



Legal Supplement No. 1
TO THE
HONG KONG GOVERNMENT GAZETTE
Published by Authority

SUP. TO GAZETTE No. 46

FRIDAY, 17 NOVEMBER, 1972

VOL. CXIV

PROFESSIONAL ACCOUNTANTS ORDINANCE 1972
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HONG KONG

No. 68 OF 1972

I assent.

L.S.

MURRAY MACLEHOSE,
*Governor.**16th November, 1972.*

An Ordinance to establish the Hong Kong Society of Accountants and to provide for the registration and control of the accountancy profession, and for matters ancillary to or connected with the purposes aforesaid.

[]

Enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof.

PART I**PRELIMINARY**

1. This Ordinance may be cited as the Professional Accountants Ordinance 1972 and shall come into operation on a day to be appointed by the Governor by notice in the *Gazette*.

Short title and commencement.

2. In this Ordinance, unless the context otherwise requires—

Interpretation.

“approved institute” means an institute, society, association or other body specified in the Schedule;

Schedule.

“certified public accountant” means a professional accountant registered as such by virtue of section 24(1) and holding a practising certificate;

“Council” means the Council of the Society established under section 10;

“Disciplinary Committee” means the Disciplinary Committee appointed under section 33;

“elected member” means a member of the Council elected under section 10(2)(c);

“practising certificate” means a current practising certificate issued under section 30;

- “President” means the President of the Society elected under section 4 or 51(3) and any person acting as President;
- “professional accountant” means a person who is registered as a professional accountant under section 22;
- “public accountant” means a professional accountant registered as such by virtue of section 24(2) and holding a practising certificate;
- “register” means the register of professional accountants kept under section 22;
- “registered address” means any address of a professional accountant which is entered in the register under section 22(2);
- “registered office” means the registered office referred to in section 31;
- “Registrar” means the Registrar appointed under section 21;
- “Registrar General” means the Registrar General appointed under the Registrar General (Establishment) Ordinance;
- “Society” means the Hong Kong Society of Accountants incorporated by section 3;
- “Vice-President” means the Vice-President of the Society elected under section 4 or 51(3) and any person acting as Vice-President.

(Cap. 100.)

PART II

THE HONG KONG SOCIETY OF ACCOUNTANTS

Incorporation
of Society.

3. The persons registered as professional accountants under section 22 shall—

- (a) be a body corporate with perpetual succession;
- (b) be known as the Hong Kong Society of Accountants; and
- (c) in that name be capable of suing and being sued and, subject to this Ordinance, of doing and suffering all such other acts as a body corporate may lawfully do and suffer.

Appointment
of President
and Vice-
President.

4. (1) There shall be a President and a Vice-President of the Society, who shall be elected by the Council from the elected members.

(2) The President and the Vice-President shall, unless they are deemed by virtue of section 15 to have vacated their offices

as members of the Council, hold office until they retire from office as members of the Council under section 12.

(3) If a casual vacancy occurs in the office of President, the Vice-President shall act as President.

(4) If a casual vacancy occurs in the office of Vice-President, the Council may elect an elected member to fill the vacancy.

(5) For the purposes of this section and section 11, a casual vacancy shall be deemed to occur when a person is temporarily absent from Hong Kong or is temporarily unable to attend to the business of the Council.

(6) Notwithstanding subsection (1), if only one elected member is proposed for election to fill a vacancy in the office of President or Vice-President, such elected member shall, without taking a vote upon the proposal, be deemed to have been elected at the conclusion of the meeting of the Council at which the vacancy is to be filled.

5. The Society shall maintain an office the address of which shall be notified to the Registrar General.

Office of
Society.

6. (1) The Society shall have and may use a common seal, the affixing of which shall be authenticated by the signature of the Registrar.

Official seal
and authentication
thereof, and
instruments
executed
thereunder.

(2) Any instrument purporting to be executed under the seal of the Society shall be received in evidence and shall, unless the contrary is proved, be deemed to be an instrument so executed.

7. The objects of the Society shall be—

Objects of the
Society.

- (a) to maintain a register of professional accountants;
- (b) to regulate the practice of the accountancy profession;
- (c) to conduct examinations and act in such other manner as may be necessary to ascertain whether persons are qualified to be admitted to the register;
- (d) to encourage the study of accountancy by accountants and students, and to give certificates, bursaries, scholarships and rewards on such terms and conditions as may be specified from time to time;
- (e) to maintain a library and reading rooms for the use of accountants and students;

- (f) to establish and assist in establishing and supporting associations, funds, trusts and schemes intended to benefit accountants or their dependants, and to grant pensions and allowances to any accountant or his dependants;
- (g) to represent the views of the profession and to preserve and maintain its integrity and status;
- (h) to discourage dishonourable conduct and practices by professional accountants, and for this purpose to hold inquiries into the conduct of professional accountants;
- (i) to provide for the settlement of disputes between professional accountants;
- (j) to take such action as the Society considers necessary in any matter affecting the professional interests of professional accountants;
- (k) to do all such other things as are incidental or conducive to the attainment of the above objects.

