

**Circular on Reporting under Section 20 of the Product Eco-
responsibility (Regulated Electrical Equipment) Regulation (Cap. 603B)**
(Revised 2025)

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A. Introduction

1. The Producer Responsibility Scheme on Waste Electrical and Electronic Equipment (the “WPRS”) came into effect on 1 August 2018. In 2023, the WPRS was enhanced to expand its scope and streamline operations, with changes taking effect on 1 July 2024. The enhanced WPRS covers 10 classes of electrical equipment, namely air-conditioners, refrigerators, washing machines, dehumidifiers, tumble dryers, televisions, computers, printers, scanners and monitors, which are collectively referred to as regulated electrical equipment (“REE”).¹ Under the WPRS, REE suppliers must be registered with the Environmental Protection Department of The Government of the Hong Kong Special Administrative Region (the “EPD”) before distributing the REE. The registered REE supplier (“Registered Supplier”) must fulfill other statutory obligations, such as the periodic submission of returns to the EPD and payment of recycling levies.
2. Pursuant to section 38(1) of the Product Eco-responsibility Ordinance (Cap. 603) (the “Ordinance”) and section 11 of the Product Eco-responsibility (Regulated

¹ As a result of the enhanced WPRS, (i) the maximum storage volume of refrigerators has been increased from 500 litres to 900 litres; (ii) the maximum washing capacity of washing machines has been increased from 10 kilograms to 15 kilograms; and (iii) stand-alone tumble dryers and dehumidifiers previously out of scope are now covered by the WPRS.

Electrical Equipment) Regulation (Cap. 603B) (the “Regulation”), the Registered Supplier must periodically submit returns (“Returns”) to the EPD for assessment of the recycling levy payment. Under section 11 of the Regulation,

- for an ordinary registration, the first Return of the Registered Supplier covers the period beginning on the date when the registration becomes effective (“registration date”) and ends on the first cut-off date specified in the “Certificate of Registration as Registered Supplier” (“Certificate”) issued by the EPD; further subsequent Returns must be submitted for each quarter ending on 31 March, 30 June, 30 September and 31 December; and
 - for a short-term registration under section 5(2) of the Regulation, a Return must be submitted for the period beginning on the registration date and ending on the date on which the registration ceases to have effect as specified in the Certificate which must fall within 30 days after the registration date.
3. In the Returns, the Registered Supplier is required to include details about the quantities of REE distributed and used for the first time. A Return must be submitted to the EPD within 28 days after: a) the last day of each reporting period covered by a Return; b) the expiration of a short-term registration; c) the cancellation of the registration; or d) the cessation of the REE distribution business.
4. Under section 39 of the Ordinance, the Registered Supplier is required to submit an audit report to the EPD every year in respect of the Returns submitted. The Registered Supplier is required to appoint a certified public accountant (practising) (“practitioner”) to perform such engagement. Section 20(1) of the Regulation requires the auditor must state whether in the opinion of the auditor in relation to any Return covered by the report the following statements are true—:
- (a) the Registered Supplier had kept records and documents in accordance with section 38(4) of the Ordinance, and in accordance with section 15 of the Regulation;
 - (b) the Return had been prepared in accordance with those records and documents; and
 - (c) the quantities of REE reported in the Return had been reported in accordance with the Ordinance (the above are collectively referred to as the “Requirements”).
5. Under sections 20(2) and 20(3) of the Regulation, if there is any discrepancy between a Return covered by the audit report and the records and documents kept for the Return as mentioned in section 20(1)(a) of the Regulation in relation to any quantity of REE, the auditor must set out the discrepancy in a document in the

specified form² (the “Discrepancy List”). Section 20(3) of the Regulation requires that if a Discrepancy List has been prepared for an audit report in accordance with section 20(2), the Registered Supplier must, in submitting the report, attach a copy of the Discrepancy List to the report. A template of the Discrepancy List is available at <https://weee.gov.hk/wp-content/uploads/REE7.pdf> and a copy is attached at Appendix 4.

6. The purpose of this Circular is to provide guidance to practitioners when undertaking such engagements. This Circular has been prepared following discussions with the EPD on the relevant statutory requirements laid down in the Ordinance and Regulation. It has been updated to align with the requirements of the enhanced WPRS effective from 1 July 2024, which removes the requirement for suppliers and sellers to provide recycling labels when they distribute and sell REE. The EPD has clarified that auditors reporting on suppliers’ returns must still address the reporting requirements for recycling labels if the returns include quantities of labels reported prior to 1 July 2024. For guidance on this scenario, please refer to Q15 in the EPD’s FAQ at <https://weee.gov.hk/en/i-am-a-supplier/frequently-asked-questions>.
7. Accordingly, this revised Circular is only applicable for reporting with the last day of the audit year ending on or after 30 June 2025. Practitioners who are engaged to report with the reporting requirements for recycling labels should refer to the previous version of the circular revised in February 2023 for relevant guidance.

