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the Audited Financial Statements based on our procedures, which were conducted in accordance with Hong Kong Standard on Auditing 810 (Revised), “Engagements to Report on Summary Financial Statements” issued by the Institute. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

The engagement director on the audit resulting in this independent auditor’s report is Lam Kar Bo (Practising Certificate Number: P05453).

PKF Hong Kong Limited
Certified Public Accountants
Hong Kong
17 September 2020

STATEMENTS OF FINANCIAL POSITION

At 30 June 2020

	Group		Institute	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Non-current assets				
Fixed assets	158,312	162,566	157,074	162,064
Interests in subsidiaries	-	-	-	-
Prepayments for purchase of fixed assets	736	597	736	597
	159,048	163,163	157,810	162,661
Current assets				
Inventories	400	471	400	405
Receivables	4,326	4,457	4,235	4,374
Deposits and prepayments	18,939	7,726	18,839	7,675
Tax recoverable	177	200	165	165
Time deposits with original maturities over three months	14,857	201,244	-	183,054
Cash and cash equivalents	176,522	122,593	162,677	111,418
	215,221	336,691	186,316	307,091
Current liabilities				
Contract liabilities	(46,207)	(68,547)	(46,207)	(68,547)
Payables and accruals	(32,504)	(45,292)	(32,059)	(43,932)
Lease liabilities	(1,695)	(1,658)	(1,072)	(1,152)
	(80,406)	(115,497)	(79,338)	(113,631)
Net current assets	134,815	221,194	106,978	193,460
Non-current liabilities				
Lease liabilities	(895)	(698)	(311)	(698)
Deferred tax liabilities	(2,281)	(2,085)	(2,281)	(2,085)
	(3,176)	(2,783)	(2,592)	(2,783)
	290,687	381,574	262,196	353,338
Funds and reserve				
General fund	93,715	186,259	71,083	163,900
Capital fund	197,123	195,448	191,113	189,438
Exchange reserve	(151)	(133)	-	-
	290,687	381,574	262,196	353,338

Approved by the Council on 17 September 2020

Johnson Kong
President

Margaret W.S. Chan
Chief Executive & Registrar

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	Group		Institute	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Subscriptions and fees	2	90,399	85,509	90,399	84,886
Other revenue	3	58,828	96,425	58,828	96,147
Total revenue from contracts with customers		149,227	181,934	149,227	181,033
Other income	4	22,219	34,118	21,656	34,312
Expenses		(263,796)	(275,345)	(263,504)	(273,685)
Deficit before tax	5	(92,350)	(59,293)	(92,621)	(58,340)
Income tax charge		(194)	(2,162)	(196)	(2,155)
Deficit		(92,544)	(61,455)	(92,817)	(60,495)
Other comprehensive income					
Item that may be reclassified subsequently to surplus or deficit:					
Exchange loss on translating the financial statements of HKICPA Beijing		(18)	(21)	-	-
Comprehensive income		(92,562)	(61,476)	(92,817)	(60,495)

Approved by the Council on 17 September 2020

Johnson Kong
President

Margaret W.S. Chan
Chief Executive & Registrar

STATEMENTS OF CHANGES IN FUNDS AND RESERVE

For the year ended 30 June 2020

	2020						
	Group			Institute			
	General fund HK\$'000	Capital fund HK\$'000	Exchange reserve HK\$'000	Total HK\$'000	General fund HK\$'000	Capital fund HK\$'000	Total HK\$'000
At the beginning of the reporting period	186,259	195,448	(133)	381,574	163,900	189,438	353,338
Deficit	(92,544)	-	-	(92,544)	(92,817)	-	(92,817)
Other comprehensive income	-	-	(18)	(18)	-	-	-
Comprehensive income	(92,544)	-	(18)	(92,562)	(92,817)	-	(92,817)
Capital levy from members and students	-	1,675	-	1,675	-	1,675	1,675
At the end of the reporting period	93,715	197,123	(151)	290,687	71,083	191,113	262,196

	2019						
	Group			Institute			
	General fund HK\$'000	Capital fund HK\$'000	Exchange reserve HK\$'000	Total HK\$'000	General fund HK\$'000	Capital fund HK\$'000	Total HK\$'000
At the beginning of the reporting period	247,714	194,018	(112)	441,620	224,395	188,008	412,403
Deficit	(61,455)	-	-	(61,455)	(60,495)	-	(60,495)
Other comprehensive income	-	-	(21)	(21)	-	-	-
Comprehensive income	(61,455)	-	(21)	(61,476)	(60,495)	-	(60,495)
Capital levy from members and students	-	1,430	-	1,430	-	1,430	1,430
At the end of the reporting period	186,259	195,448	(133)	381,574	163,900	189,438	353,338

