



15 November 2024

**To: Members of the Hong Kong Institute of CPAs
All other interested parties**

INVITATION TO COMMENT ON PROPOSED HONG KONG STANDARD ON AUDITING 700 (REVISED), FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS AND PROPOSED CONFORMING AND CONSEQUENTIAL AMENDMENTS TO OTHER HONG KONG STANDARDS ON AUDITING AND OTHER NON-AUTHORITATIVE MATERIALS

Comments to be received by 15 December 2024

The Hong Kong Institute of Certified Public Accountants' ("Institute") Auditing and Assurance Standards Committee ("AASC") is seeking comments on the *Proposed Amendments to Hong Kong Standard on Auditing ("HKSA") 700 (Revised), Forming an Opinion and Reporting on Financial Statements and Proposed Conforming and Consequential Amendments to Other HKSAs and Other Non-authoritative Materials ("ED")*.

The Financial Services and the Treasury Bureau ("FSTB") of the Government of the Hong Kong Special Administrative Region announced in October 2024 its proposals to collaborate with the Accounting and Financial Reporting Council, the Inland Revenue Department and the Institute to address the persistent problem brought by the "bogus accountants" by introducing measures.

To complement the FSTB's proposal, the Institute proposes disclosing the auditor's name and practising certificate number in the auditor's report for an audit of an entity's financial statements prepared for reporting under the laws and regulations in Hong Kong conducted by a practice unit in accordance with HKSAs. Similar disclosures are presently being mandated for directors of corporate practices issuing auditor's reports. Furthermore, engagement partners of listed entities must disclose the engagement partner's name under the extant HKSA 700 (Revised).

Practice unit is defined under the Accounting and Financial Reporting Council Ordinance (Cap. 588) as:

- (a) a CPA (Practising) who practises accountancy on the accountant's own account under the accountant's own name as registered under section 22(2) of the Professional Accountants Ordinance (Cap. 50);
- (b) a CPA firm; or
- (c) a corporate practice.

The ED should be read along with the Explanatory Memorandum ("EM") that accompanies it which have been posted on the Institute's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/Auditing-and-Assurance>

Questions for respondents have been included in Section V “Questions for respondents” of the EM to solicit specific feedback on the proposal in this ED.

In accordance with the Institute’s due process, comments are invited from any interested party and the Institute would like to hear from both those who do agree and those who do not agree with the contents of the ED.

Comments should be supported by specific reasoning and should be submitted in written form.

To allow your comments on the ED to be considered, comments are requested by the due date shown above.

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37/F., Wu Chung House
213 Queen’s Road East
Hong Kong

Fax number (+852) 2865 6603

E-mail: commentletters@hki CPA.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.

November 2024

Response Due Date
15 December 2024

Exposure Draft

**Proposed Amendments to Hong Kong
Standard on Auditing 700 (Revised),
*Forming an Opinion and Reporting on
Financial Statements***

and

**Proposed Conforming and
Consequential Amendments to Other
Hong Kong Standards on Auditing and
Other Non-authoritative Materials**



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

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This Exposure Draft and Explanatory Memorandum is prepared by the HKICPA and is intended to provide information to members on the Institute's proposal to Proposed Amendments to Hong Kong Standard on Auditing ("HKSA") 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* and Proposed Conforming and Consequential Amendments to Other HKSAs and Other Non-authoritative Materials only. Professional advice should be taken before applying the content of this publication to your particular circumstances. While the HKICPA endeavours to ensure that the information in this publication is correct, no responsibility for loss to any person acting or refraining from action as a result of using any such information can be accepted by the HKICPA.

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FOREWARD

This exposure draft (ED), accompanied by an explanatory memorandum, is developed and approved by the Auditing and Assurance Standards Committee (“AASC”) of the Hong Kong Institute of Certified Public Accountants (“HKICPA” or the “Institute”). It explains the background and the proposed amendments to Hong Kong Standard on Auditing (“HKSA”) 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* and Proposed Conforming and Consequential Amendments to Other HKSAs and Non-authoritative Materials.

EXPLANATORY MEMORANDUM

I. Introduction

1. This memorandum provides background to, and an explanation of, the proposed amendments to HKSA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements* (“HKSA 700 (Revised)”) and Proposed Conforming and Consequential Amendments to Other HKSAs and Other Non-authoritative Materials.