B. Reporting pursuant to section 20 of the Regulation

8. In response to the Requirements under section 20 of the Regulation, the Institute’s Auditing and Assurance Standards Committee has determined that a reasonable assurance engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and as set out in this Circular be generally suitable for these engagements.
9. As explained in HKSAE 3000 (Revised), in a reasonable assurance engagement, the practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the practitioner’s conclusion. The practitioner’s conclusion is expressed in a form that conveys the practitioner’s opinion on the outcome of the measurement or evaluation of the underlying subject

² Appendix 4 provides additional guidance when the auditor reports the identified discrepancies in a specified form.

matter against criteria. Reference should be made to HKSAE 3000 (Revised) for details of a reasonable assurance engagement.

Management's responsibilities

Keeping of proper records and documents

10. The management of the Registered Supplier is responsible for the maintenance of proper records and documents in respect of REE and the preparation of Returns in accordance with those records and documents as required by the Ordinance and Regulation. Extract of the relevant sections of the Ordinance and Regulation are set out in Appendix 5.
11. The management of the Registered Supplier is responsible for ensuring that the auditor has access, at all reasonable times, to all records, documents, books, and accounts and to such information and explanations that, in the auditor's opinion, are necessary to conduct the engagement.
12. The management of the Registered Supplier should prepare:
 - (a) reconciliations between the opening and closing quantities of each class of REE for the reporting period of each Return. Such reconciliations should contain the information required by section 15(3)(b) of the Regulation and agree to the quantities stated in the Returns; and
 - (b) listings for each class of REE distributed or used for the first time under section 15(3)(b) of the Regulation which agree to the quantities stated in the Returns.

Preparation and submission of returns

13. The management of the Registered Supplier is responsible to prepare Returns and submit them to the EPD in accordance with paragraphs 2 and 3. A template of the Return is available at: https://weee.gov.hk/wp-content/uploads/REE2_fillable.pdf.
14. Under section 37(1) of the Ordinance, REE manufactured in or imported³ into Hong Kong by the Registered Supplier in the course of its business are subject to a recycling levy by the EPD if the REE is:
 - i. distributed during the reporting period; or
 - ii. used for the first time during the reporting period.
15. The Registered Supplier should determine the basis of reporting a REE in a Return based on the interpretation of "distribute" and "use" in the Ordinance in the context

³

- Under section 37(1)(a)(ii) of the Ordinance, it excludes REE imported during the course of a service provided by the Registered Supplier for transporting articles into Hong Kong for another person.
- According to Q5 of the FAQ for Registered Suppliers issued by the EPD (<https://weee.gov.hk/en/i-am-a-supplier/frequently-asked-questions/>), REE imported for re-export or REE manufactured locally for export is not subject to the recycling levy, and the Registered Suppliers need not include such REE when submitting Returns to the EPD.

of its business operation. Once determined, the Registered Supplier should apply that basis consistently to all Returns. Under section 31 of the Ordinance,

- **distribute** (分發), in relation to any REE, means—
 - (a) supply the equipment by way of sale, hire or hire-purchase;
 - (b) exchange or dispose of the equipment for consideration; or
 - (c) transmit or deliver the equipment for any of the following activities:
 - (i) supplying by way of sale, hire or hire-purchase;
 - (ii) an exchange or disposal for consideration,but does not include any such act done with a view that the equipment is to be exported in the course of business.
- **use** (使用), in relation to any REE, includes—
 - (a) exhibit the equipment for business purposes; and
 - (b) give the equipment to another person as a prize or gift.

Submission of audit report

16. Section 39(1) of the Ordinance and section 19 of the Regulation requires the Registered Supplier to submit the audit report annually within three months after the last day of each audit year, i.e. the “annual audit date” for the preparation of audit reports.

- For an ordinary registration, the annual audit date is stated in the Certificate. The corresponding audit year⁴ refers to the period of 12 months ending on the annual audit date. In general, the annual audit date is proposed by the Registered Supplier to be 31 March, 30 June, 30 September or 31 December when registering with the EPD to distribute REE.
- For a short-term registration, the annual audit date refers to the “Ending Date” stated in the Certificate which covers the period between the “Effective Date” and the “Ending Date” of the registration as stated in the Certificate.