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2020

	Group		Institute	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Cash flows from operating activities				
Deficit before tax	(92,350)	(59,293)	(92,621)	(58,340)
Adjustments for:				
Allowance for obsolete inventories	62	37	62	37
Depreciation of fixed assets	20,295	15,102	19,632	14,409
Gain on disposal of fixed assets	(10)	(11)	(10)	(11)
Interest on lease liabilities	123	117	94	70
Impairment of receivables	35	-	35	-
Obsolete inventories written off	89	11	24	11
Uncollectible amounts written off	30	7	30	7
Operating cash flows before working capital changes	(71,726)	(44,030)	(72,754)	(43,817)
(Increase)/decrease in inventories	(80)	180	(81)	172
Decrease in receivables	66	216	74	615
Increase in deposits and prepayments	(11,215)	(1,903)	(11,164)	(1,985)
Decrease in time deposits with original maturities over three months	186,387	167,083	183,054	160,097
Decrease in contract liabilities	(22,340)	(14,211)	(22,340)	(13,572)
Decrease in payables and accruals	(15,015)	(707)	(14,077)	(453)
Cash generated from operations	66,077	106,628	62,712	101,057
Net tax refunded/(paid)	24	(1,220)	-	(1,209)
Net cash generated from operating activities	66,101	105,408	62,712	99,848
Cash flows from investing activities				
Purchase of fixed assets	(10,241)	(13,351)	(10,195)	(13,306)
Prepayments for purchase of fixed assets	(736)	(597)	(736)	(597)
Sales proceeds from disposal of fixed assets	10	11	10	11
Net cash utilized in investing activities	(10,967)	(13,937)	(10,921)	(13,892)
Cash flows from financing activities				
Lease payments	(2,890)	(2,844)	(2,207)	(2,135)
Capital levy received	1,675	1,430	1,675	1,430
Net cash utilized in financing activities	(1,215)	(1,414)	(532)	(705)
Net increase in cash and cash equivalents	53,919	90,057	51,259	85,251
Cash and cash equivalents at the beginning of the reporting period	122,593	32,539	111,418	26,167
Exchange difference in respect of cash and cash equivalents	10	(3)	-	-
Cash and cash equivalents at the end of the reporting period	176,522	122,593	162,677	111,418

Non-cash transactions (financing or investing activities):

During the current year, the Group and the Institute acquired fixed assets of HK\$3,011,000 (2019: HK\$1,617,000) and HK\$1,646,000 (2019: HK\$1,617,000) respectively by means of leases. At 30 June 2020, HK\$2,204,000 (2019: HK\$5,639,000) for additions of owned assets was included in "Payables and accruals" for the Group and the Institute.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the year ended 30 June 2020

1. GENERAL INFORMATION

The Group refers to Hong Kong Institute of Certified Public Accountants (the "Institute") and its subsidiaries: HKICPA (Beijing) Consulting Co., Ltd. ("HKICPA Beijing"), The HKICPA Trust Fund, The HKICPA Charitable Fund and Hong Kong Institute of Accredited Accounting Technicians Limited ("HKIAAT") and its subsidiary, The HKIAAT Trust Fund.

These summary financial statements, as approved by the Council, have been derived from the audited financial statements of the Group and of the Institute for the year ended 30 June 2020 and contain the statements of financial position, the statements of comprehensive income, the statements of changes in funds and reserve, and the statements of cash flows as presented therein. In addition, these summary financial statements contain notes, as derived from the audited financial statements, in relation to significant revenue and income generated from and expenses incurred for the principal activities of the Group and of the Institute. Therefore, these summary financial statements do not contain sufficient information to allow a full understanding of the financial performance, the financial position and the cash flows of the Group and of the Institute as would be provided by the audited financial statements. A copy of the audited financial statements in electronic form is available on the Institute's website.

2. SUBSCRIPTIONS AND FEES

	Group		Institute	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Annual subscription fees				
Members (a)	26,028	22,100	26,028	22,100
Practising certificates	25,712	25,144	25,712	25,144
Students	8,328	7,740	8,328	7,429
Firms	10,610	10,746	10,610	10,746
Corporate practices	7,623	7,426	7,623	7,426
Others	1,689	1,959	1,689	1,657
First registration fees				
Members	5,842	5,586	5,842	5,586
Practising certificates	819	952	819	952
Students	1,504	1,661	1,504	1,651
Firms	130	154	130	154
Corporate practices	242	242	242	242
Others	281	182	281	182
Other fees				
Advancement to fellowship	259	319	259	319
Assessment for overseas students	1,332	1,298	1,332	1,298
	90,399	85,509	90,399	84,886

a. Members' annual subscription fee

In June 2018, the Council announced a membership fee waiver for calendar years 2019 and 2020 for members whose names were on the register at 31 December 2017. Full fee waiver was granted to these members for both 2019 and 2020.