Power of
Society to
make by-laws.

8. (1) The Society may, subject to the approval of the Governor in Council, make by-laws—

- (a) regulating the practice of accountancy by professional accountants in Hong Kong;
- (b) fixing registration and other fees;
- (c) regulating meetings of the Society and the Council;
- (d) governing the registration, training and education of students and the fees payable therefor;
- (e) governing the discipline of students;
- (f) empowering the Council to make rules prescribing examinations for students, the fees payable therefor and all matters incidental to the holding thereof including exemptions or concessions which may be granted in respect of the examinations;
- (g) regulating the conditions on which examiners shall be engaged;
- (h) regulating the appointment of an auditor;
- (i) providing for the use and custody of the common seal of the Society;
- (j) providing for the custody, investment and expenditure of the funds and the management of property of the Society;
- (k) specifying the procedure of the Disciplinary Committee and the composition and procedure of any other committee;

- (l) specifying the designations for professional accountants and the initials by which professional accountants may be known;
- (m) prescribing the practical experience required for the issue of a practising certificate;
- (n) regulating the nomination and election of elected members of the Council;
- (o) conferring on members of the Council and employees and auditors of the Society a right of indemnity against the Society for actions brought against them for things done by them in the execution of the Ordinance;
- (p) prescribing anything which is to be or may be prescribed by the Ordinance;
- (q) generally for the better carrying into effect of the purposes of this Ordinance and for the furtherance of the objects of the Society.

(2) A copy of any by-laws made by the Society shall, as soon as practicable after the making thereof, be duly certified by the President and transmitted by him for the approval of the Governor in Council.

(3) A by-law under subsection (1) may be made only by a majority of two-thirds of the professional accountants present and voting at a general meeting of the Society convened for the purpose of making the by-laws. Notice of such meeting and of the by-laws to be proposed thereat shall be sent by registered post to every professional accountant at his registered address not less than twenty-one days before the date fixed for the meeting, but the non-receipt of such a notice by any professional accountant shall not invalidate the proceedings thereat.

(4) Until the first general meeting of the Society, the Governor may make by-laws for the Society in respect of any of the matters specified in subsection (1).

9. (1) The first annual general meeting of the Society shall be held within nine months after the commencement of this Ordinance.

General meetings.

(2) An annual general meeting of the Society shall be held not less than once in every calendar year, and not more than fifteen months after the holding of the last preceding annual general meeting.

(3) General meetings of the Society, other than the annual general meeting, shall be held as required by the by-laws.

(4) Any professional accountant may, at any meeting of the Society, move any resolution which is not inconsistent with the

purposes and provisions of this Ordinance but may not move a resolution in respect of any act done in pursuance of the powers conferred by section 26, 27, 30, 34, 35, 36 or 39.

PART III

THE COUNCIL OF THE SOCIETY

Establishment
and composition
of the
Council.

10. (1) There is hereby established the Council of the Hong Kong Society of Accountants.

(2) The Council shall, subject to subsection (3), consist of the following twelve members—

- (a) the Financial Secretary, or a person appointed by him as his representative;
- (b) the Accountant General, or a person appointed by him as his representative; and
- (c) ten professional accountants (not being persons entitled to be registered only under section 24(2)) elected at an annual general meeting of the Society, of whom at the time of election—
 - (i) not less than four shall be holders of practising certificates;
 - (ii) not less than four shall be neither holders of practising certificates nor employed by holders of practising certificates.

(3) In addition to the members specified in subsection (2), the Governor may appoint not more than two members, each of whom shall be a representative of a university or other educational institution which provides courses of instruction in accountancy.

Filling
vacancies in
Council.

11. (1) If a casual vacancy occurs under subsection (3) or (4) of section 4, or a vacancy is deemed to arise under section 15, the Council may appoint a professional accountant of the class referred to in sub-paragraph (i) or (ii) of section 10(2)(c), as the vacancy may require.