17. Unless exempted by the EPD in writing under section 21 of the Regulation⁵, failure to submit the audit report by the Registered Supplier within the specific period is

⁴ Under section 17(3) of the Regulation, if the registration is cancelled within 12 months ending on a particular annual audit date, an audit year in relation to that annual audit is: a) if that annual audit date is the first annual audit date for the registration, the period beginning on the registration date and ending on the cancellation date; or b) if that annual audit date is not the first annual audit date for the registration, the period beginning on the date immediately after the last preceding annual audit date and ending on the cancellation date.

⁵ Under section 21 of the Regulation, a Registered Supplier may apply to the Director of the EPD in writing for an exemption from submitting an audit report for a particular audit year if:

- for an ordinary registration, the reporting periods falling within the relevant audit year cover less than 12 months in total and the Director of the EPD is satisfied that the aggregate recycling levies payable for the reporting periods do not exceed \$20,000, or
- for a short-term registration, the Director of the EPD is satisfied that the recycling levy payable for the reporting period does not exceed \$20,000.

The application must be made within 1 month after the last day of the relevant audit year.

an offence liable to a fine under section 39(3) of the Ordinance.

Auditor's responsibilities

18. The auditor is responsible for reporting pursuant to section 20 of the Regulation when he is engaged to do so. The responsibility of the auditor is to report on the Requirements set out in paragraphs 4 and 5.
19. When conducting an engagement following the guidance in this Circular, the auditor conducts a reasonable assurance engagement in accordance with HKSAE 3000 (Revised).
20. The auditor should comply with the requirements of the Institute's *Code of Ethics for Professional Accountants*.
21. The auditor should agree the terms of the engagement with the Registered Supplier. To avoid misunderstanding, the agreed terms should be recorded in an engagement letter or other suitable form of contract. General guidance on engagement letters is set out in paragraphs 27 to 29 and A57 to A59 of HKSAE 3000 (Revised).
22. The auditor should obtain an understanding of the Registered Supplier's internal controls over the keeping of records and documents in relation to the quantities of REE reported in the Returns and the preparation of the Returns.
23. The auditor should plan and perform the engagement with an attitude of professional skepticism recognising that circumstances may exist that the Requirements have not been complied with and the quantities of REE reported in the Returns were materially misstated (for example, due to fraud or error).
24. It is the responsibility of the Registered Supplier to identify those electrical equipment which are considered as REE in accordance with the Ordinance and include them in the Returns accordingly. While it is not necessary for the auditor to scrutinise all the electrical equipment being distributed by the Registered Supplier which have not been included as REE on the Returns and ascertain whether they meet the definition of REE, if in the course of the auditor's work on this engagement, the auditor becomes aware of any electrical equipment which might be considered as REE but has not been included in the Returns, the auditor is to make enquiry with the Registered Supplier and advise the Registered Supplier to seek clarification from the EPD. The auditor should consider whether the clarification from the EPD would impact the audit report. If the clarification from the EPD is not yet available prior to the date of the audit report, the auditor may consider:

- (a) whether it is necessary to include an Other Matter paragraph⁶ in the audit report that certain electrical equipment of the Registered Supplier not included in the Returns might be considered as REE, but the clarification from the EPD was pending at the date of the audit report and the auditor does not provide an opinion on such electrical equipment; or
 - (b) if the possible effects to the Returns are both material and pervasive, whether the matter would constitute a limitation on the scope of the engagement and any modification to the auditor's opinion is required.
25. Due to the limitation of the Registered Supplier's internal controls, the auditor may be unable to obtain sufficient appropriate evidence that all REE of the Registered Supplier were completely recorded and reported in the Returns. The audit report would include a paragraph explaining these difficulties, the restricted scope of the auditor's work, and that the auditor would not be able to determine whether the records and documents of the Registered Supplier include all transactions relating to the REE to be stated in the Returns. Instead, the auditor's work covers those items that have been recorded in the Registered Supplier's books and records.
26. Notwithstanding the limitations encountered by auditors mentioned in paragraph 25, the auditor should be alert for specific circumstances arousing suspicion that there has been a deliberate omission of items from the Returns or circumstances suggesting misappropriation of REE. Where such circumstances arise, the auditor should consider the impact on the audit report and the need to raise those matters with the Registered Supplier's management and/or those charged with governance.
27. A reasonable assurance engagement under HKSAE 3000 (Revised) reports whether the subject matter information is free from material misstatement. Paragraphs 44, A92 to A100 of HKSAE 3000 (Revised) provides guidance on the auditor's application of materiality in a reasonable assurance engagement. The auditor determines the nature, timing and extent of procedures to be carried out and carries out those procedures to ensure sufficient appropriate evidence is obtained on which to base the conclusions, and document matters which are important to provide evidence to support that conclusion. A list of illustrative procedures for reporting on the Returns is set out in Appendix 1.