3. OTHER REVENUE

	Group		Institute	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Income from examinations	40,795	74,437	40,795	74,159
Income from seminars and courses	17,203	20,605	17,203	20,605
Income from member and student activities	800	1,347	800	1,347
Accreditation income	30	36	30	36
	58,828	96,425	58,828	96,147

During the current year, the COVID-19 pandemic caused the cancellation of the June 2020 examination session and some of the face-to-face courses and activities were cancelled.

4. OTHER INCOME

	Group		Institute	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
FRC special levy (a)	-	8,496	-	8,496
Events sponsorship	2,103	2,043	2,103	2,043
Disciplinary fines and costs recovery	7,388	7,789	7,388	7,789
Interest income	4,807	5,755	4,290	5,325
Sales of goods	729	1,294	719	1,248
Income from advertisements placed in the journals	90	196	90	196
Litigation costs recovery (b)	2,257	6,267	2,257	6,267
Income from hardcopy surcharge	625	686	625	686
Commission from professional indemnity insurance master policy	1,678	1,329	1,678	1,329
Commission from affinity credit card programme	91	133	91	133
Royalty income	-	23	-	-
Donations	36	25	16	17
Income from sub-leasing right-of-use assets	3	32	3	32
Reversal of allowance for obsolete inventories	19	6	19	6
Service fees from HKIAAT	-	-	-	720
Gain on disposal of fixed assets	10	11	10	11
Government grants (c)	2,064	-	2,064	-
Miscellaneous	319	33	303	14
	22,219	34,118	21,656	34,312

a. FRC special levy

The Institute representing the accounting profession is one of the four funding parties of the Financial Reporting Council (the “FRC”), along with the Companies Registry Trading Fund of the Government of the Hong Kong Special Administrative Region, Hong Kong Exchanges and Clearing Limited and the Securities and Futures Commission. Under the funding arrangements, the Institute contributes one quarter of the annual funding of the FRC. The Institute’s share of the funding is met by a special annual levy on member practices which are auditors of listed entities. The levy was exempted for two years under the new regime of the FRC (Amendment) Ordinance 2019. During the year ended 30 June 2019, the Institute received HK\$8,496,000 from such member practices and contributed HK\$8,496,000 to the FRC (note 5).

b. Litigation costs recovery

	Group and Institute	
	2020	2019
	HK\$’000	HK\$’000
Litigation costs recovery for:		
Professional indemnity insurance recovery (i)	1,056	4,767
Appeal against disciplinary order (ii)	1,201	1,500
	2,257	6,267

- (i) During the current year, the Institute recognized HK\$1,056,000 (2019: HK\$4,767,000) as recovery from the insurers for partial settlement of legal costs and claims incurred in dealing with an appeal against a disciplinary order.

During the current year, the Institute made partial settlement of HK\$1,000,000 (2019: HK\$4,000,000) for the case and Nil (2019: HK\$127,000) was charged to the statements of comprehensive income. At 30 June 2020, included in “Payables and accruals” is an amount of HK\$358,000 (2019: HK\$1,358,000) for outstanding potential liability of the case, which is under on-going settlement discussions. The actual recovery and liability will depend upon a number of factors including taxation, agreement reached with the appellant and the insurers agreement to such amounts.

- (ii) During the current year, the Institute recovered HK\$1,201,000 (2019: HK\$1,500,000) as interim settlement from an applicant who applied for appeal on a disciplinary order against him.

c. Government grants

During the current year, the Institute recognized HK\$2,064,000 (2019: Nil) as the approved amount of wage subsidies under the Employment Support Scheme launched by the HKSAR Government on 12 May 2020.

5. DEFICIT BEFORE TAX

	Group		Institute	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Deficit before tax has been arrived at after charging/(crediting):				
Employee benefits	166,476	153,859	164,296	150,407
Depreciation of fixed assets	20,295	15,102	19,632	14,409
Contribution to FRC (note 4(a))	-	8,496	-	8,496
Award for an appeal case (note 4(b)(i))	-	127	-	127
Auditor's remuneration	491	476	475	383
Allowance for obsolete inventories	62	37	62	37
Cost of goods sold	165	151	163	142
Donations (a)	4	2	54	52
Exchange (gain)/loss	(3)	14	-	-
Gain on disposal of fixed assets	(10)	(11)	(10)	(11)
Impairment of receivables	35	-	35	-
Interest on lease liabilities	123	117	94	70
Obsolete inventories written off	89	11	24	11
Recovery of obsolete inventories written off	(19)	(6)	(19)	(6)
Uncollectible amounts written off	30	7	30	7

a. During the current year, the Institute donated HK\$50,000 (2019: HK\$50,000) to The HKICPA Charitable Fund.

6. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

a. Recognizing that the difficulties facing by the Institute's members under the COVID-19 pandemic, the Council decided to grant some one-off concessions for the subscription year of 2021. They are:

- Annual fee waiver to a maximum of one partner per firm or one director per corporate practice
- Waiving the capital levy for all members and students
- Reduction of students annual fee

Existing members, firms, corporate practices and students are entitled to the concessions when they renew their membership/license for 2021. New joiners will pay the normal rates.

To further support members' preparations for the future, the Institute will also offer more free/subsidized continuing professional development events in the next financial year.

The estimated cash impact for these concessions and subsidies is approximately HK\$23 million.

b. The COVID-19 pandemic caused the cancellation of the June 2020 examination session and has a knock-on effect on the timing of the implementation of the new Qualification Programme, thereby affecting the amount of examination income and related expenses anticipated in the next financial year.



ON THE COVER

This year's annual report focuses on the Institute's *Strategic Plan 2020-2022*, which sets out the Institute's vision, mission and values, and strategic aims. The single overarching purpose behind all the objectives and initiatives in the Strategic Plan is to build trust in the accounting profession in order to keep members and the profession relevant in the face of unprecedented challenges, such as technological advances and tough regulation. The full annual report will include photo essays of members of the Institute's committees and panels, discussing how their efforts will keep the Hong Kong accounting profession sustainable and prepared for the future.

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Amendments to the Professional Accountants By-Laws, Cap 50A

Highlights of Major Amendments	By-Law ("BL")
<p><u>Electronic General Meetings</u></p> <p>These amendments provide the Council with the power to hold physical and/or electronic general meetings. Corresponding amendments to the notice of meetings provision, quorum and counting of electronic votes by poll have been made.</p>	<p>BL 13A; BL 14; BL 16; BL 18</p>
<p><u>Adjournment & Postponement of a General Meeting</u></p> <p>Common provisions to regulate when and how meetings might be adjourned, or postponed for reasons beyond the Institute's control are added</p>	<p>BL 18A; BL 18B</p>
<p><u>Communication and Notices</u></p> <p>A common notice provision is added</p>	<p>BL 49</p>
<p><u>Administrative Amendment</u></p> <p>The period between the receipt of nomination papers for Council elections and circulation of the list of candidates for Council elections has been extended by 7 days. Consequential amendments have been made to other timelines, to reflect this additional period.</p>	<p>BL 2(3); BL 13(3) & BL 14.</p>

**HKICPA BY-LAWS AMENDMENTS
PROFESSIONAL ACCOUNTANTS BY-LAWS (Cap. 50 sub. leg. A)**

DRAFT PROVISIONS	COMMENTS / EXPLANATION
By-Law 2(3): Nominations of members of Council	
<p>(3) The nomination paper and notice referred to in paragraph (2) shall be lodged with the Registrar not less than 24 <u>31</u> days prior to the annual general meeting. <i>(L.N. 137 of 1977; 23 of 2004 s. 55)</i></p>	<p>To provide a total of 14 days to review and process the nominations and notices received from candidates who wish to stand in the Council elections.</p>
By-Law 13(3): General meetings of Institute	
<p>(3) The notice calling a general meeting under paragraph (2), shall be issued by the Registrar within 28 <u>35</u> days of the receipt of such request.</p>	
<u>New By-Law 13A: Mode of general meetings of Institute</u>	
<p><u>The Council may resolve to enable certified public accountants to attend any general meeting, whether physically and/or electronically, by simultaneous attendance and participation. Such general meeting shall be duly constituted and its proceedings valid if the chairman is satisfied that certified public accountants and members of the Council attending as a whole have a reasonable opportunity to participate in the business for which such general meeting has been convened.</u></p>	<p>The new By-Law allows the Council to determine whether a meeting be held physically, electronically or a combination of both. The By-Law also requires that those attending must as a whole have a reasonable opportunity to participate.</p>
By-Law 14: Notice of meetings of Institute	
<p>(1) The Registrar shall give not less than 28 <u>35</u> days' notice of any general meeting of the Institute to each certified public accountant at his registered address in the form and in the manner as the Council may determine, specifying the day<u>date</u>, place and hour <u>time</u> of the general meeting, and the general nature of the business to be transacted and place(s) and/or electronic mean(s) for holding such general meeting.</p> <p>(2) <u>The accidental omission to give any notice of general meeting, or the non-receipt of any notice of general meeting by, any certified public accountant shall not invalidate the proceedings (including the passing of a resolution) at such general meeting.</u> <i>(23 of 2004 s. 55)</i> <i>[cf. S. Rhodesia By-Law 32]</i></p>	<p>This amendment will allow the Council to determine the manner in which a notice of meeting is communicated to members. For clarification, a standard non invalidation clause has been added.</p>

