

Press Release

30 January 2019

**FRC Welcomes the Passage of Financial Reporting Council
(Amendment) Bill 2018**

(30 January 2019, Hong Kong) The Financial Reporting Council (**FRC**) welcomes the passage of the Financial Reporting Council (Amendment) Bill 2018 following its approval today at the Legislative Council.

When the Bill takes effect the FRC will become Hong Kong’s only independent auditor regulator, vested with direct powers of inspection, investigation, as well as discipline concerning auditors of listed entities. The FRC will also be overseeing the performance of the Hong Kong Institute of Certified Public Accountants of their functions for registration; standards in professional ethics, auditing and assurance; and continuing professional development requirements in relation to auditors of listed entities.

Dr Kelvin Wong, Chairman of the FRC, said, “We are delighted the Bill, which is in the best interest of Hong Kong, has been enacted. With a market capitalisation of over HK\$30 trillion and over 2,200 listed entities, Hong Kong needs an independent auditor regulatory regime that will help bridge the long due gap of investor protection and further strengthen Hong Kong’s reputation as a competitive international financial centre.”

The passage of the Bill will also enable the FRC to become a member of the International Forum of Independent Audit Regulators whose members from around the world share their regulatory experience and inspection findings in order to enhance audit quality globally. The Bill’s mandate that the FRC should only consist of non-practitioners will also enable the FRC to meet the European Commission’s “adequacy” requirements and enter into cooperation agreements with key overseas regulators in respect of regulation of overseas auditors engaged by listed entities in Hong Kong.

Paul F. Winkelmann, CEO of the FRC, stated, “We are pleased to witness the passage of the Bill and are now preparing for the new opportunities and challenges presented to us in this new era. We are now focused on enhancing our operational structure, including the setting up of policies and guidelines that would enable us to effectively discharge our expanded responsibilities. We will continue to strive for excellence and uphold the quality of financial reporting in Hong Kong.”

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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.

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