



Dear Assignment/News/Business Editor,

Hong Kong Institute of CPAs Gets CEPA Extension

Agreement Eases Market Restrictions between Professionals

(Hong Kong, 29 July 2008) — A new agreement signed today by the Hong Kong and mainland governments brings more opportunities for Hong Kong accountants to practice on the mainland.

A subset of the Closer Economic Partnership Agreement offers Hong Kong professionals preferential treatment and an early-mover advantage in operating in the China market before China's World Trade Organization obligations officially kick in.

For the accounting profession, the signing means Hong Kong certified public accountants only need to pass the tax and law papers of the Chinese Institute of Certified Public Accountants' exam to become CICPA members and mainland CPAs only need to pass the taxation module and the final exam of the Hong Kong Institute of CPAs qualification programme to become Hong Kong Institute of CPAs members.

"These exemptions make it faster and easier for accountants to qualify, or become licensed, in each market," says Winnie C.W. Cheung, chief executive and registrar of the Hong Kong Institute of CPAs. "And it's going to bring the two professions another step closer to full mutual recognition."

Albert Au, president of the Institute, says, "We are now looking at a Hong Kong CPA qualification that is among the world's most portable — if you qualify as a CPA in Hong Kong, the mainland is more accessible and you can easily qualify on every other continent in the world."

Au adds the agreement is expected to create an increase in demand for people qualifying through the Hong Kong qualification programme.

Before this agreement, the exam exemptions only applied to two papers — financial cost management and auditing and are extended to only Hong Kong Institute of CPAs members who have qualified through the Institute's new exam system, introduced in 1999.

Now the exam exemption also pertains to accounting and the agreement is extended to all 27,000 members of the Institute and 10,000 Institute students when they complete their exam.

The agreement comes on the heels of China's commitment to converge with international and Hong Kong accounting and financial reporting standards.

"These exam exemptions are in part a recognition of China's progress in convergence with International and the Hong Kong Financial Reporting Standards, in that accountants in both jurisdictions can now speak a similar financial language," says Cheung.

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About the Hong Kong Institute of CPAs

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 27,000 members and 12,000 registered students. Members of the Institute are entitled to the description certified public accountant and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate CPA qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of The Global Accounting Alliance - an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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