II. Background

2. The accounting sector has long been concerned about the issue of “bogus accountants”. The problem of “bogus accountants” generally encompasses two issues:
 - (a) An unqualified person pretending to be, *inter alia*, a certified public accountant (practising) (“CPA (Practising)”) and providing audit service;
 - (b) Recklessly signing the auditor’s report of which the audit engagements may be performed through intermediaries.
3. Under the [Accounting and Financial Reporting Council Ordinance](#) (the “AFRCO”) (Cap. 588), only practice units under the AFRCO¹ are qualified to provide audit services. Sections 20AAZZL to 20AAZZO of the AFRCO stipulate that any unqualified person who pretends to be a CPA (Practising), a CPA firm or a corporate practice, uses certain misleading descriptions or provides audit services commits a criminal offence.
4. Prior to the regulatory reform in 2022, the Institute had in the past made efforts to tackle the issue such as reviewing promotional materials to identify offenders, reporting the matter to police for investigation, issuing warning letters to offenders for corrective actions and monitoring corrective actions by offenders to ensure no repeat of offenders. However, the issue of bogus accountants has persisted despite previous efforts to address it within the accounting sector.
5. Regulatory enforcement experience and industry feedback has indicated that the challenges in following up on bogus accountants cases are due to insufficient evidence to accurately trace the individuals involved. The issue was brought to the attention of the accounting sector, the Institute and the regulators again in 2024.
6. Since the auditor’s reports are a key assessment basis for many government policies (e.g. taxation) and funding programs, the issue of bogus accountants can undermine the effectiveness of the government’s public finance management. Therefore, it is necessary to consider additional measures to tackle this issue more effectively.

¹ Section 2 of the AFRCO (Cap. 588) defines a “practice unit” as (a) a CPA (Practising) who practises accountancy on the accountant’s own account under the accountant’s own name as registered under section 22(2) of the Professional Accountants Ordinance (Cap. 50); (b) a CPA firm; or (c) a corporate practice.

III. Proposal

7. The Financial Services and the Treasury Bureau (“FSTB”) of the Government of the Hong Kong Special Administrative Region announced² on 23 October 2024 its proposal to collaborate with the Accounting Financial Reporting Council (“AFRC”)³, the Inland Revenue Department and the Institute to address the persistent problem brought by the “bogus accountants” by introducing the following measures:
- (a) To revise the relevant Hong Kong Standards on Auditing (“HKSA”) to mandate the indication of the practising certificate (“PC”) number in the auditor’s report.
 - (b) To require a Hong Kong incorporated company to indicate in its profits tax returns the PC number of the CPA (Practising) who issued its independent auditor’s report on the financial statements for the subject returns starting from the year of assessment 2024/25.
8. The above measures are expected to achieve deterrent, tracing, and combating effects:
- Deterrence: Enhances the accountability of those signing auditor’s reports, deterring both reckless signing of auditor’s reports by CPA (Practising) and impersonation by non-CPA (Practising).
 - Tracing: Facilitates identification and tracking of CPA (Practising) through the AFRC’s Register of CPA (Practising).
 - Combating: Assists regulators in more precisely defining the scope of investigations to timely address improper practices.
9. The requirements for disclosure of auditor’s name and PC number in the extant [HKSA 700 \(Revised\)](#) are as follows:

Auditors requiring to disclose information on auditor’s report	Information to be disclosed	Reference
<i>Extant requirements</i>		
Engagement partner of listed entity ⁴	<ul style="list-style-type: none"> • Name of CPA firm • Location of office 	<ul style="list-style-type: none"> • Paragraphs 46 and 48 of the extant HKSA 700 (Revised)

² FSTB’s announcement: <https://www.fstb.gov.hk/en/blog/blog231024.htm>.

³ AFRC’s press release: <https://www.afrc.org.hk/media/x0xf2kqg/afrc-pr-20241029-bogus-cpas-en.pdf>

⁴ The International Auditing and Assurance Standards Board (the “IAASB”) in its consultation [ED on Proposed Narrow Scope Amendments to ISQMs: ISAs; and ISRE 2400 \(Revised\) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity \(PIE\) in the IESBA Code](#) (“Track 2”) which closed on 8 April 2024, proposed to amend paragraph 46 of the extant ISA 700 (Revised) to include public interest entities, as follows:

“46. The name of the engagement partner shall be included in the auditor’s report on financial statements of listed public interest entities

The IAASB anticipates that the final pronouncement for Track 2 of the listed entity and PIE project would be approved in December 2024. The IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning at least 18-24 months after the Public Interest Oversight Board’s process of certification of the final narrow scope amendments for Track 2. (i.e. The amendments are expected to be effective for audits of financial statements for periods beginning on or after December 2026).