(2) A professional accountant appointed under subsection (1) to fill—

- (a) a casual vacancy under subsection (3) or (4) of section 4 shall hold office for so long as the member in whose place he is appointed would have held office or until the member resumes his office on the Council, whichever is the earlier; or

(b) a vacancy under section 15 shall hold office for so long as the member in whose place he is appointed would have held office.

12. Immediately before the conclusion of each annual general meeting of the Society, the five elected members who have been longest in office since their last election shall retire from office but shall be eligible for re-election:

Compulsory retirement of elected members.

Provided that at the second annual general meeting the five retiring elected members shall be determined by lot.

13. (1) If the number of professional accountants nominated as candidates for election to the Council at an annual general meeting of the Society—

Procedure for election of professional accountants as elected members.

(a) does not exceed the number of vacancies for elected members, the candidates shall be deemed to have been elected to the Council with effect from immediately before the conclusion of the annual general meeting at which the vacancies are to be filled;

(b) exceeds the number of vacancies for elected members, the election shall be determined by ballot, and the candidates so elected shall hold office as elected members with effect from immediately before the conclusion of the annual general meeting; or

(c) is less than the number of vacancies in respect of elected members, the Governor may appoint a professional accountant to fill any vacancy among the elected members of the Council remaining unfilled at the conclusion of the annual general meeting.

(2) A professional accountant appointed by the Governor under subsection (1)(c) shall hold office until the next annual general meeting.

14. If a vacancy is not filled by the Council within thirty days by appointment under section 11(1), the Governor may appoint a professional accountant of the class referred to in subparagraph (i) or (ii) of section 10(2)(c) to fill the vacancy, as the vacancy may require.

Governor may appoint a professional accountant to Council if Council fails to fill a vacancy.

15. An elected member shall be deemed to have vacated his office as a member of the Council if—

Vacation of office by Council members.

(a) he resigns his office, by notice in writing delivered to the Registrar;

- (b) he is absent without permission of the President from three consecutive meetings of the Council of which he has had notice to attend, and the Council resolves that his office shall be vacant;
- (c) he becomes bankrupt or makes an arrangement or composition with his creditors;
- (d) he ceases to be ordinarily resident in Hong Kong;
- (e) his name is removed from the register under section 27(1)(c) or (d) or section 35(1)(a); or
- (f) he ceases to belong to the class of which he was a member under sub-paragraph (i) or (ii) of section 10(2)(c):

Provided that this paragraph shall not apply if the remaining number of elected members of that class is not less than four.

Accounts.

16. (1) The Council shall maintain proper accounts of all transactions of the Society and shall prepare for every financial year a statement of the accounts of the Society, containing an income and expenditure account and a balance sheet, both of which shall be signed by the President.

(2) The Society in general meeting shall appoint an auditor who shall be entitled at any time to have access to all books of account, vouchers and other financial records of the Society and to require such information and explanations thereon as he thinks fit.

(3) The auditor shall audit the statements drawn up under subsection (1) as soon as possible and shall make a report thereon to the Council.

(4) A copy of the signed and audited statement of accounts, together with the auditor's report made under subsection (3), shall be—

- (a) sent to each professional accountant with the notice of the annual general meeting; and
- (b) submitted for approval to the annual general meeting of the Society next following the end of the financial year to which they relate.

(5) The auditor shall be entitled to attend the annual general meeting of the Society at which the statement of accounts which have been reported on by him are to be submitted for approval and to make any statement or explanation he desires with respect to the accounts.

(6) The Council shall determine the period, which may be more or less than twelve months, in respect of which the accounts of the Society shall be made up.

(7) In this section "financial year" means the period determined by the Council under subsection (6) as the period in respect of which the accounts of the Society shall be made up.

17. (1) The management and control of the Society and of its property shall be vested in the Council and all such powers, acts or things as may be exercised or done by the Society which are not required by this Ordinance, or by a resolution passed by the Society in general meeting, to be exercised or done by the Society may be exercised or done by the Council.

General
powers of
Council.

(2) No such resolution of the Society shall invalidate the exercise of any power or the doing of any act or thing by the Council before the date of the resolution.

(3) Subject to this Ordinance, the Council may regulate its own procedure and that of any committee appointed under section 18(1)(m) relating to—

- (a) the holding of meetings;
- (b) the notice to be given of such meetings;
- (c) the proceedings at such meetings;
- (d) the keeping of minutes at such meetings; and
- (e) the custody, production and inspection of such minutes.

18. (1) Without derogating from the generality of the powers conferred by section 17(1), the Council may—

Particular
powers of
Council.

