



DRIVING BUSINESS SUCCESS

2025 Issue 1 Volume 21

PLUS:

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TURNING TO AI**

How finance leaders can effectively manage the adoption of artificial intelligence

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Key areas accountants should pay attention to this year

SECOND OPINIONS

What's on your radar for 2025?

TRANSFORMING WITH THE TIMES

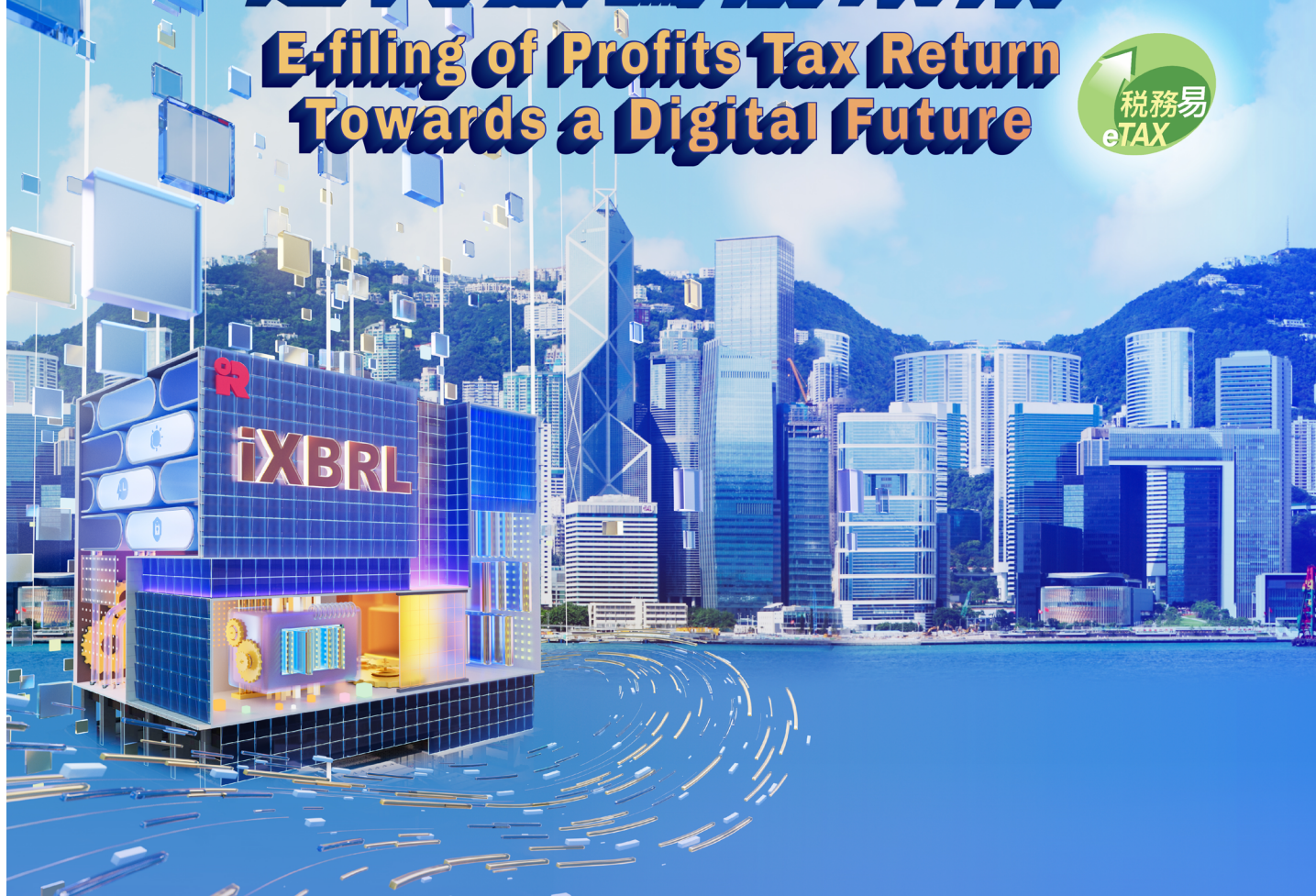
A strong commitment to sustainability has presented the Institute and its members a major opportunity to evolve, says Edward Au, the Institute's new President

CPA

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DEAR MEMBERS

It is with deep honour and great enthusiasm that I address the readers of *A Plus* for the first time as the President of the Institute. I want to extend my sincere thanks to the Council and our members for your trust and confidence.

Since I took on this significant role in November 2024, considerable developments have occurred, signifying an exciting and transformative era for our profession and Hong Kong's broader financial landscape.

One of the most significant milestones has been the publication of the Hong Kong Financial Reporting Standards S1 and S2 (HKFRS SDS) in full alignment with the standards issued by the International Sustainability Standards Board, with an effective date of 1 August 2025. These new standards are a monumental step and represent our commitment to being among the first jurisdictions to align local sustainability reporting standards with international best practices, as set out in the government's *Roadmap on Sustainability Disclosure in Hong Kong*, ensuring that Hong Kong remains at the forefront of global financial reporting.

In January, the Institute had the privilege of participating in the prestigious Asian Financial Forum (AFF). This event provided an invaluable platform for the Institute to showcase Hong Kong's progress in sustainability reporting standard setting and capacity building. It was a moment of pride for us to demonstrate our dedication to sustainability and to share our journey at the event, which attracted about 3,600 policymakers and business leaders from around 50 countries and regions.

A highlight of the AFF for me was the honour of participating in a panel session titled "Global Spectrum – Setting Global Milestone in Sustainability." This panel was led by Janey Lai, Chief Executive Officer of the Accounting and Financial Reporting Council, and I was privileged to be joined by Sue Lloyd, Vice Chair of the International Sustainability Standards Board, and Justin Wu, Managing Director, Head of Climate Change Asia Pacific, Global Sustainability, at HSBC.

In addition to discussing the importance of the HKFRS SDS in providing a robust framework for sustainability disclosures, I also shared my vision for the Institute in the year ahead. Our focus will be on enhancing the profession's capacity to

“Our focus will be on enhancing the profession’s capacity to support sustainability initiatives and ensuring that our members are well-equipped to navigate the evolving landscape of sustainability standards.”

support sustainability initiatives and ensuring that our members are well-equipped to navigate the evolving landscape of sustainability standards.

We will continue to collaborate with international standard-setters and local stakeholders to refine and advance our reporting frameworks, ensuring that Hong Kong remains a leader in sustainable finance.

Indeed, collaboration is an important theme for Institute in the year to come. Earlier in December 2024, we were honoured to host esteemed guests from the International Accounting Standards Board (IASB), Dr. Andreas Barckow, Chair of the IASB, Dr. Jianqiao Lu, IASB member and Roanne Hasegawa, IASB technical staff, at our event IASB Update – Here to Listen, Not to Preach. Over 100 participants, including senior representatives from regulators, investors, technical experts, and C-suite executives, joined us for a day filled with engaging discussions and valuable insights about IASB's latest projects. The event underscored our important role in driving collaboration to contribute to Hong Kong's financial integrity.

Another event I had the privilege of taking part in, was a company visit to Deloitte from over 100 BAFS students and teachers from 20 schools under the Institute's Accounting in Action initiative for the academic year. It was a delightful crossover of my two roles and the activity symbolized one of the Institute's key focus areas – talent engagement. I look forward to more exciting opportunities and events to engage with our future talents.

I encourage you to read this issue's exclusive interview to learn more about my hopes and vision for the year ahead. In the interview, I discuss our strategic priorities, the challenges we face, and the opportunities that lie ahead. Your engagement and feedback are crucial as we embark on this journey together.

As we celebrate the Year of the Snake this Chinese New Year, may this festive season bring you and your loved ones joy, prosperity, and good health. Let us embrace the qualities of the snake – agility, determination, and ingenuity – as we navigate the year ahead. May you find success in all your endeavours, and may our collective efforts lead to a brighter, more sustainable future for the profession and our city.

Edward Au, President

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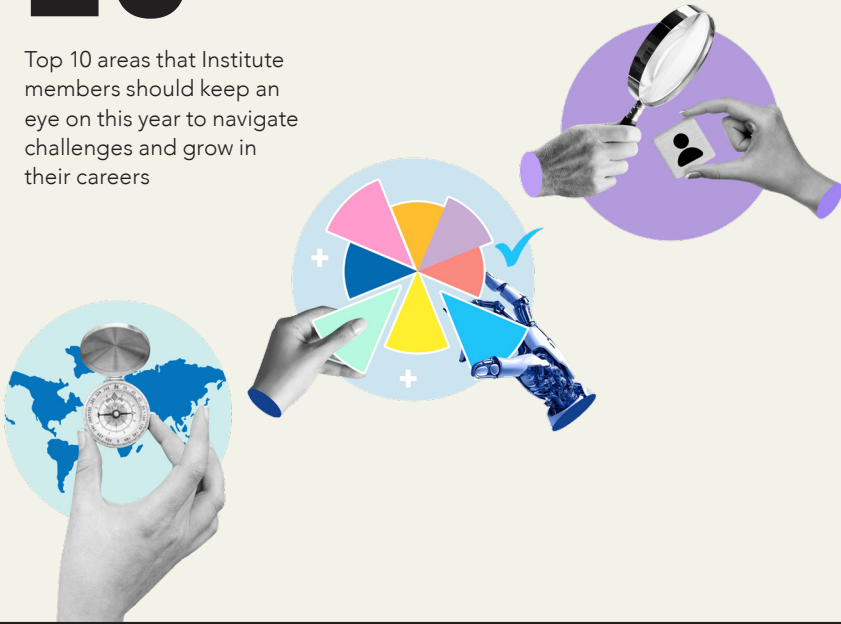
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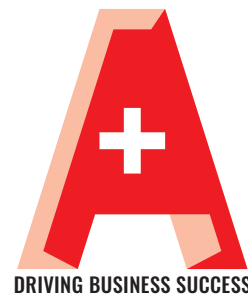
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About our name

A Plus stands for Accounting Plus. It represents a profession that is rich in career options, stays relevant amid rapid changes, and adds value to business. This magazine strives to present the global mindset and varied expertise of Institute members – Accountants Plus.



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The digital version is distributed to around 48,000 members, and around 12,000 students of the Institute and over 2,000 business stakeholders every quarterly.

NEWS

Institute news Business news

The HKICPA introduces HKFRS 1 and HKFRS 2

Following the Hong Kong government's publication of the *Roadmap on Sustainability Disclosure in Hong Kong* on 10 December 2024 (see our response [here](#)), the Institute published the HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and HKFRS S2 *Climate-related Disclosures* (HKFRS Sustainability Disclosure Standards or HKFRS SDS) on 12 December 2024. The HKFRS SDS are fully aligned with the IFRS Sustainability Disclosure Standards (ISSB Standards), with an effective date of 1 August 2025.