	<ul style="list-style-type: none"> • Name of the engagement partner • PC number of the engagement partner⁵ 	<ul style="list-style-type: none"> • The Institute's FAQ • Footnote 35a of the extant HKSA 700 (Revised) (<i>refer to paragraph 11</i>)
Director of corporate practice	<ul style="list-style-type: none"> • Name of corporate practice • Location of office • Name and PC number of the responsible director 	<ul style="list-style-type: none"> • Paragraph 3.5.1 (b) of AFRC Guide for the Registration of Corporate Practices (<i>refer to paragraph 10</i>) • Footnote 35a of the extant HKSA 700 (Revised) (<i>refer to paragraph 11</i>)
<i>Proposed requirements</i>		
Engagement partner of a practice unit	<ul style="list-style-type: none"> • Name of the practice unit⁶ • Location of office • Name and PC number of the engagement partner 	<ul style="list-style-type: none"> • Paragraph 48 and proposed paragraph A64-1 of HKSA 700 (Revised) (<i>refer to paragraphs 12 to 15 and the ED</i>)

10. Paragraph 3.5.1 (b) of AFRC Guide for the Registration of Corporate Practices sets out ongoing practice requirements upon registration of corporate practices:

“The corporate practice is required to observe the following requirements in respect of its audit reports and audit engagement letters upon being registered as a corporate practice:

- (a) an audit report issued by the corporate practice shall be signed by a practising member director of the corporate practice;
- (b) the audit report shall state the name of the corporate practice and be signed in the name of the corporate practice. The report shall identify the practising member director responsible for the performance of the audit engagement contemplated by such report and state his or her full name and practising certificate number; and
- (c) the audit engagement letter shall identify the practising member director appointed by the corporate practice to be responsible for the performance of the audit engagement contemplated by the audit report.”

11. Footnote 35a of the extant HKSA 700 (Revised) provides local guidance as to the signing conventions and information to be included in the auditor’s report:

⁵ Applicable to director of corporate practice (see paragraph 9).

⁶ Applicable to a CPA firm or a corporate practice.

“According to section 409 of the Companies Ordinance, an auditor’s report must be signed –

- (a) If the auditor is a natural person, by the auditor; or
- (b) If the auditor is a firm or body corporate, by a natural person authorized to sign the auditor’s name on the auditor’s behalf.

In Hong Kong, the auditor’s report is normally signed in the name of the firm because the firm as a whole assumes responsibility for the audit. To assist identification, the report will normally state the name of the firm of the auditor and the location of the auditor’s office.

For a corporate practice, the auditor’s report is signed by a director of the practice, who must be a professional accountant holding a current practising certificate. The auditor’s report states the name of the corporate practice and the location of its office and is signed in the name of the corporate practice. The auditor’s report also identifies the director responsible for the performance of the audit engagement contemplated by such report, and states his/her full name as appearing in his/her practising certificate and the practising certificate number.

For certain purposes, a printed copy of the auditor’s report may be required to state the name of the auditor and be signed by the auditor (for example, the Hong Kong Inland Revenue Department normally requires a manuscript signed copy of the auditor’s report). For published financial statements (e.g. those of listed companies) the auditor may sign the report in a form from which a final printed version is produced. In both these circumstances, the auditor may sign copies for identification purposes in order to provide appropriately signed auditor’s reports, however, no further active procedures need be undertaken after the initial auditor’s report has been signed.”