- (a) do anything necessary for the better carrying out of the objects of the Society;
- (b) appoint such employees and agents as it deems necessary;
- (c) appoint the bankers of the Society;
- (d) purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property, and erect any buildings;
- (e) sell, lease, mortgage, dispose of or otherwise deal with any movable or immovable property of the Society;
- (f) invest moneys of the Society;
- (g) borrow moneys upon security or otherwise;

- (h) exchange information with similar bodies and with members of the profession in other countries and arrange with such bodies for the reciprocal recognition of accountants;
- (i) establish and maintain branches of the Society in Hong Kong and overseas and delegate the powers, duties and functions of the Society to such branches;
- (j) institute, conduct, defend, compound or abandon any legal proceedings by or against the Society or its officers or otherwise concerning the affairs of the Society and compound or allow time for payment or satisfaction of any debts due or of any claims or demands made by or against the Society;
- (k) refer any claim or demand by or against the Society to arbitration and comply with any award made as a result of such arbitration;
- (l) make and give receipts, releases and other discharges for moneys payable to and for claims and demands of the Society;
- (m) appoint committees to assist or advise the Council in the exercise of its powers and delegate to such committees such of its powers as it may from time to time determine; and
- (n) publish periodicals, booklets or other written material, and produce or sponsor the production of documentary films or other audio-visual material, and distribute the same by sale, loan, hire or otherwise, with or without charge, as the Council thinks fit.

(2) A committee appointed under subsection (1)(m) may, subject to the by-laws of the Society, include persons who are not professional accountants.

Council may accept grants, gifts, etc.

19. (1) The Council may, on behalf of the Society, accept property, by way of grant, gift, testamentary disposition or otherwise, on such conditions as it may determine.

(2) A list shall be kept by the Registrar of all donations to the Society and the name of the donor and any special conditions attached to the donation shall be entered in the list.

(3) Property donated to the Society for a specific purpose shall be applied for that purpose.

Reimbursement of expenses of Council members.

20. No fees shall be paid to any member of the Council for his services as a member, but a member may be repaid from the funds of the Society any expenses incurred by him in relation to the affairs of the Society.

PART IV

REGISTRATION OF PROFESSIONAL ACCOUNTANTS

21. (1) The Council shall appoint, on such terms and conditions as it thinks fit, a Registrar.

Appointment of Registrar and notification to Registrar General.

(2) The Registrar shall be the secretary to the Society and to the Council and shall, on the instruction of the President, convene any meeting of the Society or of the Council.

(3) The Council shall register the appointment of the Registrar with the Registrar General.

22. (1) The Registrar shall maintain a register of professional accountants, in such form as may be specified by the Council, and shall be responsible for the custody thereof.

Register of professional accountants.

(2) Upon the making of an order for the registration of an applicant under section 26(1), the Registrar shall enter in the register the following particulars of the person to be registered—

- (a) his name;
- (b) his residential address and any business address or, if he holds a practising certificate, his residential address and his registered office;
- (c) the qualification by virtue of which he is registered; and
- (d) such other particulars as the Council may direct.

(3) The register shall at all reasonable times be open to inspection at the office of the Society by any person without charge.

23. When a person has been registered under section 22, the Registrar shall issue to him a certificate of registration in such form as the Council may determine.

Certificate of registration.

24. (1) A person shall be qualified to be registered under this Ordinance as a professional accountant if he proves to the satisfaction of the Council that—

Qualifications for registration as professional accountant.

- (a) he has attained the age of twenty-one years;
- (b) he is of good character; and
- (c) (i) he is a member of an approved institute; or
(ii) he has passed such examinations in accountancy and other subjects and has complied with such requirements relating to practical experience as may be prescribed.

(2) A person who is not qualified to be registered under subsection (1) shall be entitled to be registered under this subsection as a professional accountant if, at the commencement of this Ordinance, his name is entered in Part I or Part II of the authorized list kept under section 131(3) of the Companies Ordinance.

(Cap. 32.)

Application for registration.

25. (1) A person shall apply to the Council to be registered as a professional accountant under this Ordinance, in such form as the Council may specify, and shall lodge with his application such registration fee as may be fixed by the Council.

(2) The applicant shall, if so directed by the Council, attend in person before the Council.

Acceptance or refusal of registration.

26. (1) The Council may order that an application for registration be approved or rejected.

(2) If the Council orders the rejection of an application under subsection (1)—

- (a) the order of rejection, which shall state the reason for rejection, shall be served forthwith by the Registrar upon the applicant either personally or by registered post addressed to the address shown in the application; and
- (b) the registration fee lodged with the application for registration shall be refunded to the applicant.

Removal from register of certain persons.