"The publication of the HKFRS SDS marks an important milestone in the sustainability development journey in Hong Kong. The HKFRS SDS provides a standardized framework for enhancing the consistency and comparability of corporates' sustainability reports. The HKFRS SDS is fully aligned with the ISSB Standards; this is critical to maintaining and enhancing Hong Kong's competitiveness in international capital markets. The HKICPA will dedicate its efforts in the coming year to capacity building to enable the successful implementation of the HKFRS SDS. We will also continue to contribute to the holistic development of the local sustainability reporting ecosystem in order to solidify Hong Kong's status as a leading international financial centre and a green and sustainable finance hub," said Institute President Edward Au.

As part of the Institute's continued commitment to contribute to capacity building and to address key comments

raised by stakeholders, the Institute is developing a comprehensive sustainability capacity building programme to help stakeholders understand the impact of the HKFRS SDS and to facilitate the application of the standards. Read the [press release](#) and this issue's source article on page 32 to learn more about HKFRS SDS.

Institute announces tax policy and proposals for 2025-26 Budget

Under the theme "Building a sustainable future – fiscal stability, and economic and social development," the Institute put forward proposals for the government's 2025-26 budget under four main themes, covering "driving economic growth and stimulating investment", "attracting and retaining talent", "sustaining public finances", and "sustainable development", to help Hong Kong start a new chapter and cement its position as one of the best places in

the world to live, work and visit. A press briefing was held on 23 January to announce the proposals. Read the [budget proposals](#) and the [press release](#) to learn more.

New Institute leadership elected

Au Chun Hing, Edward was elected the Institute's President for the 2024/25 Council, following the 52nd annual general meeting (AGM) held on 28 November 2024, and Law Cheuk Kin, Stephen, JP and Lee Shun Yi, Jasmine as Vice-Presidents. Click [here](#) for the full composition of the Council.

The [minutes](#) from the Institute's 52nd AGM are now available.

Institute participates in Asian Financial Forum 2025

The Institute participated in the Asian Financial Forum 2025 on 13-14 January, to promote Hong Kong's sustainable development and the



(From left to right) Margaret Chan, Institute Chief Executive and Registrar; Stephen Law, Vice-President; Edward Au, President; and Jasmine Lee, Vice-President at the AGM on 28 November 2024.



implementation of the HKFRS SDS. On day one of the forum, President Edward Au participated in the panel discussion titled “Setting Global Milestones in Sustainability”, under the Global Spectrum seminar series, sharing insights on the importance of the HKFRS SDS and how enterprises can be assisted in implementing these standards. To showcase its journey in setting HKFRS SDS, the Institute had also set up a booth to engage with participants of the forum. Read the [press release](#) for more details.

Best Corporate Governance and ESG Awards 2024

The winners of the Best Corporate Governance and ESG Awards 2024 were announced at a press briefing on 21 November 2024, with a record 38 companies and public sector organizations recognized for their outstanding efforts. Among the winners were five first-time awardees and three new winners of the Most Sustainable Companies and Organizations Awards. The full awardee list can be found in the [Judges’ Report](#) and the [press release](#). The presentation luncheon ceremony, featuring Carlson Tong, Chairman of

Hong Kong Exchanges and Clearing Limited as the guest of honour, took place on 25 November 2024. Click to see the [photos](#) and [press release](#).

Alongside the awards, the Institute conducted research on the prevalence and quality of information technology and cybersecurity-related disclosures in annual and sustainability or ESG reports, among the 82 Hang Seng Index companies. Read the [cybersecurity report](#) for insights into this research.

Annual report 2024 published

Themed “Building Community,” the [Annual Report 2024](#) highlights our commitment to fostering a valued and connected environment for our members and stakeholders. Read the report to learn more about our various efforts and initiatives for building a more cohesive community, as well as our significant milestones and achievements in 2024.

Annual dinner 2024

With the theme “Building Community: Engage, Embrace, Elevate,” the annual dinner 2024 saw over 350 members and guests gathered to connect and

celebrate our shared journey over the past year on 22 November 2024. Christopher Hui, Secretary for Financial Services and the Treasury, was the guest of honour. See the [photos](#) and [video highlights](#).

Strategic agreement for accounting

On 11 December 2024, the Institute signed the Strategic Agreement for Developing Guangdong-Hong Kong-Macau Accounting Industry (2024) with the Guangdong Institute of Certified Public Accountants, Hong Kong Association of Registered Public Interest Entity Auditors, and the Union of Associations of Professional Accountants of Macau, to deepen collaboration in five key areas. Through the agreement, the participants seek to jointly facilitate the high-quality development of the accounting profession, participate in the development of the “Belt & Road Initiative”, and to contribute to the development of the Guangdong-Hong Kong-Macau Greater Bay Area. Read the [press release](#) to learn more.

MoU signed between HKICPA and BICPA

The HKICPA and the Beijing Institute of Certified Public Accountants (BICPA) renewed their Memorandum of Understanding (MoU) on 4 December 2024 to foster cooperation in member services, professional knowledge exchange, and talent cultivation, strengthening exchanges between the accounting professions in Beijing and Hong Kong. Learn more from the [press release](#).

Council meeting minutes

The [abridged minutes](#) from the October and November 2024 Council meetings are now available.

Unlock your sustainability potential with our new initiatives!

Sustainability Information Centre



A revamped hub for easy access to the latest sustainability developments, thought leadership, and learning resources.

1-2-7 Sustainability Capacity Building Framework



Enhance your sustainability knowledge with our new capacity-building framework, focusing on IFRS S1 and S2*.

Sustainability Community



Connect with like-minded professionals and stay informed on sustainability trends and regulations. Enjoy priority access to newsletters, articles, events, webinars, and exclusive training sessions.

Explore these initiatives and elevate your sustainability journey with us!

* Some courses are approved under HKMA's Pilot Green and Sustainable Finance Capacity Building Support Scheme. Please visit [here](#) for more details.



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The number of overseas and Mainland companies that set up or expanded their operations in Hong Kong in 2024, bringing a record HK\$67.7 billion in investments in 2024. This marks a 10 percent increase in total investment compared to 2023. These companies are expected to create 6,864 job opportunities in the city during their first year of operation. The activity was led by sectors such as innovation and technology, financial services and fintech, family offices, tourism and hospitality, and business and professional services.



Hong Kong's unemployment rate for the October to December 2024 period, stood at 3.1 percent, the Census and Statistics Department announced, unchanged from the September to November 2024 figure. The underemployment rate also remained consistent at 1.1 percent. Labour and Welfare Secretary Chris Sun highlighted that unemployment rates in industries such as manufacturing, finance, social work, and arts and entertainment had improved compared to the previous period.

44%

The percentage of Hong Kong companies expressing a negative outlook for the coming year, according to a survey by the Hong Kong General Chamber of Commerce in December 2024. This marks the most pessimistic sentiment among businesses in half a decade. The survey involved 219 businesses across various sectors. Notably, the research began just before Donald Trump's victory in the U.S. presidential election, a development that has added to global unpredictability.

145,053

The number of new local companies registered in Hong Kong in 2024, raising the total number of companies registered under the Companies Ordinance to 1.46 million. According to the Companies Registry, this marks an increase of 29,736 local firms compared to 2023, setting a record high. Additionally, 1,079 non-Hong Kong companies registered new places of business within the city during the same period.

<10%

Fewer than 1 in 10 organizations in the Asia Pacific region have robust AI governance structures, according to a Deloitte report, *AI at a Crossroads: Building Trust as the Path to Scale*. The survey of nearly 900 senior leaders across 13 Asia Pacific countries highlighted that mature AI governance frameworks lead to a 28 percent increase in AI adoption among staff and nearly 5 percent higher revenue growth.

2030

The target date the Hong Kong Monetary Authority (HKMA) is urging banks to achieve net zero emissions in their own operations; and in financed emissions by 2050. As part of the "Banking for Net Zero" initiative, the HKMA is emphasizing the urgency for banks to take decisive and focused measures to reduce financed emissions and gradually eliminate high-emission assets.

"The ongoing 'Compound AI' revolution, which involves approaching AI tasks by combining multiple interacting components, will increasingly transform the CFO role into that of an AI-powered chief capital officer. This is an analytics-driven shift that isn't optional but imperative for enterprise growth."

– Michael Schrage, a research fellow with the MIT Sloan School of Management's Initiative on the Digital Economy, told *Fortune*.

24%

Hong Kong's crypto adoption rate, according to a CoinDesk report. This places the city in the mid-tier category globally, trailing behind markets like Thailand (43 percent) and India (32 percent). While 50 percent of Hong Kong respondents believe crypto will play a significant role in the future financial ecosystem, trust issues remain a major hurdle. About 33 percent of non-users cite security concerns, including risks of hacking and fraud, as reasons for their reluctance.

PROFILE
Edward Au

EMBRACING A TRAN



INFORMATIVE SHIFT

Interview with Edward Au, the Institute's new President

Hong Kong became one of the first jurisdictions to align local sustainability requirements with the International Sustainability Standards Board's (ISSB) sustainability disclosure standards, with the Institute playing a crucial role. The Institute's new President, Edward Au, talks to [Jemelyn Yadao](#) about the mission to empower members to take on sustainability leadership, and how he sees the profession advancing to another level

Photography by Calvin Sit

Edward Au is in the business of transforming companies. He understands more than most that getting a company listed is about more than raising capital. "I get to see the bigger picture. Initial public offerings represent a turning point in terms of scaling and competing on a global stage. After listing, it's the beginning of a brand new world for a company," he says.

After being involved in many company transformations, Au, the Hong Kong Institute of CPAs' new President, is now contributing to the next major stage in the Institute's transformation – one which sees its role as Hong Kong's sustainability reporting standard setter become more publicized, and its efforts to support members' development intensify.

Its work in establishing Hong Kong's sustainability reporting standards has been advancing steadily. After conducting extensive stakeholder engagement, the Institute on 12 December 2024 published HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and HKFRS S2 *Climate-related Disclosures* (HKFRS Sustainability Disclosure Standards or HKFRS SDS). Fully aligned with the IFRS Sustainability Disclosure Standards (ISSB Standards), HKFRS SDS are effective from 1 August 2025. "It's definitely a key milestone for Hong Kong and it's great that I get to experience it as the Institute's President," says Au.

He says the focus of the Institute this year is on capacity building, and ensuring implementation support activities are up and running. For example, it organized a live public briefing on HKFRS S1 and S2 covering the development journey of the HKFRS SDS and its impact on Hong Kong entities in mid-January.

"The next steps are about equipping accountants with the necessary knowledge and experience in order to

drive this forward not just for Hong Kong, but also for counterparts in the Greater Bay Area (GBA). As Hong Kong is part of the first batch of jurisdictions that have aligned with the ISSB Standards, Hong Kong accountants can play a big role in bridging the knowledge gap between sustainability reporting standards in the Mainland, and such standards outside the Mainland,” says Au, adding that sustainability disclosure standards in the Mainland are still evolving.

Last year, the Institute launched the 1-2-7 Sustainability Capacity Building Framework (1-2-7 Framework), a training curriculum designed to assist members in progressing their sustainability learning. “1-2-7 Framework covers everything from basic 101 knowledge to practical implementation at different levels. The Institute is now looking to further enhance the content of the framework by making sure it is aligned with the ISSB Partnership Framework for Capacity Building, and therefore international requirements,” says Au.