- 12. The proposal by FSTB to mandate the indication of the PC number in the auditor’s report would require an engagement partner of a practice unit to disclose additional information in the auditor’s report as set out in paragraph 9. To maintain consistency in disclosure requirements related to corporate practices and streamline implementation, the Institute suggests that the proposal should also specify the name of the auditor in the auditor’s report.
- 13. To complement the FSTB’s proposal, the Institute proposes to re-locate the information in footnote 35a of HKSA 700 (Revised) to a new paragraph A64-1 and add explicit guidance on the disclosure of the auditor’s name and PC number in the auditor’s report for an audit of an entity’s financial statements that are prepared for reporting under the laws and regulations in Hong Kong conducted by a practice unit in accordance with HKSAs.
- 14. The AASC deliberated on the types of auditor’s report to be covered in the proposal and decided to limit the scope to auditor’s reports issued under HKSA 700 (Revised) (including the HKSA 800 series) based on the following:

- In Hong Kong, section 20AAZZR of the AFRCO stipulates that a person that is not a CPA (Practising), a CPA firm or a corporate practice must not hold any appointment or render any services, whether paid or unpaid, as—
 - (a) an auditor of a company within the meaning of the Companies Ordinance (Cap. 622); or
 - (b) an auditor of accounts for the purposes of any other Ordinance.
 - Section 393 of the Companies Ordinance stipulates eligibility for appointment for auditors for companies governed by the Companies Ordinance. Section 393(1) stipulates that only a practice unit is eligible for appointment as auditor of a company. Practice unit is defined in section 2 of the AFRCO as (a) a CPA (Practising) who practises accountancy on the accountant’s own account under the accountant’s own name as registered under section 22(2) of the Professional Accountants Ordinance (Cap. 50); (b) a CPA firm; or (c) a corporate practice.
 - Paragraphs 36 to 39 of *Preface to the Hong Kong Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements* set out that where the financial statements of an overseas incorporated enterprise are audited by Hong Kong auditors (as represented by signing the auditor’s report in the style “Certified Public Accountant(s) (Practising), Hong Kong” or “Certified Public Accountant(s), Hong Kong”), the audit of the enterprise should conform to HKSAs.
 - The Inland Revenue Department Ordinance (Cap. 112) requires that profits tax should be charged for each of assessment on every person carrying on a trade, profession or business in Hong Kong in respect of his assessable profits arising in or derived from Hong Kong for that year from such trade, profession or business (excluding profits arising from the sale of capital assets). Audits of these companies should be carried out by CPA (Practising) as required by section 20AAZZR of the AFRCO.
 - It is stated in HKSA 800 (Revised), *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks* and HKSA 805 (Revised 2024), *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* that the auditor should apply the requirements in HKSA 700 (Revised) when forming an opinion and reporting on special purpose financial statements and a single financial statement or on a specific element of a financial statement, respectively.
15. Auditor’s reports that are not prepared in accordance with HKSA 700 (Revised), for example, review reports under HKSRE 2400 (Revised), *Engagements to Review Historical Financial Statements* or HKSRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, assurance reports under HKSAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, or agreed-upon procedures reports under HKSRS 4400 (Revised), *Agreed-Upon Procedures Engagements*, are generally carried out by auditors to meet the intended users’ needs in addition to or separate from audit

engagements of financial statements. These reports, not governed by the Companies Ordinance, would not be subject to mandatory disclosure under the current proposal; unless other laws, regulations, rules or guidelines mandated by a regulatory or governmental body necessitate such disclosure by a CPA (Practising).

16. The Institute believes that the proposal to mandate the disclosure of the auditor's name and PC number in the auditor's report is intended to provide further transparency to the users of the auditor's report on financial statements of all entities (i.e. public interest entities and non-public interest entities). It also fosters trust and credibility in the audit profession, reassuring users of the auditor's report of the competence and integrity of the individuals conducting the audit.

IV. Consultation period and effective date

17. It is crucial to gather input from practitioners, preparers of financial statements and tax returns, and the public on the proposed amendments in this ED aimed at addressing the issue of bogus accountants effectively. The Institute will conduct a one-month consultation period for this ED.
18. The AASC intends to approve the final amendments to HKSA 700 (Revised) and other conforming and consequential changes to other HKSAs and other non-authoritative materials by Q1 2025 and the amendments will be effective for audits of financial statements for periods ending on or after 31 March 2025. Early adoption will be permitted and encouraged to facilitate audit clients when preparing their profits tax returns for the year of assessment 2024/25.

V. Questions for respondents

19. The Institute welcomes comments on all matters addressed in this ED, especially those identified in the *Request for specific comments* below. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees or disagrees with the proposal in this ED, it will be helpful for the AASC to be made aware of this view.
20. Comments should be supported by specific reasoning and should be submitted in written form.