⁶ Paragraphs 68 and 73 of HKSAE 3000 (Revised) provide guidance on communicating other matter in the audit report.

28. A Registered Supplier may submit one or more than one Return to the EPD in an audit year. The auditor should obtain sufficient appropriate evidence on each Return covered by the audit report.
29. If discrepancy is found regarding the quantities of REE reported in the Returns when compared to those recorded in the Registered Supplier's records and documents, the auditor must set out the discrepancy details in the Discrepancy List⁷ specified by the EPD. Section 20(3) of the Regulation requires the Registered Supplier to attach the Discrepancy List with the audit report for submission to the EPD.
30. The auditor is required to opine as to whether the Returns have been correctly compiled from the records of the Registered Suppliers, or if not correctly compiled, set out the discrepancy details. Section 20(2) of the Regulation does not provide for immaterial discrepancies or reclassification misstatements to be disregarded. Accordingly, the auditor qualifies its opinion where a discrepancy or reclassification misstatement is identified in the Returns regardless of materiality.
31. Other than the circumstances set out in paragraph 30, if anything is discovered which indicates that the Requirements were not complied with by the Registered Supplier, the auditor should modify the audit report according to paragraph 69(l)(v) of HKSAE 3000 (Revised) together with an explanation of the basis of modification. Examples of illustrative modified wording for the report by the auditor are included in Appendix 3.
32. Paragraph 78 of HKSAE 3000 (Revised) requires the auditor to consider whether any matter has come to the attention of the auditor that is to be communicated to those charged with governance. Accordingly, the auditor should consider reporting the exceptions noted from the procedures performed to those charged with governance.
33. The auditor would seek management's confirmation of the accuracy and completeness of information contained in the Returns. This may be achieved either by way of a written confirmation from management or as a written representation from management included in the management representation letter in relation to the engagement. General guidance on management's representations is set out in paragraphs 56 to 60 and A137 to A140 of HKSAE 3000 (Revised).

⁷ Appendix 4 provides additional guidance when the auditor reports the identified discrepancies in a specified form.

Appendix 1

Illustrative Procedures for Reporting on Section 20 of the Regulation

The auditor should conduct the engagement in accordance with HKSAE 3000 (Revised) and determine the nature, timing and extent of procedures so as to ensure sufficient appropriate evidence is obtained on which to base the conclusions, and document matters which are important to provide evidence to support that conclusion.

The nature and extent of procedures to be carried out for the purposes of reporting on compliance by a Registered Supplier with the Requirements are determined by the auditor's professional judgement in each individual case. The list given in this appendix is not exhaustive, nor is it intended that all the procedures suggested apply to every reporting engagement.

a. Scoping and planning

- Obtain the Certificate issued by the EPD under section 6(1) of the Regulation which includes information such as:
 - the date on which the registration becomes effective;
 - for an ordinary registration,
 - the annual audit date for the preparation of the audit report required by section 39 of the Ordinance;
 - the first cut-off date for the preparation of the Returns which must fall on 31 March, 30 June, 30 September or 31 December; and
 - for a short-term registration, the date on which the registration ceases to have effect.
- Understand whether the Registered Supplier is required to submit an annual audit report to the EPD under section 39 of the Ordinance and obtain the specific Returns to be reported on. An audit report must cover a Return if the reporting period of the Return falls within the relevant audit year. A Registered Supplier may apply to the EPD in writing for exemption from submitting an audit report for a particular audit year⁸.

⁸ Under section 21 of the Regulation, a Registered Supplier may apply to the Director of the EPD in writing for an exemption from submitting an audit report for a particular audit year if:

- for an ordinary registration, the reporting periods falling within the relevant audit year cover less than 12 months in total and the Director of the EPD is satisfied that the aggregate recycling levies payable for the reporting periods do not exceed \$20,000, or
- for a short-term registration, the Director of the EPD is satisfied that the recycling levy payable for the reporting period does not exceed \$20,000.