An implementation support platform and the Sustainability Community were also introduced. The support platform enables stakeholders to submit technical questions for discussion and can be leveraged by the Institute to relay any Hong Kong-specific issues to the ISSB. The Sustainability Community, meanwhile, was created to bring together sustainability practitioners, within and beyond the Institute’s membership, in a central hub to exchange knowledge and best practices.

Both the platform and the community are a testament to the Institute’s commitment to empowering and enabling its members, notes Au. “We really strive to engage and support our members from different angles, whether it is

through the community initiative, the FAQs platform to address concerns, or the live briefings to explain how this is going to impact disclosures,” he says.

Au points out that the publication of the government’s *Roadmap on Sustainability Disclosure in Hong Kong* in December 2024 was another key development, and will serve as a guide for the Institute on the timeline for the implementation of the HKFRS SDS.

The roadmap also highlights another critical component of a comprehensive ecosystem that supports sustainability disclosures, and another area in which the accounting profession can play a leading, proactive role – sustainability assurance. “With more companies in Hong Kong adopting sustainability reporting standards under a phased-in approach, the demand for assurance, and ensuring sustainability data is reliable and relevant, will only grow in the future, and this is an opportunity for the profession,” says Au. “Although Hong Kong’s sustainability assurance regulatory regime will

“With more companies in Hong Kong adopting sustainability reporting standards under a phased-in approach, the demand for assurance, and ensuring sustainability data is reliable and relevant, will only grow in the future, and this is an opportunity for the profession.”

be left with the Accounting and Financial Reporting Council, the Institute will definitely support the implementation of those assurance standards. The ultimate goal is to enable our members, and contribute towards Hong Kong to become an international green and sustainable finance hub.”

The Institute aims to publish the final local assurance and ethics standards before the end of 2025.

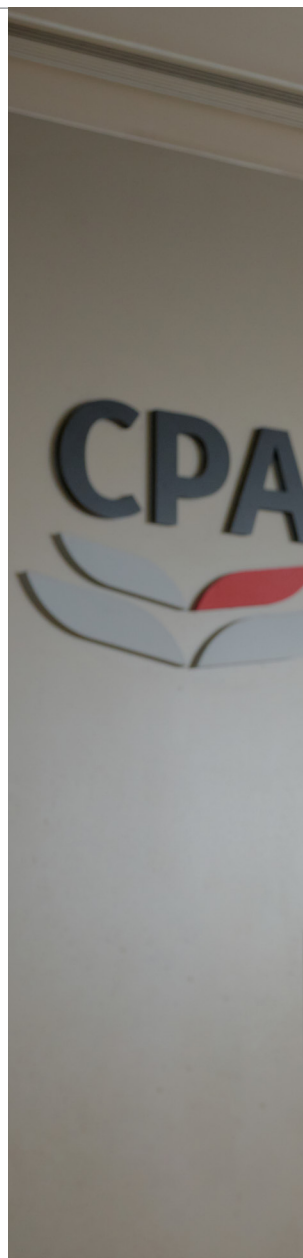
Creating GBA opportunities

Au, who is Deloitte China Southern Region Managing Partner, believes the profession is at a pivotal juncture presenting it with both challenges and opportunities. With that, one of his priorities this year as President is to focus on enhancing global connections and maintaining partnerships with international counterparts. He also sees a need to help members navigate the evolving global interconnectedness. “Accountants have a key role to play in bringing quality companies from China out into the rest of the world, and also attracting international companies or investors to Hong Kong,” he says. “We should also continue to exhibit Hong Kong’s accounting excellence on a global stage.”

Helping members to seize career and business development opportunities in the GBA is also important to Au, who wants to see a boost in Hong Kong CPAs’ value proposition in the Mainland.

Further collaborating with Mainland accounting bodies, and helping members connect with peers in Mainland GBA cities, will be key to identifying opportunities for Institute members, he says, “whether it’s in audit, tax advisory, mergers and acquisitions (M&A), or sustainability.”

The Institute will keep pushing for preferential policies in the



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Edward Au is Deloitte China Southern Region Managing Partner, with a focus on the development of the practice in the Greater Bay Area. He was co-leader of the firm's National Public Offering Group.

GBA for Hong Kong CPAs. For example, it will continue to keep in close contact with GBA Mainland cities as it strives for “early and pilot implementation” of policies to support career development of Hong Kong’s CPAs in the GBA, notes Au.

“In the long run, we advocate the launch of the GBA CPA Qualification Examination, allowing Hong Kong’s practising CPAs to be partners of non-audit businesses of accounting firms in GBA Mainland cities, and to include Hong Kong CPAs into the Catalogue of Overseas High-end Talents of GBA Mainland

cities,” Au says.

With a GDP of close to US\$ 2 trillion in 2023, the GBA has seen continuing policy-driven integration. More interconnection within the GBA is expected, and Au sees accountants playing a part in this. “Hong Kong plays a great role in the GBA, and with accounting being the business language of the world, Hong Kong accountants can help further drive integration of the GBA cities,” he says.

Engaging talent

With the evolving needs of business,

including the increasing demand for sustainable development, Au says another priority is to ensure a steady supply of skilled accountants.

“Talent is key to all aspects in terms of development. So it’s important to find ways to get the next generation of talent to embrace the profession and to push forward the economy. We need to fill the talent gaps, ensuring a sustainable future for our profession,” he says.

Following the Chief Executive’s third Policy Address last October, the Institute was pleased to see that the government adopted its proposal

PROFILE

Edward Au



At the Asian Financial Forum 2025 on 13 January, Au shared the importance of HKFRS Sustainability Disclosure Standards, and spoke on assisting enterprises in implementing the standards.

of updating the government's "Talent List" to attract talents from more professional service sectors. It had advocated for the inclusion of the accounting profession in the Talent List with the goal of addressing the talent shortage in the profession.

"We look forward to the government expanding the talent pool for the profession to maintain service quality. An important aspect of this initiative is that it will bring in people from different backgrounds. Having people from diverse backgrounds and cultures working together, making great things and coming up with new ideas can move the profession forward," says Au.

While government support is welcomed, Au points out that the Institute has long played its part to support talent attraction, mentioning its collaborations with the education sector, including the Education Bureau, schools and tertiary institutions. The goal, he says, is to encourage the next generation to start a CPA career by helping them understand how the profession has contributed to the development of Hong Kong's economy in the past, and how it will continue to do so in the future. "This will give them a sense of purpose, as they start to realize how the profession is driving Hong Kong's economy and Hong Kong's role as an international financial centre."

A promising career

Au's unique perspective of transformation extends beyond his work, and is something he applies when appreciating films. "Many people watch movies as a way to relax or have fun, but when I watch a movie, I transform myself into the characters played by the actors, so that I can experience those different roles and perspectives, and understand the meaning behind the film," he says.

Similar to characters in the film world, there is no shortage of roles

played by CPAs. Au is adamant that drawing attention to this is one of the best ways for the profession to attract talent. "We must emphasize the diversity of accountants in terms of their careers. Other than an auditor and tax consultant, you can be an M&A advisor, a forensic accountant or a sustainability expert. With a professional accounting background there's a wide range of roles open to you, including CEO," he says. "The Institute will continue to focus on branding, so that the next generation of talent can acknowledge the promise that comes with these roles."

Indeed, another path that those with an accounting background can take is IPO advisory, which Au has been associated with ever since he started working as an auditor in 1993. "China was opening up and allowed the first batch of state-owned enterprises to get listed in Hong Kong, one of them being Tsingtao Brewery," he recalls. "My first project when I joined the firm was a B-share listing in China, and that was really interesting for me."

Au says he quickly discovered the real purpose behind the work he was doing. "Besides supporting fundraising, I could help the company to transform and expand their operations. I knew that working in IPOs and the capital market was something I wanted to go into because I could support company

"We must emphasize the diversity of accountants in terms of their careers. The Institute will continue to focus on branding, so that the next generation of talent can acknowledge the promise that comes with these roles."

transformations and support the growth of the company. Having such a mission is both eye-opening and really meaningful," he adds.

A new level of opportunities

When thinking about the future of the Institute, Au is full of optimism, particularly as its crucial role in the development and implementation of the local sustainability reporting standards goes further. A proud commitment to sustainability has presented both the Institute and its members a major opportunity to evolve, he notes.

"Sustainability itself is transforming and is only part of a business transformation. In a company's business transformation there are different ingredients coming into it, and I think accountants can play a role in these areas too," says Au. Members should also embrace the opportunity to work with different professionals, he adds, such as engineers and building surveyors, when it comes to measuring and disclosing information.

As the Institute continues to fulfil its new role, Au believes this year will see the Institute redoubling its efforts to empower, enable and engage members, the "Three Es" as he calls it. "For example, ever-changing technology forces us to reimagine the things we have done in the past and in the future, so we need to constantly adapt ourselves. The Institute can empower and enable members with digital tools to work efficiently and move with the times," he says.

With the focus on sustainability reporting standards, and also member engagement, empowerment, and enablement, Au has been given another purpose. "We can support members wholeheartedly to move to another level, to 'transform' with the times, and to contribute even more to Hong Kong and its economy."



On 12 December 2024, the Institute published HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and HKFRS S2 *Climate-related Disclosures* (HKFRS SDS). The HKFRS SDS are fully aligned with the IFRS Sustainability Disclosure Standards, with an effective date of 1 August 2025.



ADOPTING AI:

How finance leaders can steer their organizations to success

Rapid advancements in GenAI have ushered in a transformative era, compelling companies to embrace it as a competitive advantage and finance leaders to take decisive action. [Jolene Otremba](#) finds out how finance leaders should effectively manage AI adoption

Illustrations by Gianfranco Bonadies

While usage of generative artificial intelligence (GenAI), a branch of AI technology that can produce various types of content in response to a user's prompt or request, is not as ubiquitous in the workplace as it is in headlines, 23 percent of organizations were already using GenAI or had active plans to do so, according to Thomson Reuters Institute's *2024 Generative AI in Professional Services* report.

As organizations evolve, and make the move to integrate AI or GenAI technology into workflows, chief financial officers, as the strategic partners that chief executive officers rely on, are expected to lead the charge in ensuring successful navigation through this technological revolution.

However, the rise of publicly available GenAI models, like ChatGPT, has placed finance leaders at a crossroads. While some perceive it as a threat that could automate away human workers, others recognize its potential to enhance the finance function.

Stephen Lo, CFO at Prenetics and a member of the Hong Kong Institute of CPAs, captures this sentiment succinctly: "This is the most empowering moment for me personally as a CFO. GenAI provides a framework that makes me a lot more effective as an executive."

This perspective highlights the strategic opportunity for finance leaders to champion AI adoption across their organizations. The benefits

of embracing GenAI are substantial, particularly in boosting productivity. Finance teams can generate business reports, emails, and complex Excel models far more efficiently. "We're talking about 3x, 4x efficiency gains," says Lo.

Jason Wong, Head of Finance at YUU Rewards, and an Institute member, emphasizes two key benefits: "The first one is predictive modelling using advanced scenario and impact analysis. And number two, automating mundane transactional processes to improve efficiency and effectiveness of financial reporting to enable more time on narrative and interpretation."