DRAFT PROVISIONS	COMMENTS / EXPLANATION
By-law 16(1), (2), (3) and (5): Quorum of general meetings of Institute	
(1) Subject to paragraph (3), 25 certified public accountants <u>present in person or by proxy</u> shall constitute a quorum at a general meeting of the Institute. (23 of 2004 s. 55)	In view of the potential impact of group gathering restrictions, an amendment is introduced to include the number of proxies held by a CPA in counting the quorum of a meeting.
(2) Subject to paragraph (4), if 15 minutes after the time appointed for a general meeting, there is no quorum, the meeting shall stand adjourned for not less than 1 week and not more than 4 weeks, to be held on such date, and at such hour <u>time</u> , and <u>at such place(s) and/or by such mode</u> as the Council may determine.	The amendment removes the restriction that an adjourned meeting must be held physically.
(3) Subject to paragraph (4), at a meeting adjourned under paragraph (2), the certified public accountants <u>present in person or by proxy</u> shall form a quorum and shall have full power to transact the proposed business of the adjourned meeting. (23 of 2004 s. 55)	Similar comment to sub section (1), above.
(5) <u>For the purposes of this By-Law, a certified public accountant is deemed to be present in person or by proxy at a general meeting if he or his proxy attends and participates at any meeting place of such general meeting, and/or through any electronic means, as the Council may determine.</u>	This additional sub section allows presence to include electronic presence.
By-Law 18(1), (3), (7) and (10): Procedure at meetings of Institute	
(1) A resolution or amendment thereto proposed and seconded at a general meeting of the Institute shall be put to the meeting by the chairman and, subject to the provisions of paragraphs (2) <u>and (3)</u> , shall be decided by a show of hands. (23 of 2004 s. 55)	
(3) Subject to paragraph (7), a A poll shall be taken on a resolution or amendment thereto proposed and seconded at a general meeting if requested — (a) <u>if requested</u> by not less than 10 certified public accountants immediately after the declaration by the chairman of the result of a show of hands under paragraph (1); or (23 of 2004 s. 55) (b) upon the request in writing, signed and submitted before the dissolution or adjournment of the meeting by not less than 10 certified public accountants present; or (23 of 2004 s. 55) (c) <u>if the general meeting is held at more than one place and/or through electronic means; or</u>	This amendment requires a poll to be taken whenever the meeting is to be held electronically or in more than one location. A power is also granted to enable the Chair to demand a poll rather than have a matter determined on a show of hands. Chair will also have the power to direct how the poll is to be conducted, especially in the case of electronic voting.

DRAFT PROVISIONS	COMMENTS / EXPLANATION
(d) <u>if demanded by the chairman of the general meeting.</u>	
(7) <u>Subject to paragraph (3)(c), No poll shall be taken for the election of the chairman or the adjournment of a general meeting.</u>	The amendment is required so as to reflect the fact that if a meeting is held in more than one location or electronically, a show of hands to vote on these issues is no longer practicable.
(10) <u>The appointment of a proxy shall have no effect unless the instrument appointing the proxy, and the power of attorney or other authority (if any) under which it is signed, is lodged with the Registrar chairman not less than 48 hours before the time for holding the meeting at which the proxy proposes to vote, or within such lesser time as the chairman Council may allow.</u>	This amendment is required to reflect the practical fact that the identity of the Chair cannot be confirmed until the meeting.
<u>New By-Law 18A: Adjournment of general meetings of Institute</u>	
<p>(1) <u>The chairman of the general meeting may adjourn the meeting at which a quorum is present to such date, at such time and at such place(s) and/or by such mode as the Council may determine if:</u></p> <p style="padding-left: 40px;">(a) <u>the meeting consents to an adjournment; or</u></p> <p style="padding-left: 40px;">(b) <u>it appears to the chairman that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.</u></p> <p>(2) <u>No business shall be transacted at the adjourned general meeting other than the business left unfinished at the meeting which was so adjourned.</u></p> <p>(3) <u>A certified public accountant may appoint a proxy for the adjourned meeting by means of an instrument complying with By-Laws 18(9) and (10).</u></p>	<p>The current By-Laws does not contain provision for the adjournment of a meeting. This new By-Law is intended to clarify the Chair’s powers to adjourn a meeting for health and safety reasons or where issues arise that will disrupt the meeting. By-Law 18A(1) makes reference to the Model Articles for Hong Kong companies – please see, for example, article 46(3) of Schedule 1 (public companies), article 42(3) of Schedule 2 (private companies) and article 42(3) of Schedule 3 (companies limited by guarantee) to the Companies (Model Articles) Notice (Cap. 622 sub. leg. H)).</p> <p>Once a meeting is adjourned, Council will determine the mode and place of the adjourned meeting, consistent with By-Law 13A.</p>
<u>New By-Law 18B: Postponement and cancellation of general meetings of Institute</u>	
(1) <u>The Council may postpone a general meeting where the postponement is necessary to protect the safety of any person attending the meeting, including without limitation (a) where a typhoon signal no. 8 or above has been hoisted, black rainstorm warning signal has been issued or other similar event is in force at any time between the hours of 8:00 a.m. to 5:00 p.m. on the day of the meeting; and (b) where any restriction</u>	The By-Laws do not provide for a situation where a meeting will need to be postponed or cancelled for reasons beyond the control of the Institute.