The application must be made within 1 month after the last day of the relevant audit year.

- Undertake acceptance/continuance of client relationships and assurance engagement procedures under HKSAE 3000 (Revised) and conclude on the acceptance/continuance of the engagement.

b. Execution

A Registered Supplier may submit one or more than one Returns to the EPD in an audit year. The auditor should obtain sufficient appropriate evidence on each Return covered by the audit report.

Objective	Illustrative procedures
<p>1. To establish whether:</p> <ul style="list-style-type: none"> • the Registered Supplier kept records and documents that contain sufficient details to check the quantities of REE reported in the Returns; and • quantities of REE were properly reported in the Returns. 	<p>(a) Obtain the details and quantities of REE reported by the Registered Supplier in each Return.</p> <p>(b) Design procedures to test the REE referred to in 1(a) to supporting documents and consider whether they were properly reported and classified in the Returns.</p> <p>(c) For each Return, obtain the reconciliation between the opening and closing quantities of REE kept by the Registered Supplier for the reporting period covered by the Return. This assists the auditor to evaluate if any REE was omitted from reporting in the Returns.</p> <p>(d) Evaluate the Registered Supplier's policies and procedures in identifying a REE (as against a non-REE) in accordance with the Ordinance and Regulation for reporting in the Returns. This assists the auditor to assess whether: i) REE were properly classified in the Returns; and ii) any equipment within the meaning of</p>

	<p>the REE has not been reported in the Returns.</p> <p>(e) Understand and evaluate the internal controls in relation to the keeping of records and documents of REE.</p> <p>(f) Perform test on internal controls implemented by the Registered Supplier if applicable, for example, where the auditor considers those internal controls relevant to assess the Registered Supplier's reporting on the quantities of REE in the Returns.</p>
<p>2. To establish whether the Returns have been prepared in accordance with the records and documents kept by the Registered Supplier.</p>	<p>(a) Understand and evaluate management's process and internal controls in compiling the Returns.</p> <p>(b) Agree the quantities of REE reported in each Return to the underlying records and documents. If necessary, evaluate the completeness of those records and documents by agreeing them to the Registered Supplier's accounting records (e.g. the sales records).</p> <p>(c) Consider the implications of the results from any of the other procedures performed.</p> <p>(d) Perform tests on internal controls implemented by the Registered Supplier if applicable, for example, where the auditor considers those internal controls relevant to assess whether each Return has been</p>

	prepared in accordance with the records and documents kept by the Registered Supplier.
3. With respect to a Return submitted for a period in a calendar year, establish whether the Registered Supplier has kept the records and documents relating to that submitted Return during the 5 years after that year.	<p>(a) Understand and evaluate management's process and internal controls in keeping the records and documents relating to a submitted Return.</p> <p>(b) Obtain from the Registered Supplier the Returns submitted during the 5 years preceding the reporting periods of the current engagement.</p> <p>(c) Inspect the underlying records and documents in relation to the Returns obtained in 3(b).</p>

c. *Reporting*

- Obtain the reason from management for the discrepancies or exceptions identified. Consider whether additional audit evidence is needed, for example, by extending the sample size and assessing its implication to the audit report.

Appendix 2

Example of an Unmodified Assurance Report on the Registered Supplier' Returns in respect of REE

The following example is for use as a guide only and will need to be tailored according to individual requirements and circumstances.

INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the *[Management][Directors] of ABC Limited

Pursuant to section 20 of Cap. 603B Product Eco-responsibility (Regulated Electrical Equipment) Regulation (the "Regulation") under section 44 of Cap. 603 Product Eco-responsibility Ordinance (the "Ordinance"), we have been engaged to perform a reasonable assurance engagement on the accompanying Registered Supplier's Returns of ABC Limited (the "Company") in respect of regulated electrical equipment ("REE") as defined in the Ordinance for the period from [date] to [date], [date] to [date], [date] to [date] and [date] to [date]⁹ (the "Returns").

***[Management's] [Directors'] Responsibilities**

The *[Management][Directors] *[is][are] responsible for preparing the accompanying Returns in accordance with section 14 of the Regulation on the quantities of each class of REE manufactured in or imported into Hong Kong that was distributed or used for the first time by the Company in the Company's course of business.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Return[s] so that *[it][they] reflect[s] the quantities of REE as defined in section 14(2) of the Regulation that was distributed or used for the first time by the Company from [date] to [date], [date] to [date], [date] to [date] and [date] to [date]⁹ (the "reporting period") and *[is][are] free from material misstatement. The *[Management][Directors] *[is][are] also responsible for keeping the prescribed records and documents relating to the Return[s] in accordance with section 38(4) of the Ordinance and section 15 of the Regulation during the reporting period.