Beyond individual productivity, GenAI can enhance collaboration and communication throughout the organization. Lo explains that GenAI enhances collaboration by creating a common language, improving efficiency in meetings, and facilitating better knowledge sharing. It allows employees to conduct research before discussions, leading to more informed conversations. Additionally, it helps break down organizational siloes, making collaboration easier for everyone, not just finance teams. "Collaboration will become much easier because it's not just for the CFO, but for everyone I work with," he says.

"Leaders in organizations need to embrace the technology and basically just admit that it needs to be in every single part of the operation, both in-house and in customer-facing operations," says

"This is the most empowering moment for me personally as a CFO. GenAI provides a framework that makes me a lot more effective as an executive."



James Liu, Finance Director of IKEA at DFI Retail Group and an Institute member.

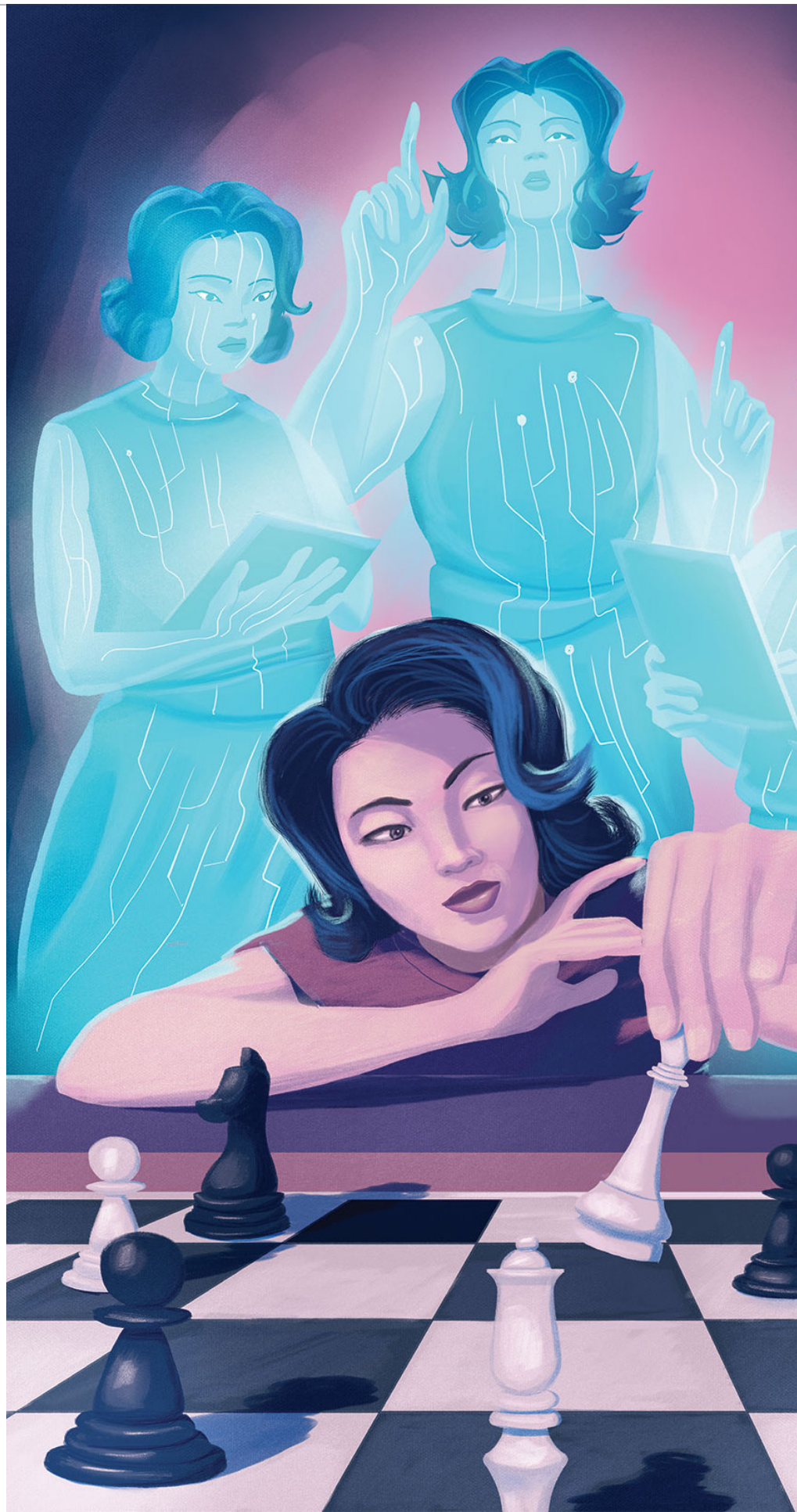
A recent benchmarking study published by PwC, *Becoming the Catalyst: How Finance Functions are Driving Shareholder Value*, reveals the vast and impactful applications of GenAI in finance. The study highlights key areas where AI can enhance data processing and generate actionable insights. For instance, GenAI allows finance functions to weave disparate data into cohesive narratives. “By integrating data management tools such as enterprise resource planning, robotic process automation, and extract, load, transform, AI can automatically transform and parse data, making it easier to extract insightful information in a timely manner and construct business insights more frequently,” says Wilson Chow, PwC Global TMT Leader and China AI Leader and an Institute member.

Moreover, the power of predictive analytics, driven by AI, enables finance teams to leverage complex datasets for more accurate forecasting. This capability not only bolsters revenue generation but also strengthens risk mitigation efforts. Chow notes that by reducing manual processing, professionals can focus on strategic initiatives, and that of the respondents in the PwC study, over 75 percent favoured these applications, showing a strong appetite for AI integration.

Golden opportunity for CFOs

Lo emphasizes the significance of AI technology for CFOs: “This is a golden time for an effective CFO. If we can help the organization become more productive, then you will be hugely beneficial for everyone.”

This transformation means that professionals will have greater opportunities to focus on strategic activities that drive value for their organizations. Chow notes that as companies strive for efficiency and innovation, finance professionals will increasingly serve as advisors, interpreting data and making strategic recommendations. Human accountants will also play a critical role in ensuring the





ethical use of AI, addressing biases, and maintaining governance over AI-driven processes.

“With AI handling routine tasks such as data entry, reconciliation, and basic report generation, accountants and finance professionals will have more time to focus on strategic activities like financial planning, analysis, and projections. This shift will enhance their role as strategic partners in the organization,” Chow says.

Navigating risks and challenges

Finance leaders must also navigate the risks and challenges associated with AI integration. According to Lo, auditability is a key risk in adopting GenAI for finance and accounting functions. “GenAI is a black box. There’s no audit trail, and no one knows what’s happening within it. And that is completely contradictory to the fundamentals of a good process in the accounting sense,” he explains.

GenAI, being a “black box” without transparency into its inner workings, poses a challenge to the need for verifiable records. Because of this, System and Organization Controls (SOC) reporting can be crucial for AI applications to drive trust and transparency. A SOC 2 Type 2 report can reassure external auditors, as it evaluates the operational effectiveness of an AI service provider’s controls related to data security, privacy, and system processing over a specified period.

For Liu, the greatest risk lies in accuracy. “There still has to be a certain level of scepticism, which is what finance professionals are trained to do; we don’t take things at face value.” This scepticism can complicate efforts to gain employee buy-in. Chow agrees, noting that transitioning to AI-driven processes requires significant organizational change, and it is up to CFOs to lead these efforts by addressing resistance from staff and fostering a culture that embraces innovation.

Cultivating a mindset shift

To address this, ultimately there needs to be a mindset shift. According to Lo and Liu, it’s about showcasing the benefits of AI and getting the organization to buy into it.

Lo stresses the importance of change management, particularly focusing on the human aspect, while Liu suggests addressing employee concerns about job displacement.

“One of the main concerns employees have is that AI will replace their jobs. To address this, we provide that safety cover to our workforce by saying: Look, we are not looking to reduce headcount,” Liu says.

Finance leaders must therefore communicate authentically. “You have to make them see what’s in it for them, why they need to do it. Is it going to take away my job, or is it actually helping me to become more effective?” Lo says. “If they don’t have the buy-in, it will be difficult for any digital transformation project.”

As such, a clear vision of how AI can empower employees, rather than replace them is also important. Reassuring employees that the goal is to enhance their capabilities and allow them to work more efficiently will be key.

Liu shared how IKEA incentivizes innovation by setting annual objectives for team members to automate at least one process using AI. This not only drives adoption but fosters a culture of continuous improvement. “The natural competitiveness of our accountants means that they will come up with something great,” he says.

Encouraging openness is equally important, according to Wong. Involving the finance workforce in AI discussions and decisions can help employees view the technology as an asset or partner rather than a threat. “Emphasize AI’s role in enhancing productivity. Showcase how AI frees up time for more meaningful work and promote a continuous improvement and learning environment,” Wong advises.

Leaders should also celebrate success stories and empower employees to take ownership of the AI transformation. “Lead by example,” Liu argues. “In terms of training or awareness of what is available, given the speed of AI development, we need to spend time to properly expand it and use it, and think about how to leverage it ourselves.”

When leadership demonstrates a commitment to learning and using



According to a 2024 survey of CFOs by McKinsey & Company, one in five CFOs report the use of GenAI tools, and of them, nearly half are still in the pilot and experimentation phase. In areas where finance functions have already adopted GenAI, CFOs most often cite improved employee productivity as a benefit (71 percent). 54 percent cite better use of data in business decisions and 48 percent cite insight generation that allows employees to focus on higher-order tasks.

AI, it sends a powerful message throughout the organization.

Using quick wins

Wong adds that finance leaders should be proactive in identifying specific use cases that align with their organization's goals and deliver quick wins. "Focus on selective, discrete use cases that have the potential to deliver the most meaningful impact," he says. "Look for tangible, quick wins that will help build momentum and confidence for the finance function and the rest of the organization to further invest in GenAI."

As an example, Liu shares how IKEA has harnessed AI in its finance function. "We now produce safety videos using AI, with an avatar of our own face as the instructor delivering the training material; this is a huge cost saving." The company has also automated the scanning and data entry process for vendor invoices. Liu notes, "Now it's just a matter of putting that chunk of invoices into a scanner and performing checks at an exception basis."

Risk management is key

Managing the risks associated with this technology is equally important. "AI systems thrive on high-quality data, so CFOs must implement robust data management practices to ensure accuracy and security," says Jacqueline Chan, Managing Director and CFO of DBS Bank Hong Kong, and an Institute member.

"Look for tangible, quick wins that will help build momentum and confidence for the finance function and the rest of the organization to further invest in GenAI."

Wong highlights the necessity of collaboration among teams to ensure ethical and secure implementation. "It requires a collaborative approach between finance, IT, legal, and compliance, depending on the industry," he says. Chan agrees, stating that leaders must recognize the inherent risks associated with AI and establish clear governance frameworks to guide the deployment of these transformative technologies.