27. (1) The Council shall order the name of any professional accountant to be removed from the register if he—

- (a) resigns;
- (b) dies;
- (c) has been registered by mistake or in consequence of any misleading, false or fraudulent statement, declaration or representation, either oral or in writing;
- (d) has failed to renew his registration under section 28.

(2) The name of a professional accountant shall not be removed from the register under subsection (1)(d) unless notice is sent by registered post to his registered address requiring him to renew his registration within thirty days from the date of the notice.

(3) The order of the Council to remove the name of any professional accountant from the register under subsection (1)(c) shall be served forthwith by the Registrar upon the professional accountant concerned either personally or by registered post addressed to his registered address.

- (4) The Registrar shall not remove the name of a professional accountant from the register—
- (a) before the expiry of thirty days after the date of service of the order under subsection (3); or
 - (b) in the case of an appeal under section 41, before a decision of the Full Court affirming the order.

(5) When the name of a professional accountant is removed from the register, under subsection (1)(c) or (d), the Registrar shall, as soon as practicable thereafter, cause to be published in the *Gazette* a notice to that effect.

(6) If the name of a professional accountant is removed from the register under this section or section 35—

- (a) the certificate of registration and the practising certificate, if any, issued to the professional accountant shall be deemed to be cancelled with effect from the date on which his name is so removed; and
- (b) no refund of the registration fee or any part thereof shall be made.

28. (1) Registration of a person as a professional accountant shall—

Expiry of registration and renewal.

- (a) remain in force until the 1st day of January in the year following the year in which he was so registered; and
- (b) be renewable annually.

(2) An application for renewal of registration as a professional accountant—

- (a) shall be made to the Registrar in such form as the Council may specify; and
- (b) shall not be granted except on payment of the registration fee fixed by the Council.

29. (1) No person shall practise as a certified public accountant or public accountant unless he is registered as a professional accountant and holds a practising certificate.

Requirements to practise as certified public accountant or public accountant.

(2) No person other than a professional accountant holding a practising certificate shall hold any appointment or render any services, whether unpaid or otherwise—

- (a) as an auditor of a company within the meaning of the Companies Ordinance; or

(Cap. 32.)

- (b) as an auditor of accounts for the purpose of any other Ordinance.
- (3) Nothing in this Ordinance shall prevent—
 - (a) a person from—
 - (i) practising publicly and describing himself as an accountant, secretary, book-keeper, tax-agent, tax-consultant or cost-consultant; or
 - (ii) describing himself by any other designation, initials or characters not conveying the impression that he is entitled to practise as a certified public accountant or public accountant; or
 - (iii) acting as an auditor of a registered trade union with the approval of the Registrar of Trade Unions; or
 - (b) a member of a club, institution or association, which is not carried on with a view to profit, from acting as auditor of the club, institution or association; or
 - (c) the Council, upon application, from exempting any person from the provisions of subsection (2)(b).

Practising
certificates.

30. (1) A professional accountant may apply to the Registrar in the month of November in any year, for a practising certificate, in the form specified by the Council.

(2) If the Council is satisfied that the applicant has had the prescribed practical experience, the Registrar shall, on payment of the fee fixed by the Council issue to the professional accountant a practising certificate in the form specified by the Council for the period of one calendar year from the 1st day of January next following the date of the application.

(3) The Council may permit the application for a practising certificate to be made under subsection (1) at any time and upon such application the Registrar may issue to the applicant a practising certificate for any period not exceeding one calendar year and ending on the 31st day of December in any year.

(4) Notwithstanding subsection (2), a person whose name was at the commencement of this Ordinance entered in the authorized list of auditors kept under section 131(3) of the Companies Ordinance shall be entitled to be issued with a practising certificate.

(5) If the Council refuses an application under subsection (1), the Registrar shall forthwith inform the applicant by notice in writing, served either personally or by registered post, of the decision of the Council and of the reasons for refusing to issue the practising certificate.

(Cap. 32.)

31. (1) Every professional accountant who practises as a certified public accountant or public accountant shall have a registered office in Hong Kong to which all communications and notices may be addressed.

Registered office.

(2) The address of the registered office shall be given in the application for a practising certificate.

(3) Any change in such address shall be notified to the Registrar within fourteen days thereof and shall be entered in the register by the Registrar.

(4) Any professional accountant who practises as a certified public accountant or public accountant in contravention of this section shall be guilty of an offence and shall be liable on conviction to a fine of one thousand dollars.

32. (1) As soon as practicable after the 1st day of January in every year, the Registrar shall cause to be published in the *Gazette* a list of professional accountants holding practising certificates for the period specified in such list and the addresses of their registered offices.