⁹ Specifies the period of each Return covered by the report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1¹⁰, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibilities

Our responsibility, pursuant to section 20 of the Regulation, is to report whether, in all material respects:

- (a) the Company has kept records and documents in accordance with section 38(4) of the Ordinance and section 15 of the Regulation during the reporting period;
- (b) the Return[s] *[has][have] been prepared in accordance with those records and documents; and
- (c) the quantities of REE reported in the Return[s] *[has][have] been reported in accordance with the Ordinance (the above are collectively referred to as the “Requirements”).

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Company has complied with the Requirements. The nature, timing and extent of procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Return[s]. In making those risk assessments, we considered internal control relevant to the Company’s preparation of the Return[s], but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

Our work consisted of making inquiries, primarily of persons responsible for financial

¹⁰ HKSQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

and accounting matters¹¹, examining, on a test basis, evidence supporting as to whether, in all material respects, the Company has kept records and documents in accordance with section 38(4) of the Ordinance and section 15 of the Regulation, and that the Return[s] have been prepared in accordance with those records and documents and the quantities of REE reported in the Return[s] have been reported in accordance with the Ordinance.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent Limitations

It was not practicable for us to determine whether the Return[s] and the books and records of the Company included all REE as defined in section 14(2) of the Regulation that was distributed or used for the first time by the Company during the reporting period. Accordingly, our report relates solely to the Return[s] prepared from the transactions that have been recorded in the Company's books and records in relation to the Returns. Also, internal control measures at the Company designed to address specific control objectives are subject to inherent limitations of any internal control structure, and accordingly, errors or irregularities may occur in processing or reporting the Return[s] and not be detected.

Opinion

Based on the foregoing, in our opinion, in all material respects:

- (a) the Company has kept records and documents in accordance with section 38(4) of the Ordinance and section 15 of the Regulation during the reporting period;
- (b) the Return[s] *[has][have] been prepared in accordance with those records and documents; and
- (c) the quantities of REE reported in the Return[s] *[has][have] been reported in accordance with the Ordinance.

¹¹ Auditors may consider it appropriate to tailor here to whom they make inquiries, for example, persons responsible for inventory matters / warehouse matters / REE matters.

Other Matter - Basis of Preparation

We draw attention to the fact that the Company has stated the quantities of REE in the Return[s] based on the dates for which the relevant *[sales contracts were duly signed / REE were delivered / sales were recognised using basis consistent with the Company's accounting policies for revenue recognition]¹². As a result, the Return[s] may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Intended Users and Purpose

This report is intended solely for the purpose of assisting the Company to satisfy the conditions pursuant to section 39 of the Ordinance and Subdivision 4 under Division 3 of Part 2 of the Regulation in connection with the Return[s], and is not to be used for any other purpose or to be distributed to any other parties, except that we agree that a copy of this report may be provided to the Director of the EPD without further comment from us. We expressly disclaim any liability or duty to any other party for the content in this report. This report relates only to the items specified above and does not necessarily extend to any financial statements of the Company taken as a whole.

[Name of firm]

[Certified Public Accountants (Practising)/Certified Public Accountants]*

[Auditor's Address]

Hong Kong

[Date]

* Delete as appropriate

¹² Set out the basis that the REE were reported in the Returns.

Appendix 3

Example of a Modified Assurance Report on the Registered Supplier' Returns in respect of REE

If any breaches of the Requirements are noted by the auditor, the wording of the report by the auditor would be modified. The auditor should determine the type of modification that is appropriate to the circumstances of the engagement. In the circumstances where the auditor expresses a qualified opinion, adverse opinion or a disclaimer of opinion, the audit report is to be modified accordingly as required in paragraph 69(l)(v) of HKSAE 3000 (Revised). Further guidance is set out in paragraphs 74 to 77, A183, A189 to A192 of HKSAE 3000 (Revised).

The following illustrations are examples that might give rise to modified reports are for guidance only. They are not intended to be exhaustive or applicable to all situations. They are based on the illustration of the independent auditor's assurance report in Appendix 2.