At DBS, Chan explains the bank's approach on data management: "We adopt a 'PURE' framework to ensure responsible data use. P stands for purposeful, U for unsurprising, meaning that data use should be expected by stakeholders. R is for respectful, meaning data use should consider social norms and ethics, and E is for explainable." This comprehensive approach to data management lays the foundation for the responsible use of AI, ensuring that the bank's principles are upheld.

For the governance framework, Chan highlights that a cross-functional task force is formed to identify risks and build guardrails associated with AI adoption. This multi-layered assessment process includes self-assessments by the initiating units and oversight from independent committees to ensure that AI applications meet high standards of safety and reliability. For now, the bank's GenAI applications are restricted to internal use, prioritizing caution over customer-facing deployment.

By systematically assessing risks, Chan explains, "Each AI and GenAI use case can be evaluated to determine if inherent risks can be adequately mitigated and whether any residual risks are at an acceptable level prior to deployment."

Measuring success

As finance functions evolve to meet digital age demands, measuring the success of AI initiatives becomes

critical. Chan emphasizes the importance of establishing control groups for this purpose. "We establish a control group, and then the outcomes are compared with the experimental group that uses AI. The differences captured can be attributed to AI."

This scientific approach allows organizations to quantify the tangible benefits of AI, such as time savings, improved accuracy, and enhanced decision-making. Chan cautions against focusing solely on cost savings. "Revenue improvement is also a very important incentive for us, because enhanced decision-making will help generate more revenue, improve client engagement, and provide deeper insights into market trends." Only by taking a holistic view can finance leaders build a compelling case for continued investment in AI technologies.

Evolving role of CFOs

As the role of the CFO evolves, experts agree that finance leaders must become forward-thinking, data-driven strategic partners who can manage the risks and opportunities presented by AI and GenAI. The path to successful AI adoption requires a delicate balance of vision, governance, and employee engagement.

By leveraging these cutting-edge technologies to drive sustainable growth and enhance risk management, Chan believes that the finance function will be "empowered to scale new heights, drive greater value, and foster efficient data intelligence."

PwC's Chow concurs, adding that "many people express worries that the adoption of AI might eliminate human jobs. In reality, it will lead to an evolving role for accountants and finance experts, allowing them to step up and drive more value within their organizations."







Key areas accountants should pay attention to in 2025

From cross-border opportunities to major new standards, *A Plus* explores 10 areas that could potentially shape the work and careers of CPAs this year

Artificial intelligence

In 2025, there will likely be continued growth in the utilization of AI in the accounting profession given the value it brings. In particular, Generative AI (GenAI), a type of AI that creates original human-like content, has ushered in a new era of increased productivity and data-driven insight.

For accounting firms, GenAI offers the ability to streamline processes, boost efficiency, and derive meaningful insight from data. However, firms are still cautious about adopting GenAI technology into their workflows, according to *The 2024 Generative AI in Professional Services* report from the Thomson Reuters Institute. Of the survey respondents, 8 percent of tax firms and corporate tax departments identified as using GenAI technology, with 13 percent of these firms planning to use the tech soon. It also found that 30 percent of them are in the consideration phase of whether to use GenAI tools.

On the corporate sector side, chief financial officers are gearing up to continue AI strategy plans this year. Research, published in the recent *KPMG Global AI in Finance* report, shows that the use of AI is rapidly expanding across the world – 71 percent of companies are using AI in finance, and 41 percent of them to a moderate or large degree. GenAI has become a top priority for the future, with 95 percent of organizations that qualify as “leaders”, those more mature in AI usage, and 39 percent of others expecting to selectively or widely adopt it within financial reporting in the next three years, demonstrating the scale of the shifts to come.



Sustainability disclosure standards

The publication of the first two sustainability disclosure standards – HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and HKFRS S2 *Climate-related Disclosures* (HKFRS Sustainability Disclosure Standards) – on 12 December 2024 is just the beginning of a long journey to building a comprehensive sustainability disclosure ecosystem for Hong Kong, to solidify the city’s status as a leading hub for sustainable finance.

In line with the *Roadmap on Sustainability Disclosure in Hong Kong* published by the government, the Institute will be developing local assurance and ethics standards on a full convergence basis with international standards. It aims to publish the final local standards by the end of this year. The Accounting and Financial Reporting Council will also this year release a proposed local regulatory framework for sustainability assurance for public consultation.

With the HKFRS Sustainability Disclosure Standards’ effective date of 1 August 2025, the Institute will be focused on ensuring the successful implementation of the standards, organizing seminars, webinars and other engagement activities to build capacity for the profession and those beyond it. Refer to the [Sustainability Information Centre](#) for the latest technical resources and activities.

LOOKING AHEAD

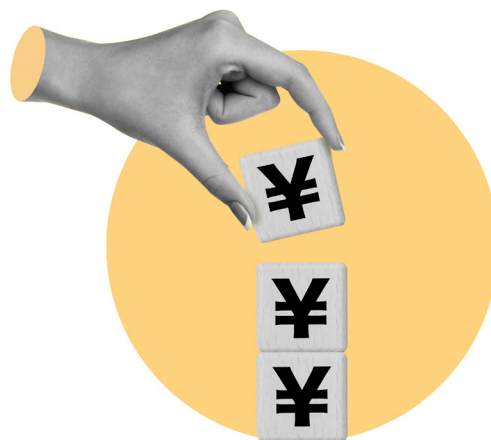
10 focus areas for CPAs in 2025

Mainland opportunities

Development in the Greater Bay Area (GBA) will remain a strategic focus for members, particularly as Mainland China appears steadfast in implementing a higher standard of opening up, and Hong Kong enterprises look to develop on the Mainland through preferential arrangements. A guideline, outlining 20 policy measures across six areas to expand institutional opening-up in the country's pilot free trade zones and a free trade port, was jointly issued by the People's Bank of China, Ministry of Commerce, National Financial Regulatory Administration, China Securities Regulatory Commission, and State Administration of Foreign Exchange.

When it comes to movement between cities, efforts to integrate the four transportation networks in the GBA are being deepened. Preparatory work is underway for projects such as the Guangzhou-Zhuhai-Macao High-Speed Railway and the Foshan-Guangzhou-Dongguan Intercity Railway. Meanwhile, construction has started on the transformation of Guangzhou East Station, and the new Huanggang Port has been completed.

Tech-minded members should also note advancements taking place in the Mainland's manned and unmanned equipment industry or "low-altitude economy," touted as a new growth driver for the country. The *Guangzhou Low-Altitude Economy Development Regulation* will take effect on 28 February. The regulation addresses key areas such as airspace, infrastructure, flight services, industrial development, and application scenarios, providing a legal framework to support the growth of emerging industries.



Talent boost

With the Hong Kong government's initiatives for attracting talents announced last year, the accounting profession could potentially see its talent supply bolstered.

The Policy Address in October last year included measures to attract quality talents, including updating the government's "Talent List" in early 2025 to include talents required for the development of the "eight centres". The Institute believes this would further expand the talent pool of the profession for maintaining the service quality of the accounting profession in Hong Kong.

Proposing ideas to the government on attracting and retaining talent for both the profession and Hong Kong is something the Institute does regularly. In January 2024, the Institute, based on the findings of a [survey](#), proposed several recommendations to address the talent shortage challenge of the accounting profession. One was to include the accounting profession in the "Talent List" to attract accounting-related professionals to the industry.

Careers beyond borders

The Institute's recent partnerships with other world-leading accounting bodies and newly signed agreements underscore the paths open to Institute members to complement their CPA qualification and expand their professional network. They also serve as a nudge for members aspiring to advance their careers internationally.

The new partnership between the Institute and the Association of Chartered Certified Accountants (ACCA), for example, simplifies admission to ACCA membership for Institute members, giving them access to ACCA's global professional network and extensive continuous professional development opportunities and technical resources.

Highlighting the global recognition of the Institute's membership qualification, in November 2023 the Institute signed a five-year extension to the Reciprocal Membership Agreements with five chartered accountancy bodies within the Global Accounting Alliance, including the Chartered Accountants Australia and New Zealand, Chartered Accountants Ireland, Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Scotland and South African Institute of Chartered Accountants. These agreements facilitate global qualification mobility for eligible members, and will remain in effect until 30 November 2028.

Visit the [Institute's webpage](#) to learn more about these agreements.



Cybersecurity

With the growing risk of cybersecurity threats, many companies and firms will be thinking about adopting comprehensive cybersecurity strategies. The number of cybersecurity cases in Hong Kong stood at 12,536 in 2024, up 62 percent from 7,752 cases in 2023, marking a five-year high, according to The Hong Kong Computer Emergency Response Team Coordination Centre (HKCERT) in January. The information security watchdog said that the number of phishing cases more than doubled to 7,811 from the 3,752 in 2023. Nearly a quarter of the phishing attacks focused on banking, finance and e-payment services.

“With the use of AI, the number of phishing links increased exponentially last year,” said Alex Chan, General Manager of HKCERT's digital transformation division, reported the *South China Morning Post*.

With such cybersecurity threats expected to become more prominent in the future, and as hackers become more sophisticated, information technology (IT) and cybersecurity governance has grown increasingly important. Last year, the Institute conducted a short [research study](#) on IT and cybersecurity governance disclosures, reviewing the quality of disclosure among the Hang Sang Index companies. As the report highlights, “establishing an effective IT governance strategy, with sufficient dedicated resources for cybersecurity, should be an important focus area for companies, particularly those handling large volumes of sensitive private information.”

LOOKING AHEAD

10 focus areas for CPAs in 2025

Professional development

Investing in continuous professional development will continue to be a top priority, both for the Institute and members, who look to stay equipped with up-to-date knowledge on important topics, and thrive in an evolving business landscape.

This year, the Institute is placing an emphasis on helping members enhance their knowledge and skills in the areas of ethics and digitalization, with training curriculums that include highlights on related hot topics and industry trends. Of course, competencies covered in the Institute's variety of continuing professional development (CPD) events and programmes go far beyond this, and members are reminded to take advantage of them.

CPD activities will be a key focus this year particularly for public interest entity (PIE) auditors given the new CPD requirements PIE auditors must fulfil from 1 December 2023 onwards. In response to this update, the Institute regularly curates [relevant courses](#) to help PIE auditors tackle these requirements.

Members are encouraged to check out the free [e-learning course](#) on CPD requirements and compliance audit, launched by the Institute to help members enhance their familiarity with the requirements, and ensure a seamless learning journey.

They can also expect the return of special offers such as the 2025 Membership Renewal Reward Scheme offering free CPD courses. More bundles will be announced throughout the year. Download the [Events app](#) and stay tuned.



Ethics

Maintaining the utmost standards of ethics as CPAs will also be important for members this year, and with that there are certain areas related to requirements in the *Code of Ethics for Professional Accountants* (Code) that members should be aware of. In July 2023, the Institute released the Technology-related Revisions to the Code by adopting the revisions issued by the International Ethics Standards Board for Accountants. These revisions, which became effective from 15 December 2024, guide the ethical mindset and behaviour of professional accountants as they deal with changes brought by technology in their work processes. Join the [e-learning course](#) to explore these revisions.

The Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code is another important change, which is effective for audits of financial statements for periods beginning on or after 15 December 2024. The Institute's Ethics Committee has incorporated local refinements to ensure the definitions are relevant for implementation in Hong Kong. Members can learn about it through a [video](#) prepared by the Institute.

The public interest role accountants play in tax planning is also a key focus, as Revisions to the Code Addressing Tax Planning and Related Services will become effective on or after 1 July 2025. Members should join the Institute's [e-learning course](#) to gain insights into all of these changes and be well-prepared.

Auditing

Amid ongoing economic uncertainties, which could lead to elevated risks in financial reporting and auditing, auditors are reminded of the crucial role they play in fostering trust and confidence in financial information.

Key areas which auditors should pay attention to when reassessing their responses for year-end audits include the significant audit implications of the current challenging economic environment, where companies may experience extended financial pressures. This is covered in the Accounting and Financial Reporting Council's *Audit Focus for 2024 year-end audits*, which also provides critical reminders to auditors to ensure audit quality is upheld this year.

When it comes to group audits, practitioners performing such engagements for the year ended on or after 31 December 2024 should adopt HKSA 600 (Revised) *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*. This updated standard introduces significant changes to the auditor's responsibilities, emphasizing a proactive and risk-based approach to group audits. Practitioners can refer to the Institute's updated [Audit Practice Manual \(2024 edition\)](#) and other resources relevant to the application of HKSA 600 (Revised), available at the Institute's [resource centre](#).

Practitioners should also note that revisions related to the definition of engagement team and group audits in the Code will take effect concurrently with the effective date of HKSA 600 (Revised).



Financial reporting

As expected, members will be staying ahead of financial reporting updates and common application issues in order to maintain a high quality work for the firms or companies they work for.

In preparing for their 2024 year-end financial statements, entities should take note of the [amended HKFRS Accounting Standards](#) that became mandatorily effective on 1 January 2024. Among these amended standards, entities should pay special attention to the Amendments to HKAS 1 *Presentation of Financial Statements*, which clarify how entities classify liabilities as current or non-current and how covenants with which an entity must comply in a loan arrangement affect such classification. The [illustrative examples](#) published by the Institute as well as the relevant [e-learning session](#) can help entities gain a better understanding of the amendments.

Entities are also recommended to prepare for the implementation of several new and amended standards that will be effective in the next one or two years as soon as possible, as they could impact entities' current reporting practices, internal control processes and accounting systems. These include Amendments to the Classification and Measurement of Financial Instruments and HKFRS 18 *Presentation and Disclosure in Financial Statements*. Refer to the [new and major standards webpage](#) for technical resources.

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

The Director of Administration and Facilities, Palasino Group, a.s. and the Chief Financial Officer and Company Secretary at Palasino Holdings Limited on key strategies for mid-cap companies navigating complex sustainability reporting journeys



Embracing sustainability as a mid-cap

The journey towards becoming a sustainability-focused company has become more crucial and complex than ever, especially as sustainability reporting becomes mandatory for listed companies. For Palasino Holdings Limited, a middle capitalization listed company (mid-cap), our public listing in Hong Kong last year was not just a financial milestone but a transformational opportunity to embed sustainability principles into our core strategy.

This journey has brought valuable lessons, from navigating the dual demands of the European Union's (EU) Corporate Sustainability Reporting Directive (CSRD) and Hong Kong Stock Exchange (HKEX) environmental, social and governance (ESG) requirements, to overcoming the challenges of integrating sustainability across multiple jurisdictions.

Building a foundation for sustainability reporting

The HKEX has raised the bar on ESG disclosures over the years, with new guidance setting clearer disclosure expectations. This presented a significant challenge for mid-caps like us, who were busy preparing the necessary information for a public listing while providing additional ESG data. Compounded by COVID-19 disruptions and key management turnover in our hotel segment, these experiences highlighted the critical importance of robust data management and governance.

Given that most of our operating units are located in Europe under different EU jurisdictions, the Palasino Group, a.s. took a proactive approach to ESG reporting, aligning it with the rigorous European CSRD/European Sustainability Reporting Standards (ESRS) sustainability standards for the 2023/24 fiscal year. We implemented a comprehensive data collection system, drawing information from our accounting systems as well as external sources, and organizing it according to pre-set schemas and templates. This preparation work not only eased the transition to meet the HKEX mandatory ESG reporting requirement post-listing, but it also taught us valuable lessons. Early planning for data collection, equipping senior staff to access the relevant information, and ensuring the continued availability and updates of pertinent data are invaluable in building a strong foundation for ESG reporting and beyond. These strategies can help navigate complex reporting landscapes, especially for mid-caps operating across multiple jurisdictions.

Embracing best practices through collaboration

Shortly after our listing in March 2024, the Group faced the significant challenge of preparing both our first annual report and ESG report by the 31 July 2024 deadline – just four months after going public. This was further compounded by the higher European reporting requirements, as our major operating subsidiary is located in the Czech Republic, where the ESG reporting deadline is one year after the financial year-end. Adding another layer of complexity, we also needed to submit our ESG data to Far East Consortium International Limited, our parent organization, for their ESG report.

Navigating the varying timelines and requirements has been a significant undertaking. While the European reporting timeline provided us with more time, the overall complexity of the process required careful planning and coordination. After weighing the pros and cons, we decided to collaborate with different ESG consultants for our Hong Kong and European operations. This allowed us to issue two separate ESG reports to meet the different requirements. Collaborating with external consultants who possess the relevant skillsets has been crucial in supporting our local and overseas ESG reporting developments, in line with the International Sustainability Standards Board (ISSB) and [HKEX's guidance](#) on "Available skills, capabilities and resources".

Palasino is a diversified hotel, gaming and leisure group with operations in the Czech Republic, Germany, and Austria. As the Group's business includes gambling operations, our commitment to sustainability also includes a robust responsible gaming policy and legal compliance. The Group prioritizes customer's well-being through employee training to recognize and support individuals facing potential risks of gambling problems, integration with government-related exclusion systems and collaborating with non-profits and government authorities. This ensures that our gaming operations address the "social" pillar of ESG, an often less discussed but a crucial element, as found in IFRS/HKFRS S1. In doing so, the Group ensures its operations aligns with social sustainability goals.

Aligning with global sustainability standards and exploring integration

The Hong Kong government's plan to align local sustainability reporting requirements with the ISSB Standards no later than 2028 for listed publicly accountable entities (PAEs) marks a significant shift towards harmonizing global sustainability reporting.

The Group is proactively planning to meet these changes, driven by our subsidiary's need to meet the European CSRD/ESRS standards. Beyond meeting regulatory requirements, we recognize the need to consider climate and sustainability-related issues in our business decision-making and risk-management processes. As such, we are exploring the possibility of combining our separate ESG reports for Hong Kong and Europe into a single, harmonized disclosure that aligns with the ISSB Standards.

An opportunity to lead change

At the Group, we view the evolving ESG landscape not as a challenge but as an opportunity for mid-caps to lead meaningful change. For instance, we have begun implementing new technologies that reduce energy consumption and lower our carbon footprint. With a strong determination to continue this progress, we aim to adopt further innovations that significantly minimize our environmental impact. By working together with regulators, industry peers, and other stakeholders, we are confident in our ability to navigate these evolving requirements and create long-term value for our shareholders and the communities in which we operate.

SECOND OPINIONS: WHAT'S ON YOUR RADAR FOR 2025?

“While this represents a critical step toward international tax fairness, it also poses challenges to Hong Kong’s long-standing low-tax advantage and its economic recovery.”



EDMUND WONG

MEMBER OF THE LEGISLATIVE COUNCIL OF HONG KONG, ACCOUNTANCY FUNCTIONAL CONSTITUENCY

There are different challenges ahead in 2025. One of them is proposed legislation on the minimum tax for multinational enterprise (MNE) groups, which is now proposing a Hong Kong minimum top-up tax for MNE groups. These changes, driven by the OECD’s Base Erosion and Profit Shifting 2.0 (BEPS 2.0) initiative, aim to establish a global minimum effective tax rate of 15 percent for MNEs. While this represents a critical step toward international tax fairness, it also poses challenges to Hong Kong’s long-standing low-tax advantage and its economic recovery.

Hong Kong has historically thrived as a global financial hub, attracting businesses with its simple and competitive tax regime, including low corporate tax rate and no taxes on capital gains or their offshore profits. This low-tax environment has been a cornerstone of our economic success, fostering investment, innovation, and job creation. However, the introduction of the global minimum tax and the corresponding Hong Kong minimum top-up tax might cut out our traditional competitive edge. MNEs operating in Hong Kong with effective tax rates below 15 percent will be required to pay a top-up tax, effectively aligning their tax burden with the global standard. This shift may reduce Hong Kong’s appeal as a low-tax jurisdiction. While the global minimum tax aims to create a level playing field, it may inadvertently slow down Hong Kong’s economic recovery by increasing operational costs for MNEs. This could lead to reduced business activity, lower job creation, and slower GDP growth. Furthermore, the potential outflow of multinational businesses seeking more favourable tax environments could exacerbate these challenges, undermining Hong Kong’s position as a global financial centre.

From a fiscal perspective, the introduction of the minimum top-up tax presents both opportunities and challenges. On one hand, the additional tax revenue from MNEs could address the government’s fiscal deficit, which has been strained by increased public spending during the pandemic and economic downturns. On the other hand, the potential decline in foreign investment and business activity could offset these gains, leading to lower overall tax revenues in the long term. The Hong Kong government should balance these dynamics to ensure fiscal sustainability while maintaining Hong Kong’s attractiveness as a business hub.

To mitigate these challenges, Hong Kong must proactively adapt to the new global tax landscape. This includes exploring ways to enhance our non-tax advantages, such as strengthening our legal system, improving infrastructure, and fostering innovation and talent development. Additionally, the government should consider targeted measures to support affected businesses, such as tax incentives for research and development or green investments, to maintain Hong Kong’s competitiveness.

As we navigate this transition, it is imperative for stakeholders, including the accountancy sector, to collaborate with the government in developing strategies that safeguard Hong Kong’s economic resilience and long-term prosperity. Together, we can turn these challenges into opportunities for sustainable growth.



REBECCA CHAN

CHIEF FINANCIAL OFFICER AT CLOUDBREAK PHARMA, AND AN INSTITUTE MEMBER

This year is shaping up to be another transformative one for technology and life sciences. The technology landscape is likely to be dominated by artificial intelligence (AI), robotics and extended reality as we continuously explore problem-solving beyond the boundaries. In terms of life sciences, areas such as cell therapy and novel medicine are growing more crucial as our population ages. The trend of people spending unprecedented hours on digital screens daily, combined with our growing appetite for complex electronic functions and entertainment, leads to rising cases of vision problems in younger generations and creates exciting opportunities in ophthalmology.

We will be seeing more merger and acquisitions and consolidations in technology and life science companies in 2025. In the field of technology, companies are particularly eager to acquire AI capabilities and talent, while biotech firms seek to strengthen their drug pipelines and spread clinical trial costs. Looking ahead, one trend that I anticipate is an increased emphasis on platform technologies that can generate multiple product candidates, rather than single-asset companies.