Publication of list of professional accountants holding practising certificates and evidence of same.

(2) As soon as practicable after the 1st day of July in every year, the Registrar shall cause to be published in the *Gazette* a list of amendments to the list referred to in subsection (1).

(3) The list of professional accountants published under subsection (1), and any amendments under subsection (2), shall be evidence that any person whose name appears therein is a professional accountant holding a practising certificate for the period specified therein.

(4) A certificate purporting to be signed by the Registrar that the name of a person has or has not been entered in or has been removed from the register, or that a person registered holds or does not hold a practising certificate, shall be evidence of the facts stated therein.

PART V

DISCIPLINARY PROCEEDINGS

33. The Council shall—
- (a) appoint from among its elected members a Disciplinary Committee which shall consist of three members; and
 - (b) designate one of the members of the Disciplinary Committee to be chairman of the Committee.

Disciplinary Committee.

Disciplinary
provisions.
(Cap. 214.)

- 34.** (1) A complaint that a professional accountant—
- (a) has been convicted of any offence under the Perjury Ordinance;
 - (b) has been convicted in Hong Kong or elsewhere of any offence involving dishonesty;
 - (c) has whether or not as a professional accountant—
 - (i) falsified or caused to be falsified any document;
 - (ii) made any statement which is material and which he knows to be false or does not believe to be true; in respect of any document;
 - (d) has been negligent in the conduct of his profession;
 - (e) has been guilty of professional misconduct;
 - (f) has wilfully refused or neglected to comply with the provisions of any by-law made or any direction lawfully given by the Council;
 - (g) has been guilty of dishonourable conduct as a professional accountant,

shall be made to the Registrar who shall submit the complaint to the Council which may, in its discretion, refer the complaint to the Disciplinary Committee.

(2) For the purposes of subsection (1)(g), “dishonourable conduct” means an act or omission of a professional accountant which would be reasonably regarded as dishonourable by accountants of good repute and competency.

Disciplinary
powers of
Disciplinary
Committee.

35. (1) If, after due inquiry, the Disciplinary Committee is satisfied that a complaint referred to it under section 34 is proved, the Disciplinary Committee may, in its discretion—

- (a) order the name of the professional accountant to be removed from the register, either permanently or for such period as it may think fit;
- (b) order the professional accountant to be reprimanded; or
- (c) postpone judgment on the case for a period or periods, in the aggregate, not exceeding two years,

and may in any case make such order as the Disciplinary Committee thinks fit with regard to the payment of the costs of the Society and of any complainant and of the professional accountant, and any costs awarded may be recovered as a civil debt.

(2) Nothing in this section shall be deemed to require the Disciplinary Committee to inquire into the question whether a

professional accountant was properly convicted but the Committee may consider the record of a case in which such conviction was recorded and such other evidence as may show the nature and gravity of the offence.

(3) The Disciplinary Committee shall cause a copy of any order made under subsection (1)(a), or of any such order as varied on appeal by the Full Court, as the case may be, to be published in the *Gazette* together with a summary of the nature of the complaint to which the order relates:

Provided that no order shall be so published before the expiry of thirty days after the date of service of the order on the professional accountant under section 38(1) or, in the case of an appeal under section 41, before the decision of the Full Court on such appeal.

36. (1) For the purposes of an inquiry under section 35 the Disciplinary Committee shall have the following powers—

- (a) to take evidence on oath;
- (b) to summon any person to attend the inquiry to give evidence or produce any document or other thing in his possession and to examine him as a witness;
- (c) to admit or exclude the public or any member of the public from the inquiry;
- (d) to award to a witness such expenses as, in the opinion of the Disciplinary Committee, he has incurred by reason of his attendance.

Powers of Disciplinary Committee with regard to obtaining evidence and the conduct of proceedings.

(2) A summons to a witness shall be in the prescribed form and shall be signed by the chairman of the Disciplinary Committee.

37. (1) At the hearing of a complaint—

- (a) the complainant, or his solicitor or counsel; or
- (b) the Registrar; or
- (c) if the Council so directs, the solicitor or counsel for the Registrar,

Conduct of inquiry and legal representation.

shall present the case against the accountant whose conduct is the subject of an inquiry under section 35.

(2) A professional accountant whose conduct is the subject of such an inquiry shall be entitled to be represented by counsel or a solicitor throughout the inquiry.

Provisions relating to orders of the Disciplinary Committee.

38. (1) The Registrar shall cause a copy of any order made under paragraph (a) or (b) of section 35(1) to be served forthwith upon the professional accountant concerned, either personally or by registered post addressed to his registered address.