DRAFT PROVISIONS	COMMENTS / EXPLANATION
<p><u>of movement or other similar mandatory measures imposed by the Government is or will be in force on the day of the meeting. Where a general meeting is so postponed, it shall be postponed for not less than 1 week and not more than 4 weeks, to be held on such date, at such time, and at such place(s) and/or by such mode as the Council may determine.</u></p> <p style="padding-left: 20px;"><u>(2) The Council may give notice of a cancellation or postponement or change of place and/or mode of a general meeting as the Council may determine.</u></p> <p style="padding-left: 20px;"><u>(3) The only business that shall be transacted at the postponed general meeting is the business specified in the original notice calling the meeting.</u></p> <p style="padding-left: 20px;"><u>(4) A certified public accountant may appoint a proxy for the postponed meeting by means of an instrument complying with By-Laws 18(9) and (10).</u></p>	<p>The adjournment period of <i>not less than one week and not more than four weeks</i> mirrors the same period as set out in By-Law 16(2), when a lack of quorum causes an adjournment.</p>
<u>New PART XII – COMMUNICATIONS AND NOTICES</u>	
<u>New By-Law 49: Communications and Notices</u>	
<p><u>(1) Except as otherwise provided in the Ordinance or these By-Laws, any notice or document to be given or issued under the Ordinance or in these By-Laws by the Institute to the certified public accountants may be given or issued by the following means:</u></p> <p style="padding-left: 20px;"><u>(a) by delivering it by hand to the recipient at his registered address or such other address as may be designated by the recipient for such purpose; or</u></p> <p style="padding-left: 20px;"><u>(b) by sending it by post to the recipient at his registered address or such other address as may be designated by the recipient for such purpose; or</u></p> <p style="padding-left: 20px;"><u>(c) by sending or transmitting it to the recipient's email address as may be designated by the recipient for such purpose; or</u></p> <p style="padding-left: 20px;"><u>(d) other than the notice of general meeting to be given under By-Law 14, by publishing it on the Institute's website.</u></p> <p><u>(2) Unless the contrary is proved, any notice or document shall be deemed to be received by the relevant recipient:</u></p>	<p>This amendment details the manner in which the Institute may send communications to CPAs. It also clarifies that the Council can determine how communications by members to the Institute may take place.</p>

DRAFT PROVISIONS	COMMENTS / EXPLANATION
<p><u>(a) if delivered by hand, at the time when the notice or document is delivered to the recipient at his registered address or the specified address under paragraph (1)(a);</u></p> <p><u>(b) if sent by post, on the second business day after the day on which the notice or document is sent to the recipient at his registered address or the specified address under paragraph (1)(b);</u></p> <p><u>(c) if sent or transmitted by email, at the time when the notice or document is sent or transmitted to the recipient at the specified address under paragraph (1)(c), unless the Registrar receives a delivery failure notification indicating that such email has not been delivered to that email address;</u></p> <p><u>(d) if published on the Institute's website, at the time when the notice or document is made available on the Institute's website in a form that enables the relevant recipient to read it and keep a copy of it.</u></p> <p><u>(3) In proving such delivery, transmission or publication in accordance with this By-Law, a certificate in writing signed by the Registrar certifying the actions taken for such delivery, transmission or publication and the time of such delivery, transmission or publication shall be conclusive evidence thereof.</u></p> <p><u>(4) Except as otherwise provided in these By-Laws, any notice or document required to be given or issued under the Ordinance or in these By-Laws by a certified public accountant to the Registrar or Council shall be in such form, signed in such manner and given within such prescribed date and time as the Council may determine.</u></p>	

香港會計師公會附例修訂
《專業會計師附例》(第 50 章, 附屬法例 A)

條款草案	評論 / 說明
第 2(3) 條：理事會理事的提名	
(3) 第 (2) 款提述的提名書及通知書須在周年大會舉行前不少於 24 <u>31</u> 日提交註冊主任。(1977 年第 137 號法律公告；2004 年第 23 號第 55 條)	預留共 14 天以審查及處理參與理事會選舉的候選人的提名及通知。
第 13(3) 條：公會的大會	
(3) 根據第 (2) 款召開的大會的通知須在收到上述要求後的 28 <u>35</u> 日內，由註冊主任發出。	
新設第 13A 條：公會大會的舉行方式	
<u>理事會可議決讓會計師親身及 / 或以電子方式，同時出席和參與任何大會。如主席信納出席大會的會計師和理事會理事整體上有合理的機會參與召開該次大會所要處理的事務，該次大會即為正式組成，而且其議事程序為有效。</u>	這項新附例允許理事會決定以實體、經電子方式或者結合上述兩種方式舉行會議。這項附例也規定，出席會議的人士必須整體上有合理的機會參與會議。