“With great opportunities for value creation presented by platform licensing, I am excited about 2025.”

A platform deal is when a biotech company licenses out its core technology that can be used to create multiple products, rather than licensing a single drug candidate. Instead of licensing single products, companies now monetize entire technology platforms. A typical deal structure for a platform now includes US\$50-100 million in upfront payments, research funding, and potential milestone payments that could exceed US\$1 billion across multiple programmes. These deals are attractive because they provide immediate capital while preserving long-term upside through royalties, typically ranging from 6-12 percent of net sales.

With a platform deal’s access to research services and potential manufacturing commitments, revenue recognition becomes particularly challenging when dealing with multiple performance milestones. This complexity increases when deals include material rights for future targets or indications, requiring careful analysis of standalone selling prices and allocation of transaction prices.

Though accounting implications for platform licensing are complex, we can still have success when remaining mindful of market fundamentals. Handling these deals require solid financial systems, clear revenue recognition policies, and strong relationships with technical advisors.

With great opportunities for value creation presented by platform licensing, I am excited about 2025. I urge fellow Institute members to stay on top of trends, and contribute our expertise to the many opportunities that lie ahead.



NAMI WONG

CHIEF OPERATING OFFICER AT CASTFACT LIMITED, AND MEMBER OF THE YOUNG MEMBERS COMMITTEE

The accounting profession is navigating a rapidly changing landscape marked by economic fluctuations, environmental challenges, and technological advancements. As sustainability continues to rise in importance, there are two core themes that relate to what’s on my radar for this year.

The first is prioritizing meaningful connections. My career journey through the Big Four laid a solid foundation in accounting and finance, and was followed by a transition to a financial regulatory role that broadened my perspective on the profession’s societal impact. Now, as I embrace my journey in the start-up world, I recognize the power of collaboration.

“As we progress through 2025, it is essential for accounting professionals to deepen their understanding of technology and sustainability.”

A pivotal moment arose during a discussion with a good friend in the film industry, where our shared concerns about sustainability sparked an idea: what if we leveraged our respective expertise to create something impactful? This led to my recent collaborative efforts with creatives to establish a next-gen casting solution that prioritizes user engagement and community building to promote the growth of the film and TV industry. Our mission is to connect meaningful dots – people, places, and ideas – driving positive change. The saying, “If you want to go fast, go alone; if you want to go far, go together,” captures the essence of collaboration.

The second theme revolves around leveraging AI to become multidisciplinary. As we progress through 2025, it is essential for accounting professionals to deepen their understanding of technology and sustainability. The intersection of these fields demands a multidisciplinary skill set – contemporary challenges cannot be solved through a singular lens.

Throughout my start-up journey, I’ve faced various hurdles, particularly regarding technology. Gaps in technical knowledge became evident, as some team members lacked strong tech backgrounds. Communication challenges arose when articulating ideas to the tech team, complicating collaboration efforts. The rapid evolution of AI has necessitated a strategic repositioning of our start-up.

I remain optimistic that leveraging AI will enable us to synthesize knowledge across disciplines, enhancing problem-solving and fostering innovative solutions.

There is a quote from Steve Jobs that really resonates with me: “You can’t connect the dots looking forward; you can only connect them looking backwards.” For me, “connecting the dots” will always be on my radar.

FIVE QUESTIONS

PAIB & PAIP

What are the biggest lessons in your career so far? The first is to always think outside of the box. Working in a dynamic and ever-changing environment, having the ability to think outside of the box is key to adapting to the challenges and clients' bespoke requests. Second is the realization that it is fine to say "no" or to sometimes reject others' requests. The key is knowing how to communicate this in an acceptable and reasonable manner. There have been several occasions where I had to reject a proposal or request from internal stakeholders and even clients. There shouldn't be any fear or hesitation if there are sufficient grounds to say no, and you are able to explain the rationale and deliver the message properly.

How was the transition from specializing in tax advisory and tax due diligence services to structured finance solutions? I didn't feel any particular hurdles in transitioning from tax advisory and tax due diligence services to structured finance solutions. For the first couple of years, it was all about equipping myself with a lot of technical knowledge in banking areas. But, I already had all the required soft skillsets, which I had acquired through my previous jobs and my CPA qualification, helping me to take up the front office role in banking. I found the job through a headhunter. Despite my initial feelings of doubt about whether or not I should make the move to step out of my comfort zone, I am glad that I did. The work that I do now in banking allows me to have another perspective on the world. My role is to lead the team to develop, provide and structure efficient financing solutions for clients in the emerging markets. I have been enjoying developing, structuring and executing the financing solutions for my clients. It feels great to be able to provide the financing solution



FIVE QUESTIONS FOR PAIB Sammi Leung

Sammi Leung, Head of Structured Capital Markets Asia, Global Markets at BNP Paribas, on her smooth transition to banking and her approach to effectively leading a team to develop and structure efficient financing solutions for clients

that best fits their needs and requests.

How would you describe your approach to effectively leading a team? "Lead by example" is my approach to leading the team. As a team leader, you need to demonstrate to your team by setting a good example on different aspects including work attitude, how to handle projects, and how to deal with different counterparts, etc. During the day-to-day work, I transfer my technical knowledge to my team members through on-the-job training, but I believe the best way for them to learn and grow is to let them observe how I would do it. Trusting and empowering the team is also important for getting the team to grow together.

In what ways has your CPA qualification and training helped you in your career? They have helped me to develop many different core-enabling skills, including communication skills, analytical skills, and problem solving skills, in addition to the technical knowledge. These skills are long-term assets that enable me to overcome different challenges and continue to contribute to success in my career.

What do you consider to be the most important value created by CPAs like yourself? The ability to think outside the box is the most important value I bring as a CPA. Some people may think that CPAs are not creative enough and will just follow certain procedures to complete what they have been asked to do. But I don't think so – we are equipped with diverse knowledge and skillsets throughout our career development, which means that when an opportunity or a new challenge arises, we are ready to adapt and share new ideas.

What are the biggest lessons in your career so far?

Individual excellence is crucial, but true problem-solving requires collaboration. I've learned to work collaboratively with people from different disciplines, identify each person's strengths, and align the motives of different parties. This way, everyone sees the purpose of the work and is willing to go above and beyond to achieve project objectives. I was taught this lesson when I transitioned from consulting to an in-house role at a global bank where securing the data and resources I needed meant navigating through different departments and stakeholders, justifying the purpose, and persuading people to prioritize my needs over competing demands.

What are the challenges and opportunities of your role?

My practice is in risk advisory. No two matters I work on are the same. The matters I handle are often contentious and have legal or regulatory implications for my clients. A lot of the time, we work to help clients understand and appreciate the viewpoints or expectations of counterparties (e.g. regulators, auditors, etc.) and vice versa, so we can effectively align expectations and preempt any surprises at the end of the exercise. One challenge we always encounter is time pressure. We need to be quick and surgical in addressing the core of the problem.

What is the impact of technology on governance, risk and compliance (GRC) programmes?

Technology and data have always played a significant role in GRC areas. Unfortunately, in many banks and organizations, data often resides in different systems and is not readily available for meaningful use. For example, transaction monitoring systems typically ingest customer and transaction data from the core



FIVE QUESTIONS FOR PAIP
Cliff Lam

Cliff Lam, Director at AlixPartners, a business consulting firm specializing in risk advisory, business turnaround, and performance improvement, on defining problems as a forensic accountant, and the risk and compliance challenges he expects clients to face this year

banking system but do not capture other parameters like IP addresses and device IDs that may be recorded by cyber/fraud surveillance systems. This illustrates how different risks are intertwined and should be managed in an integrated way. In addition to looking inward at the risk within the organization, there is an opportunity for the industry to work together, sharing intelligence to manage risk.

How has your CPA training helped you in your career?

The Qualification Programme (QP) and my experience at a Big Four firm allow me to speak the language of a financial auditor, even though I am in a different accounting practice. The training enables me to delve into the details of accounting treatments to uncover the modus operandi of fraud schemes, particularly through double-entry accounting, which I believe is one of the greatest inventions. I also appreciate the systematic structure of the QP, which helps students understand the importance of business processes, systems, and data – fundamental elements of my investigative work.

What risk and compliance challenges do you predict clients will face this year or beyond?

Geopolitical tensions, especially under the Trump administration, could continue to create uncertainties around trade policies, leading to increased export controls and sanctions risks. The weaker macroeconomic environment in Greater China is expected to put businesses under financial pressure, which might result in more credit defaults and push some businesses towards fraudulent activities to stay afloat. Given these economic challenges, banks and other private sector entities are likely to be more cautious with their technology spending, prioritizing essential, “must-have” solutions.

Recent developments in sustainability disclosure standards in Hong Kong

The journey to aligning local sustainability disclosure requirements with the ISSB Standards

After due consideration and deliberation of public comments received on the local consultation on exposure drafts of HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and HKFRS S2 *Climate-related Disclosures* (HK EDs) by its Financial Reporting Standards Committee, the Institute published its first two sustainability disclosure standards on 12 December 2024. [HKFRS S1](#) and [HKFRS S2](#) (HKFRS SDS), are fully aligned with the corresponding standards published by the International Sustainability Standards Board (ISSB).

The ISSB's standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* (ISSB Standards), provide a set of comprehensive standards aimed at achieving a global baseline for sustainability disclosures. Their endorsement by the International Organization of Securities Commissions reflects them as being fit for purpose in serving the needs of the capital market.

The journey so far

The decision of full alignment with the ISSB Standards was reached by the HKICPA after a holistic assessment of relevant factors, including local and international developments. Substantive evidence gathered from extensive engagement with a wide range of stakeholders over the past few years was also considered, starting with the publication of the draft ISSB Standards in early 2022 (2022 HKICPA consultation), the technical feasibility study (TFS) on the application of the ISSB Standards in Hong Kong in H1 2024, and the local consultation of the HK EDs in Q4 2024 (2024 HKICPA consultation).

Key figures:

- **Over 80 attendees** participated in a public roundtable discussion with ISSB staff to provide feedback on the ISSB exposure drafts in 2022;
- **Over 80 listed entities, financial institutions, investors and industry associations** engaged in the TFS

meetings, along with various sustainability specialists, Hong Kong Exchanges and Clearing Limited and financial regulators, to share insights and provide feedback on the practical benefits and challenges of applying the ISSB Standards in 2024;

- **Over 2,500 participants** attended a public webinar and a media technical workshop for a briefing on the scope and application of the HK EDs in 2024;
- **50 written submissions** were received from investors, industry associations, preparers, academics, practitioners, consultants and other interested parties for the 2022 and 2024 HKICPA consultations;
- **Over 90 percent of respondents** to the 2024 HKICPA consultation explicitly supported full alignment of the HKFRS SDS with the ISSB Standards; no respondents disagreed;
- **Over 1,700 participants** attended a public webinar for a briefing on the HKFRS S1 and S2 in January 2025.