(2) The Registrar shall not remove the name of a professional accountant from the register by virtue of an order made under subsection (1)(a) of section 35 or record a reprimand in the register by virtue of an order made under subsection (1)(b) of that section before the expiry of thirty days after the date of service of the order on the accountant or in the case of an appeal under section 41 before the decision of the Full Court on such appeal.

Restoration of name of professional accountant to register.

39. (1) A person whose name has been removed from the register under the provisions of this Ordinance may apply to the Council for the restoration of his name to the register.

(2) The Council may, after making such inquiry as it may consider necessary, reject an application under subsection (1) or allow it, subject to such conditions if any as it may think fit to impose.

(3) The Council shall, if it allows an application under subsection (1), order the Registrar to restore the name of the applicant to the register and thereupon the Registrar shall restore the name accordingly.

Restriction on removal of name of professional accountant from register.

40. The name of a professional accountant shall not be removed from the register by reason of any conviction involving dishonesty if prior to the date of his registration the Council was aware of the conviction.

Appeals.

41. (1) An appeal shall lie to the Full Court by—

(a) any person whose application for registration has been rejected by an order under section 26(1);

(b) a professional accountant—

(i) whose name the Council has ordered under paragraph (c) or (d) of section 27(1) to be removed from the register;

(ii) whose application under section 30 for a practising certificate is refused; or

(iii) who is aggrieved by an order made in respect of him under paragraph (a) or (b) of section 35(1),

and the Full Court may confirm, vary or reverse the order or decision appealed against.

(2) The decision of the Full Court upon such appeal shall be final.

(3) The practice and procedure in relation to any such appeal shall be in accordance with rules of court made under the Supreme Court Ordinance:

Provided that the Full Court shall not hear any such appeal unless notice of the appeal has been given by the appellant within thirty days after service upon him of—

(Cap. 4.)

- (a) a copy of an order under section 26(1);
- (b) a copy of an order under paragraph (a), (c) or (d) of section 27(1);
- (c) a copy of a decision under section 30; or
- (d) a copy of an order under paragraph (a) or (b) of section 35(1).

PART VI

OFFENCES

42. (1) Subject to this section, any person who—

- (a) being summoned to attend as a witness or to produce a document or other thing under section 36(1)(b), refuses or fails to do or to answer any question put to him by the Disciplinary Committee;
- (b) fraudulently procures himself or any other person to be registered by means of any misleading, false or fraudulent representation or statement, either oral or in writing;
- (c) makes or causes to be made any falsification in the register or in any matter relating to the register;
- (d) personates or represents himself as being the person referred to in any certificate or document presented to the Council or the Disciplinary Committee;
- (e) falsely pretends to be qualified to practise as a certified public accountant or public accountant;
- (f) falsely takes or uses any name, initials, title, addition or description implying that he is qualified to be registered as a professional accountant or to practise as a certified public accountant or public accountant;
- (g) not being a professional accountant, either directly or indirectly, practises as a certified public accountant or public accountant;

Offences and penalties.

- (h) not being a professional accountant, knowingly permits the use of or uses in connexion with his business, trade, calling or profession the description "professional accountant", or the characters "會計師", or any written words, initials or abbreviations of words intended to cause, or which may reasonably cause, any person to believe that the person using the same is a professional accountant;
- (i) not being a professional accountant holding a practising certificate—
- (i) advertises, publishes or represents himself as qualified to practise as a certified public accountant or public accountant or knowingly permits himself to be so advertised, published or represented; or
- (ii) takes or uses in conjunction with his name, or any name which he may have assumed or by which he may describe himself, the description "certified public accountant" or "public accountant" or uses the initials "C.P.A." or "P.A." or the characters "執業會計師", "核數師" or "審計師", or knowingly permits the use of or uses such description, initials or characters in connexion with his business, trade, calling or profession,

shall be guilty of an offence and shall be liable on conviction to a fine of two thousand dollars and to imprisonment for six months.

(2) Subsection (1) shall not apply in relation to the use by any member of an overseas body or institute of accountants, not being a professional accountant, of any description or initials which he is entitled to use under the constitution of that body or institute if by such use he does not represent that he is a professional accountant or is entitled to practise as a certified public accountant or public accountant.

(3) No person shall be required to answer any question or produce any document or other thing which, in the opinion of the Disciplinary Committee, may tend to incriminate him; and a witness shall, in respect of any evidence given by him before the Disciplinary Committee, be entitled to the same privileges to which he would be entitled if he were giving evidence before a court.