Request for specific comments

- | |
|---|
| <ol style="list-style-type: none">1. Do you agree that auditors when issuing an auditor's report in accordance with HKSA 700 (Revised) be required to indicate the engagement partner's name and practising certificate number on the auditor's report?2. Do you agree with the effective date for indication of the engagement partner's name and practising certificate number on the auditor's report (i.e. for audits of financial statements for periods ending on or after 31 March 2025)? |
|---|

PROPOSED AMENDMENTS TO HKSA 700 (REVISED), *FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS*

[MARKED-UP FROM EXTANT]

(Effective for audits of financial statements for periods ending on or after 31 March 2025)

Conformity and Compliance with International Standards on Auditing

56. Additional local explanations are provided in paragraph A64-1, and footnotes 12a, 14a, 17a, 17b, 25a, 25b, ~~35a~~ and 36a.

Application and Other Explanatory Material

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Signature of the Auditor (Ref: Para. 47)

- A64. The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate for the particular jurisdiction. In addition to the auditor's signature, in certain jurisdictions, the auditor may be required to declare in the auditor's report the auditor's professional accountancy designation or the fact that the auditor or firm, as appropriate, has been recognized by the appropriate licensing authority in that jurisdiction.

A64-1. According to section 409 of the Companies Ordinance, it is required that an auditor's report must be signed –

- (a) If the auditor is a natural person, by the auditor; or
- (b) If the auditor is a firm or body corporate, by a natural person authorized to sign the auditor's name on the auditor's behalf.

In Hong Kong, only practice units under the Accounting and Financial Reporting Council Ordinance (Cap. 588) ("AFRCO") are qualified to provide audit services. Section 2 of the AFRCO defines a "practice unit" as:

- (a) a CPA (Practising) who practises accountancy on the accountant's own account under the accountant's own name as registered under section 22(2) of the Professional Accountants Ordinance (Cap. 50);
- (b) a CPA firm; or
- (c) a corporate practice.

Sections 20AAZZL to 20AAZZO of the AFRCO stipulate that any unqualified person who pretends to be a CPA (Practising), a CPA firm or a corporate practice, uses certain misleading descriptions or provides audit services commits a criminal offence.

To assist identification, the auditor's report for an audit of an entity's financial statements that are prepared for reporting under the laws and regulations in Hong Kong conducted by a practice unit in accordance with HKSAs, states the following:

- name of the auditor responsible for the performance of the audit engagement;
- practising certificate number of the auditor appearing in his/her practising certificate;
- name of the firm of the auditor¹; and
- location of the auditor's office.

For certain purposes, a printed copy of the auditor's report may be required to state the name and the practising certificate number of the auditor and be signed by the auditor (for example, the Hong Kong Inland Revenue Department normally requires a manuscript signed copy of the auditor's report). For published financial statements (e.g. those of listed companies) the auditor may sign the report in a form from which a final printed version is produced. In both these circumstances, the auditor may sign copies for identification purposes in order to provide appropriately signed auditor's reports, however, no further active procedures need to be undertaken after the initial auditor's report has been signed.

.....

~~35a According to section 409 of the Companies Ordinance required that an auditor's report must be signed—~~

- ~~(a) If the auditor is a natural person, by the auditor; or~~
- ~~(b) If the auditor is a firm or body corporate, by a natural person authorized to sign the auditor's name on the auditor's behalf.~~

~~In Hong Kong, the auditor's report is normally signed in the name of the firm because the firm as a whole assumes responsibility for the audit. To assist identification, the report will normally state the name of the firm of the auditor and the location of the auditor's office.~~

~~For a corporate practice, the auditor's report is signed by a director of the practice, who must be a professional accountant holding a current practising certificate. The auditor's report states the name of the corporate practice and the location of its office and is signed in the name of the corporate practice. The auditor's report also identifies the director responsible for the performance of the audit engagement contemplated by such report, and states his/her full name as appearing in his/her practising certificate and the practising certificate number.~~

~~For certain purposes, a printed copy of the auditor's report may be required to state the name of the auditor and be signed by the auditor (for example, the Hong Kong Inland Revenue Department normally requires a manuscript signed copy of the auditor's report). For published financial statements (e.g. those of listed companies) the auditor may sign the report in a form from which a final printed version is produced. In both these circumstances, the auditor may sign copies for identification purposes in order to provide appropriately signed auditor's reports, however, no further active procedures need be undertaken after the initial auditor's report has been signed.~~

¹ Not applicable to a CPA (Practising) who practises accountancy on the accountant's own account under the accountant's own name as registered under section 22(2) of the Professional Accountants Ordinance (Cap. 50).