Examples of issues:

- (i) The Registered Supplier met the Requirements to keep the records and documents, but not for the whole reporting period.
- (ii) The Returns did not agree to the Company's records and documents, for example, the auditor has identified discrepancies between the quantities of REE reported in the Returns and the underlying records and documents or REE omitted from reporting in the Returns.

Illustrative qualified opinion:

1. Qualified Opinion

Basis for Qualified Opinion

- Based on the information and explanations supplied to us we are aware that the Company has not maintained records and documents in accordance with section 38(4) of the Ordinance and section 15 of the Regulation during the period from [date] to [date]. [*Describe details of the non-compliance.*] [It is not practicable for us to quantify the impact of this on the Returns for the reporting period. / The discrepancies are set out in the appendix to this report.]

- The Return[s] from [date] to [date] did not agree to the Company's records and documents. [The discrepancies are set out in the appendix to this report.]

Qualified Opinion

Based on the foregoing, in our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, in all material respects:

- (a) the Company has kept records and documents in accordance with section 38(4) of the Ordinance and section 15 of the Regulation during the reporting period;
- (b) the Return[s] *[has][have] been prepared in accordance with those records and documents; and
- (c) the quantities of REE reported in the Return[s] *[has][have] been reported in accordance with the Ordinance.

2. Adverse Opinion

Where the auditor has identified exceptions to the Company's keeping of records and documents, preparation of Returns and discrepancies between the quantities of REE reported in the Returns and the underlying records and documents, and in the auditor's professional judgement, the effect of the matter(s) is/are so material and pervasive as to require an adverse conclusion.

Basis for Adverse Opinion

- [Describe matters giving rise to the adverse opinion.]

Adverse Opinion

Based on the foregoing, due to the significance of the matters discussed in the *Basis for Adverse Opinion* section of our report,

- (a) the Company has not kept records and documents in accordance with section 38(4) of the Ordinance and section 15 of the Regulation during the reporting period;
- (b) the Return[s] from [date] to [date] *[has][have] not been prepared in accordance with those records and documents; and
- (c) the quantities of REE reported in the Return[s] *[has][have] not been reported in accordance with the Ordinance.

Appendix 4

Reporting Identified Discrepancies in the Specified Form

1. According to section 42 of the Regulation, the Director of the EPD may specify any forms required for the purposes of the Ordinance. Under section 43(1) of the Regulation, a specified form may require that:
 - (a) it be completed in a specified way;
 - (b) specified information or documents be included in or attached to it; and
 - (c) it be submitted in a specified manner.
2. For the purposes of the Ordinance and Regulation, one of the forms specified by the EPD is the Discrepancy List (REE-7).
3. Pursuant to section 20(2) of the Regulation, if there are any discrepancies between a Return covered by the audit report and the records and documents kept for the Return as mentioned in section 20(1)(a) in relation to any quantity of REE, the auditor must set out the discrepancy in a document in the specified form, which is the Discrepancy List, Form “REE-7” referred to in paragraph 2. According to the instructions on REE-7, the auditor is required to fill in the discrepancy details on REE-7 and sign the form.
4. Section 20(3) of the Regulation requires the Registered Supplier to attach the Discrepancy List with the audit report for submission to the EPD. In general, the auditor would state the identified discrepancies as an appendix to the audit report, rather than reporting them separately.
5. In case of any discrepancy identified under section 20(2) of the Regulation, the auditor is to fill in REE-7 as the Discrepancy List for the purposes of the reporting and attach it to the audit report.



產品環保責任（受管制電器）規例
PRODUCT ECO-RESPONSIBILITY (REGULATED ELECTRICAL EQUIPMENT) REGULATION

差異清單
Discrepancy List

顧客公司名稱
Client Name: _____

登記編號
Registration No.: _____

審計報告參考編號
Audit Report Reference No.: _____

由 _____ 至 _____ 期間
Period covered from _____ to _____

共 _____ 的第 _____ 頁
Sheet _____ of _____

如有任何差異，此「差異清單」必須附於審計報告內並與表格【REE-3】一併呈交。

This Discrepancy List must be attached to the audit report and submitted together with Form REE-3 when there is any discrepancy.

此「差異清單」由所委託的獨立執業會計師按擬備的審計報告填寫。

This Discrepancy List shall be completed by the appointed independent certified public accountant (practicing) in accordance with the annual audit report prepared.