PART VII

MISCELLANEOUS

43. Subject to paragraphs (a)(iii) and (c) of section 29(3), any reference in any Ordinance to an auditor or an auditor whose name is in the authorized list of auditors kept under section 131(3)

of the Companies Ordinance shall be construed as a reference to a professional accountant holding a practising certificate.

44. This Ordinance shall not apply to the Director of Audit or to any other public officer in connexion with his duties as such.

Ordinance not to apply to public officers in connexion with their duties.

45. Subject to the provisions of this Ordinance, no person shall be entitled to recover any fees, remuneration or expenses for or in respect of any appointment held or services rendered by him as a certified public accountant or public accountant unless he is a professional accountant holding a practising certificate.

Fees and expenses.

46. There shall be paid to the Registrar General for the registration of any document required by this Ordinance to be registered or to be delivered, sent or forwarded to the Registrar General such fees as the Governor may prescribe by notice in the *Gazette*.

Fees payable to Registrar General.

47. The Governor may by order published in the *Gazette* amend the Schedule.

Amendment of Schedule.

48. The omission to give notice of any meeting of the Council or any general meeting of the Society, or the failure by a member of the Council or a professional accountant to receive such a notice shall not invalidate the proceedings at the meeting or any resolution passed thereat.

Omission to give notice of meetings.

49. (1) A professional accountant may, by notice in writing under his hand, tender to the Council his resignation from the Society.

Resignation from the Society.

(2) The resignation shall take effect upon the deletion from the register, with the approval of the Council, of the professional accountant's name.

(3) The Council may refuse to accept the resignation of a professional accountant if—

(a) it has reason to believe that such accountant has been guilty of conduct, or that circumstances exist, which could justify the removal of his name from the register under section 35(1)(a);

(b) it is aware that a complaint concerning such accountant has been preferred and is before the Council or the Disciplinary Committee; or

(c) the professional accountant is indebted to the Society.

Transitional provisions.

(Cap. 32.)

50. Notwithstanding the provisions of this Ordinance a person whose name appears, at the commencement of this Ordinance, in the authorized list of auditors kept under section 131(3) of the Companies Ordinance, may for six months from the commencement of this Ordinance perform the duties required by the Companies Ordinance to be performed by an auditor.

Appointment of first Council members.

(Cap. 32.)

51. (1) Notwithstanding section 10(2)(c), on the commencement of this Ordinance the Governor shall appoint as the first members of the Council ten persons who are members of an approved institute and whose names then appear in the authorized list kept under section 131(3) of the Companies Ordinance.

(2) The members appointed under subsection (1) shall hold office until the election of members of the Council at the first annual general meeting of the Society, and shall be eligible for election at that meeting.

(3) The members appointed under subsection (1) shall elect from their number a President and a Vice-President.

(4) The first meeting of the first Council shall be held on a date at a time appointed by the Governor by notice in the *Gazette*.

Consequential amendments to Cap. 32.

52. (1) Sections 131(3), 132, 133, 134, 135, 136, 137, 138 and 139 of the Companies Ordinance are repealed.

(2) The Authorized Auditors List (Admission) Rules, the Authorized Auditors (Disciplinary Inquiry Proceedings) Rules and the Authorized Auditors (Appeals) Rules are revoked.

(3) Notwithstanding subsections (1) and (2), the provisions of the Companies Ordinance referred to in subsection (1) and the Authorized Auditors (Disciplinary) Inquiry Proceedings) Rules and the Authorized Auditors (Appeals) Rules shall continue to apply in respect of anything done or suffered or omitted to be done, before the commencement of this Ordinance, by any person whose name appears at the commencement of this Ordinance in Part I or Part II of the authorized list kept under section 131(3) of the Companies Ordinance as if this Ordinance had not been enacted.

SCHEDULE

[ss. 2 & 47.]

APPROVED INSTITUTES

The Association of Certified Accountants

The Australian Society of Accountants

The Institute of Chartered Accountants in Australia

- The Institute of Chartered Accountants in England and Wales
- The Institute of Chartered Accountants in Ireland
- The Institute of Chartered Accountants of Scotland
- The Institute of Cost and Management Accountants
- The Institute of Municipal Treasurers and Accountants.

Passed by the Hong Kong Legislative Council this 15th day
of November, 1972.

R. J. FRAMPTON,
Clerk to the Legislative Council.

*This printed impression has been carefully compared
by me with the bill, and is found by me to be a true and
correctly printed copy of the said bill.*

R. J. FRAMPTON,
Clerk to the Legislative Council.