條款草案	評論 / 說明
<p>第 14 條：公會會議的通知</p>	
<p>(1) 註冊主任須就公會的<u>任何大會，按各會計師理事會決定的註冊地址形式和方式</u>，向每名會計師發出不少於<u>28 35</u> 日的通知，該通知須指明該次大會舉行的日期、地點及時間以及<u>須處理的事務的一般性質以及舉行該次大會的地點及 / 或電子方式</u>。</p> <p>(2) 若因意外遺漏而未有向任何會計師發出任何大會通知，或有任何會計師沒有收到任何大會通知，均不會使有關大會的議事程序（包括通過決議）<u>失效</u>。</p> <p style="text-align: center;">(2004 年第 23 號第 55 條) [比照 S. Rhodesia By-Law 32]</p>	<p>這項修訂將允許理事會決定以何種方式將會議通知傳達給會員。為清楚說明，加入了一項標準不使失效條款。</p>
<p>第 16(1)、(2)、(3)及(5) 條：公會大會的法定人數</p>	
<p>(1) 除第 (3) 款另有規定外，<u>25名親身出席或由代表出席的會計師即組成公會大會的法定人數</u>。(2004 年第 23 號第 55 條)</p>	<p>考慮到限聚令可能造成的影響，本款加入了一項修訂內容，在計算會議的法定人數時，由每一位會計師代表出席的委任人將計算在內。</p>
<p>(2) 除第 (4) 款另有規定外，如<u>指定的大會舉行大會的指定時間已過逾 15分鐘，而出席人數仍未達法定人數，則該大會須延期不少於 1 星期但不多於 4 星期，在、按理事會決定的日期、時間及地點及 / 或方式舉行</u>。</p>	<p>這項修訂免除延期的會議必須以實體會議方式進行的限制。</p>
<p>(3) 除第(4)款另有規定外，<u>在根據第 (2) 款延期舉行的大會上，親身出席或由代表出席的會計師即為大會的法定人數，具有全權處理擬定於延期的大會擬上處理的事務</u>。(2004 年第 23 號第 55 條)</p>	<p>類似於以上第 (1) 項的評說。</p>
<p>(5) 就本條而言，<u>若會計師或其代表經任何理事會決定的地點及 / 或電子方式出席及參與大會，即視為親身出席或由代表出席該次大會</u>。</p>	<p>這新增條款允許在計算出席會議的人士時，把透過電子方式出席會議的人士計算在內。</p>

條款草案	評論 / 說明
第 18(1)、(3)、(7)及(10) 條：公會會議的程序	
(1) 在公會大會上提出與獲得附議的決議或其修訂須由主席提交大會，並在符合第 (2) 及 (3) 款的規定下，須以舉手方式表決。(2004 年第 23 號第 55 條)	
<p>(3) 除第(7)款另有規定外，如在以下人士提出要求，則情況，須就大會上提出與獲得附議的決議或其修訂以投票方式表決 —</p> <p>(a) 若緊接主席宣布根據第 (1) 款以舉手方式表決的結果後，由不少於 10 名會計師提出此項要求；或 (2004 年第 23 號第 55 條)</p> <p>(b) 若在大會解散或延期前，由不少於 10 名出席大會的會計師簽署和呈交書面要求。—；或 (2004 年第 23 號第 55 條)</p> <p>(c) 若該大會在多於一個地點及 / 或通過電子方式舉行；或</p>	這項修訂規定會議如以電子方式或同時在多於一個地點舉行時，須以投票方式進行表決。同時授權主席能夠要求以投票方式代替以舉手就某一事項進行表決。主席亦有權指示如何進行投票，尤其是以電子方式進行的投票。
(d) 若大會主席提出此項要求。	
(7) 除第 (3)(c) 款另有規定外 ，就主席的選舉或大會的延期不得以投票方式表決。	此項修訂主要反映在多於一個地點或以電子方式舉行會議時，以舉手方式就有關問題進行表決不再可行。
(10) 除非委任代表的文書，以及據以簽署該文書的授權書或特許書 (如有的話) 在該代表擬行使表決權的大會的舉行時間前不少於 48 小時向主席註冊主任提交，或在主席理事會容許的較短時間內向主席註冊主任提交，否則該代表的委任即屬無效。	此項修訂主要反映在會議開始之前無法確定主席的身份之實際情況。