項目 Item	受管制電器類別 Class of REE ¹	申報季度 Reporting Quarter	申報數量 Quantity Reported (Number)	核數師核實數量 Quantity Verified by Auditor (Number)	差異 (申報數量 – 核實數量) Discrepancy (Quantity Reported – Quantity Verified)	原因 / 備註 Reason(s) / Remarks



差異清單
Discrepancy List

REE-7

審計報告參考編號

Audit Report Reference No.: _____

共 _____ 頁
Sheet _____ of _____

項目 Item	受管制電器類別 Class of REE ¹	申報季度 Reporting Quarter	申報數量 Quantity Reported (Number)	核數師核實數量 Quantity Verified by Auditor (Number)	差異 (申報數量 – 核實數量) Discrepancy (Quantity Reported – Quantity Verified)	原因 / 備註 Reason(s) / Remarks

¹ REE refers to Regulated Electrical Equipment.

授權簽署

Authorised Signature: _____

姓名 _____ 職位 _____
Name: _____ Post Title: _____

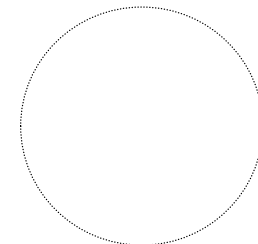
審計公司名稱
Name of the Audit Company: _____

日期

Date: _____

公司蓋章

Company Chop: _____



Appendix 5

Extract of the Requirements

This appendix provides a summary of the Requirements on the Registered Suppliers' preparation of the Returns and maintenance of proper books and records in respect of REE as required by the Ordinance and Regulation. Members should refer to the Ordinance and Regulation for the complete requirements.

Cap. 603 Product Eco-responsibility Ordinance

38. Registered supplier must submit returns

- (1) A registered supplier must, in accordance with the REE Regulation, periodically submit returns to the Director.
- (2) On receiving a return, the Director must—
 - (a) determine the amount of recycling levy payable under section 37 by the registered supplier; and
 - (b) serve a payment notice on the supplier.
- (3) A registered supplier must, within the prescribed period after the date the payment notice is served, pay to the Director in the prescribed manner the recycling levy payable under section 37 stated in the payment notice.
- (4) If a registered supplier submits a return in respect of a period in a calendar year, the supplier must keep the prescribed records and documents relating to the return during the 5 years after that year.
-
- (9) In subsections (3) and (4)—
prescribed (訂明) means prescribed by the REE Regulation.

Cap. 603B Product Eco-responsibility (Regulated Electrical Equipment) Regulation

Division 3 – Obligations and Related Matters

Subdivision 2 – Returns

14. Content of returns

- (1) *(Repealed 27 of 2023 s. 25)*
- (2) A return must contain, in relation to each class of regulated electrical equipment— *(27 of 2023 s. 25)*

- (a) the number of such equipment that was distributed by the registered supplier in Hong Kong during the reporting period, with a breakdown of—
 - (i) the number of such equipment that meets the description of section 37(1)(a)(i) of the Ordinance; and
 - (ii) the number of such equipment that meets the description of section 37(1)(a)(ii) of the Ordinance; and
- (b) the number of such equipment that was used for the first time by the registered supplier in Hong Kong during the reporting period, with a breakdown of—
 - (i) the number of such equipment that meets the description of section 37(1)(a)(i) of the Ordinance; and
 - (ii) the number of such equipment that meets the description of section 37(1)(a)(ii) of the Ordinance.

Subdivision 3 – Records and Documents Relating to Returns

15. Record keeping

- (1) This section applies to the keeping of records and documents under section 38(4) of the Ordinance.
- (2) The registered supplier must keep records, invoices, receipts, delivery notes, inventory records or any other documents that contain sufficient details to enable the Director to readily verify the matters mentioned in subsection (3) in relation to a return.
- (3) The matters are—
 - (a) *(Repealed 27 of 2023 s. 26)*
 - (b) in relation to each class of regulated electrical equipment—
 - (i) the number of such equipment that was distributed by the registered supplier in Hong Kong during the reporting period;
 - (ii) the number of such equipment that was used for the first time by the registered supplier in Hong Kong during the reporting period;
 - (iii) the number of such equipment that was exported by the registered supplier out of Hong Kong during the reporting period; and
 - (iv) among the equipment mentioned in each of subparagraphs (i), (ii) and (iii)—

- (A) the number of such equipment that meets the description of section 37(1)(a)(i) of the Ordinance;
- (B) the number of such equipment that meets the description of section 37(1)(a)(ii) of the Ordinance; and
- (C) the number of such equipment that does not meet the description of section 37(1)(a)(i), or section 37(1)(a)(ii), of the Ordinance.