



創於 1913 年
Founded in 1913

香港華人會計師公會 The Society of Chinese Accountants & Auditors

(在香港註冊成立之有限公司)

(Incorporated in Hong Kong as a company limited by guarantee)

9 January 2019

Clerk to Bills Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

E-mail : bc_04_18@legco.gov.hk

Dear Sir,

Re: 9. Bills Committee on Professional Accountants (Amendment) Bill 2018

Our views and suggestions

It has been the concern of the Society on the existing of bogus CPA firms in Hong Kong as the business of our members who are practicing accountants are directly and adversely impacted. We keep raising this issue to both the Hong Kong Government and the HKICPA for many years but so far, the progress of cracking down on it is not to our satisfaction.

Although the proposed Amendment Bill is a bit late as the use of some of those proposed prohibited names has been used by companies in Hong Kong for long time (companies with the proposed prohibited names can be easily searched on Google), we welcome all the proposed changes in the Bill except for the amount of fine as further explained below.

Further, we strongly suggested that there should be a channel for the public to report suspected cases and to search for the names and details of the offenders.

Proposed amount of fine

We are of the opinion that the present proposal of increasing the fine from level 4 to level 5 is still not an enough deterrent for potential offenders. As you probably know that certain sizable accounting companies now operating in the market bearing the words “註冊會計” 和 “專業會計” in their company names have been using overwhelming advertising campaign and having branches in prime locations to promote their businesses, the proposed HK\$50,000 fine (level 5) is definitely minimal as compared to their operating expenses and hence we would suggest the proposed fine to be HK\$300,000 (reference can be made to S379 of Companies Ordinance that



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director failing to prepare company's financial statements can be fine for HK\$300,000 and also S433 that company and every responsible person failing to send copies of financial statements etc. to members before general meeting will be fine for HK\$300,000).

Provide a channel to report suspected cases and to search the names and details of the offenders

We suggest HKICPA to add a webpage in their website similar to the "Scam Alert" webpage (www.hklawsoc.org.hk/pub_e/scam/search.asp) of The Law Society of Hong Kong as a channel for the above purpose.

Our Society has been supporting Hong Kong since 1913 and it is our wish that Hong Kong will strive and prosper harmoniously in the future.

We will be happy to answer any further questions that you may have. Should you require more information, please do not hesitate to contact Mr. Donald Chau, Chairman of our Practice Management Committee.

Yours faithfully,

YU Kwong Man, Tanny

President