條款草案	評論 / 說明
新設第 18A 條：公會大會的延期	
<p>(1) <u>於下述情況中，大會主席可將達到法定人數的會議延期至按理事會決定的日期、時間及地點及 / 或方式舉行：</u></p> <p>(a) <u>該大會同意延期；或</u></p> <p>(b) <u>主席認為有必要將會議延期，以保障任何與會人士的安全，或為確保會議上事務獲有秩序地處理。</u></p> <p>(2) <u>除在被延期會議上未完成處理的事務外，不得在延期的大會上處理其他事務。</u></p> <p>(3) <u>會計師可以符合第 18(9) 和 (10) 條規定的文書，委任其在延期的會議上的代表。</u></p>	<p>現有的附例中，並沒有關於會議延期的規定。這條新的附例旨在闡明主席出於健康和原因，或出現擾亂會議的事情時，有權將會議延期。第 18A(1) 條參考了適用於香港公司的章程細則範本— 例如《公司 (章程細則範本) 公告》(第 622 章，附屬法例 H) 當中的附表 1 — 公眾股份有限公司的章程細則範本第 46(3) 條、附表 2 — 私人股份有限公司的章程細則範本第 42(3) 條及附表 3 — 擔保有限公司章程細則範本第 42(3) 條之條文。</p> <p>若會議延期舉行，理事會將根據附例第 13A 條決定延期的會議的舉行方式和地點。</p>
新設第 18B 條：公會大會的押後和取消	
<p>(1) <u>若為保障任何與會人士的安全而有必要押後大會，理事會可在包括但不限於以下情況押後舉行大會：(a) 在會議當日上午 8 時正至下午 5 時正期間的任何時間，懸掛 8 號或以上颱風信號、發出黑色暴雨警告信號或發生其他類似事件；及 (b) 特區政府施行的任何活動限制或其他類似強制措施正在或將會在會議當日實施。若大會因此押後舉行，該大會須押後不少於 1 星期但不多於 4 星期，按理事會決定的日期、時間及地點及 / 或方式舉行。</u></p>	<p>附例沒有就因為公會無法控制的原因而需要押後或取消會議的情況作出規定。</p> <p>將會議押後不少於 1 星期但不多於 4 星期舉行的時間，與附例第 16(2) 條所規定，當會議未達到法定人數時將會議延期的時間相同。</p>

條款草案	評論 / 說明
<p>(2) <u>理事會可按其決定，發出取消或押後大會或更改大會舉行地點及 / 或方式的通知。</u></p> <p>(3) <u>在押後的大會上可處理的事務，只限在原來召開該會議的通知中指明的事務。</u></p> <p>(4) <u>會計師可以以符合第 18(9) 和 (10) 條規定的文書，委任代表出席押後的會議。</u></p>	
<p>新設第 XII 部 – 通訊與通知</p>	
<p>新設第 49 條：通訊與通知</p>	
<p>(1) <u>除本條例或本附例另有規定外，公會根據本條例或本附例向會計師發出或發送的任何通知或文件可透過以下方式發出或發送：</u></p> <p>(a) <u>經專人按收件人的註冊地址或收件人為此指定的其他地址，交付予收件人；或</u></p> <p>(b) <u>經郵遞按收件人的註冊地址或收件人為此指定的其他地址，寄送予收件人；或</u></p> <p>(c) <u>按收件人為此指定的電郵地址，發送或傳送予收件人；或</u></p> <p>(d) <u>除根據第 14 條發出的大會通知外，將有關通知或文件刊載於公會的網站。</u></p> <p>(2) <u>除非相反證明成立，否則任何通知或文件均應視為由相關收件人於以下時間收到：</u></p>	<p>此項修改詳載公會可向會計師發送通訊的方式，並且說明理事會可以決定會員如何與公會進行溝通。</p>

條款草案	評論 / 說明
<p>(a) <u>如經專人交付的，當有關通知或文件按收件人的註冊地址或根據第 (1)(a) 款指定的地址交付到收件人；</u></p> <p>(b) <u>如經郵遞方式寄送的，當有關通知或文件按收件人的註冊地址或根據第 (1)(b) 款指定的地址寄送給收件人當日之後的第二個工作日；</u></p> <p>(c) <u>如經電郵發送或傳送的，當有關通知或文件按收件人根據第 (1)(c) 款指定的電郵地址發送或傳送之時，除非註冊主任收到傳送失敗通知，顯示該電郵未能發送到該電郵地址；</u></p> <p>(d) <u>如在公會網站刊載的，當有關通知或文件以相關收件人能夠閱讀並保留其文本的形式在公會網站提供之時。</u></p> <p>(3) <u>在證明已按本條規定交付、傳送或刊載有關通知或文件時，由註冊主任簽發，證明已採取所需的交付、傳送或刊載行動以及相關時間的書面證明，將為以上內容的不可推翻的證據。</u></p> <p>(4) <u>除本附例另有規定外，會計師根據本條例或本附例須向註冊主任或理事會發出或發送的任何通知或文件，均須按理事會決定的形式、簽署方式及訂明的日期和時間內發出。</u></p>	