Appendix

Illustration 1 – Auditor’s Report for a Listed Entity Incorporated in Hong Kong and where the Financial Statements are Prepared in Accordance with Hong Kong Financial Reporting Standards

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INDEPENDENT AUDITOR’S REPORT

.....

Report on the Audit of the Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor’s report is [*name*] (practising certificate number: [*XXXXXXX*]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[*Auditor Address*]

[*Date*]

Illustration 2 – Auditor’s Report for a Listed Entity Incorporated in Hong Kong submitting Consolidated Financial Statements and where the Consolidated Financial Statements are Prepared in Accordance with Hong Kong Financial Reporting Standards

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INDEPENDENT AUDITOR’S REPORT

.....

Report on the Audit of the Consolidated Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor’s report is [*name*] (practising certificate number: [*XXXXXXX*]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[*Auditor Address*]

[*Date*]

Illustration 3 – Auditor’s Report for an Entity Other than a Listed Entity Incorporated in Hong Kong and where the Financial Statements are Prepared in Accordance with Hong Kong Financial Reporting Standards

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INDEPENDENT AUDITOR’S REPORT

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Report on the Audit of the Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor’s report is [name] (practising certificate number: [XXXXXXX]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[Auditor Address]

[Date]

Illustration 4 – Auditor’s Report for an Entity Other than a Listed Entity Incorporated in Hong Kong submitting Consolidated Financial Statements and where the Consolidated Financial Statements are Prepared in Accordance with Hong Kong Financial Reporting Standards

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INDEPENDENT AUDITOR’S REPORT

.....

Report on the Audit of the Consolidated Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor’s report is [name] (practising certificate number: [XXXXXXX]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[Auditor Address]

[Date]

Illustration 5 – Auditor’s Report for an Entity Other than a Listed Entity Incorporated in Hong Kong and where the Financial Statements are Prepared in Accordance with Hong Kong Small and Medium-Sized Entity Financial Reporting Standard

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INDEPENDENT AUDITOR’S REPORT

.....

Report on the Audit of the Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor’s report is [name] (practising certificate number: [XXXXXXX]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[Auditor Address]

[Date]

Illustration 6 – Auditor’s Report for a Listed Entity Incorporated Overseas and reporting in Hong Kong

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INDEPENDENT AUDITOR’S REPORT

Report on the Audit of the Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor’s report is [name] (practising certificate number: [XXXXXXX]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[Auditor Address]

[Date]

Illustration 7 – Auditor’s Report for an Entity Other than a Listed Entity Incorporated in Hong Kong and where the Financial Statements are Prepared in Accordance with Hong Kong Financial Reporting Standard for Private Entities

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INDEPENDENT AUDITOR'S REPORT

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Report on the Audit of the Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor's report is [name] (practising certificate number: [XXXXXXX]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[Auditor Address]

[Date]

Illustration 8 – Auditor's Report for an Entity Other than a Listed Entity Incorporated in Hong Kong submitting Consolidated Financial Statements and where the Consolidated Financial Statements are Prepared in Accordance with Hong Kong Financial Reporting Standard for Private Entities

.....

INDEPENDENT AUDITOR'S REPORT

.....

Report on the Audit of the Consolidated Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor's report is [name] (practising certificate number: [XXXXXXX]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[Auditor Address]

[Date]

PROPOSED CONFORMING AND CONSEQUENTIAL AMENDMENTS TO OTHER HONG KONG STANDARDS ON AUDITING AND OTHER NON-AUTHORITATIVE MATERIALS

(Effective for audits of financial statements for periods ending on or after 31 March 2025)

Proposed conforming and consequential changes to the relevant Hong Kong Standards on Auditing and other non-authoritative materials with illustrative auditor's report on audits of financial statements are as follows:

INDEPENDENT AUDITOR'S REPORT

.....

Report on the Audit of the Financial Statements

.....

The engagement partner on the audit resulting in this independent auditor's report is [name] (practising certificate number: [XXXXXXX]).

XYZ & Co.

Certified Public Accountants (Practising) or Certified Public Accountants

[Auditor Address]

[Date]