Full alignment

Throughout all our engagements, investors continued to emphasize the importance for Hong Kong to align in full with the ISSB Standards. They conveyed the following key messages:

- Having a set of global baseline disclosures for capital markets is crucial for providing standardized and comparable data about material sustainability-related risks and opportunities and, in particular, climate-related ones, to investors to make informed decisions.
- Full alignment is necessary for Hong Kong to stay relevant at the international level and remain competitive in global trade, especially when transacting with entities in jurisdictions that impose requirements on supply chain due diligence and/or have a strong climate focus.

In light of the overwhelming support for full alignment with the ISSB Standards from respondents, the Institute decided to confirm its proposal to align HKFRS SDS

in full with the ISSB Standards. As an international financial centre (IFC), Hong Kong's full alignment with the ISSB Standards has global significance, bolstering the connection of global capital with local businesses as well as those in Mainland China and other regions.

The decision of full alignment relates to IFRS S1 and S2 only and does not extend to any future ISSB Standards. When the ISSB publishes any new standards in the future, the Institute will engage with relevant stakeholders to decide on the potential adoption of those new standards in Hong Kong as appropriate.

Roadmap for Hong Kong

HKFRS SDS were developed in line with the [Roadmap on Sustainability Disclosure in Hong Kong](#) (HK Roadmap) published by the government on 10 December 2024. The HK Roadmap sets out Hong Kong's approach to adopting the ISSB Standards and provides a well-defined pathway for large publicly accountable entities to apply the HKFRS SDS no later than 2028, taking into account the readiness and capacity of Hong Kong stakeholders. The HK Roadmap also elaborates on Hong Kong's blueprint to develop a comprehensive ecosystem to support sustainability disclosures, which encompasses sustainability assurance, data and technology, as well as skills and competencies.

Going forward

Moving forward, the Institute will be dedicated to capacity building to enable the successful implementation of HKFRS SDS. We will also continue to contribute to the holistic development of the local sustainability reporting ecosystem to solidify Hong Kong's status as a leading IFC and a green and sustainable finance hub. Discover more about our journey by reading our [informative infographic](#).

This article was contributed by **Anthony Wong**, Associate Director of the Institute's Standard Setting Department.

Strengthening financial reporting for climate-related and other uncertainties

A summary of the Institute's response to the IASB Exposure Draft

In July 2024, the International Accounting Standards Board (IASB) published an Exposure Draft (ED) proposing eight examples illustrating how entities apply the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The ED aims to enhance the reporting of these effects and strengthen the connections within an entity's general purpose financial reports. This article highlights our major comments on the ED. The full response is available on our [website](#).

We agree that providing examples would generally help improve the reporting of the effects of climate-related and other uncertainties in the financial statements. We also support including them as illustrative examples accompanying IFRS Accounting Standards. However, we have significant concerns in the following areas.

Connectivity

One of the objectives of the ED is to strengthen the connection between financial statements disclosures and sustainability disclosures. However, we believe this aim is challenging to achieve due to the lack of strong principles underlying how financial statements and sustainability reports should be connected. Also, the illustrative examples do not clearly demonstrate this connectivity.

To better achieve this objective, we strongly recommend that the IASB collaborate with the International Sustainability Standards Board (ISSB) to develop a more comprehensive plan for their long-term strategy concerning the connectivity between financial statements disclosures and sustainability disclosures. This plan could include the development of a framework that sets out the principles of connectivity and how it can be achieved. Such a project could be conducted as a

separate workstream to avoid delaying the publication of the illustrative examples.

As an interim measure, we recommend that the IASB enhance the illustrative examples to demonstrate how connectivity can be attained. We also recommend the IASB collaborate with the ISSB on developing the article as mentioned in the April 2024 IASB staff paper regarding the role of financial statements and the interaction between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. If feasible, this article should be published alongside the enhanced illustrative examples to promote clarity about connectivity.

Requirements in other IFRS Accounting Standards and non-climate related uncertainties

Understandably, the proposed examples illustrate only certain disclosure requirements in a few IFRS Accounting Standards regarding the effects of climate-related and other uncertainties in the financial statements. Furthermore, the ED focuses primarily on climate-related risks and uncertainties, with only one out of the eight examples illustrating other types of risks and uncertainties. We are concerned that this is insufficient to raise awareness and assist preparers in considering other applicable disclosure requirements in IFRS Accounting Standards and in reporting the effects of non-climate related uncertainties. Accordingly, we recommend the IASB enhance its existing educational material – [Effects of climate-related matters on financial statements](#) or publish similar guidance to cover other applicable IFRS Accounting Standards and other types of uncertainties that are contentious or prevalent among entities. If possible, this enhanced material should be published together with the illustrative examples and the article on the role of financial

statements as a single package to provide comprehensive guidance.

Negative statement in Example 1

We have significant concerns that the disclosures stating that a specific risk had no impact on the financial statements, as illustrated in Example 1 in the ED, could set a new precedent for mandating a negative statement in financial statements. We believe this is not the intended purpose of paragraph 31 of International Accounting Standard (IAS) 1 *Presentation of Financial Statements*. We are also concerned that such negative statements may extend beyond climate and sustainability risks and uncertainties to encompass a broader range of other risks and uncertainties, potentially creating a significant burden for preparers in conducting the assessments and leading to boilerplate disclosures or information overload, which would not be useful for users.

Accordingly, we strongly recommend the IASB clarify whether the "no impact" disclosure signifies a new requirement. If it does, this new requirement should be considered through a separate standard-setting project. If it does not constitute a new requirement, the IASB should clearly explain its conclusion and rationale in the Basis for Conclusions. We also recommend the IASB enhance Examples 1 and 2 to illustrate the principles and thought process of when and how to apply paragraph 31 of IAS 1 and determining whether to disclose additional information based on user expectations for items that have no effect on the entities' financial position or financial performance.

*This article was contributed by **Shiro Lam** Associate Director of the Institute's Standard Setting Department.*

Intellectual property-related tax incentives in Hong Kong and Singapore

The patent box regime and how it compares with Singapore's IP-related incentive

Hong Kong is making significant strides to step up innovation and intellectual property (IP) development. A pivotal step is the introduction of the patent box regime, a tax incentive designed to encourage the development and commercialization of IP within Hong Kong.

Legislative background

The patent box regime was officially enacted through the [Inland Revenue \(Amendment\) \(Tax Concessions for Intellectual Property Income\) Ordinance 2024](#) (the Amendment Ordinance), gazetted on 5 July 2024 which is applicable to the year of assessment 2023/24 onwards. It introduces a 5 percent concessionary tax rate for Hong Kong-sourced taxable (i.e. non-capital) profits derived from the use or sale of eligible IP, subject to certain conditions, in particular an apportionment based on the research and development (R&D) fraction.

Eligibility criteria

The tax incentive is available to taxpayers deriving eligible income from eligible IP, including economic owners.

Eligible IP includes the following categories of IP generated from an R&D activity: (1) a patent granted or applied for in Hong Kong or overseas, (2) a plant variety right granted or an application filed under Hong Kong law, and (3) copyrighted software.

For short-term patents, a post-grant substantive examination request must be filed with the Patents Registry in Hong Kong within a specified period. Concerning patents or plant variety rights granted outside Hong Kong, or applications for such rights filed outside Hong Kong, if the filing date is on or after 24 months following 5 July 2024, there must be a corresponding local application or grant in Hong Kong to meet the local registration requirement.

For copyrighted software, although a registration is generally not required under Hong Kong or foreign laws, the copyright

subsisting in the software must fall within the scope of legal protection. Further guidance and illustrative examples are expected to clarify this requirement.

Given the widespread use of software across various industries, it would be helpful if the forthcoming guidance were to explain what information or evidence taxpayers need to provide to demonstrate that the software qualifies. Such clarification is crucial, as the relevant copyright or protection is usually acquired automatically when an original work is created.

Types of income covered

To qualify for the patent box tax incentive, income must be Hong Kong-sourced and fall into one of the following categories of eligible IP income:

1. Income from use or right to use eligible IP;
2. Income from the sale of eligible IP;
3. Portion of income from sale of a product or service attributable to eligible IP, determined on a just and reasonable basis; and
4. Insurance, damages, or compensation derived in relation to eligible IP.

With the broad range of eligible IP income, the application of the patent box regime could be more extensive than anticipated. In addition to the businesses typically associated with IP, such as those in the technology and pharmaceutical industries, this tax incentive could potentially extend

to, e.g. the financial services sector in relation to its evolving fintech businesses.

The R&D fraction and concessionary portion of assessable profits

The patent box tax incentive adopts the OECD's nexus approach, requiring taxpayers to track and link expenditure and IP income to specific IP assets. The portion of assessable profits eligible for the 5 percent concessionary tax rate is calculated based on the R&D fraction shown in the diagram below.

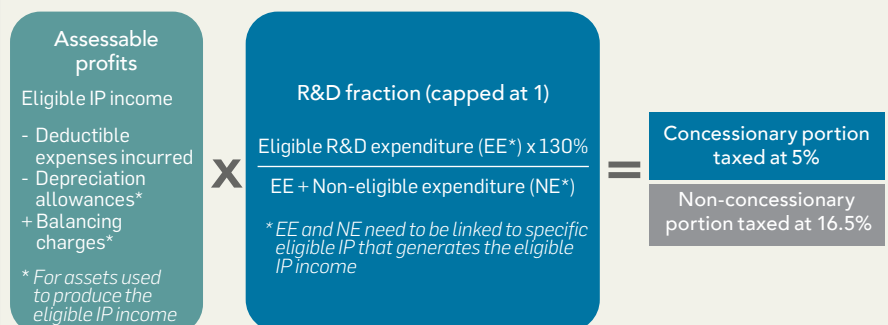
The types of eligible R&D expenditure (EE) and non-eligible expenditure (NE) are outlined on the next page.

Increased R&D activities within Hong Kong would generally result in a higher R&D fraction, allowing a larger portion of assessable profits benefiting from the concessionary tax rate. This approach incentivizes businesses conducting R&D activities locally.

A tax loss incurred by a taxpayer in relation to income benefiting from the patent box tax incentive can be offset against the taxpayer's other assessable profits, subject to tax rate differential adjustment.

Compliance and administration

A taxpayer has to make an irrevocable election in the relevant profits tax return and complete a corresponding Form IR1482, and notify the Inland Revenue



The types of eligible R&D expenditure (EE) and non-eligible expenditure (NE)

1. R&D activities	In Hong Kong	Outside Hong Kong
Insourcing	EE	EE
Outsourcing to:		
Non-associated parties	EE	EE
Associated parties (HK resident)	EE	NE
Associated parties (non-HK resident)	NE	NE
2. Acquisition costs of eligible IP	NE	
3. Interest payments and payments for any land or building	Neither EE nor NE	

Department if a granted eligible IP is subsequently revoked or cancelled, or if a patent application is declined or withdrawn. Businesses must also retain detailed transaction and business records for seven years after the completion of relevant transactions, or seven years after the election, whichever is later.

Competitive edge

Both Hong Kong's patent box regime and Singapore's IP Development Incentive (IDI) aim to foster innovation and attract IP development with different features and advantages.

Tax concession

Both Hong Kong and Singapore adhere to the OECD's nexus approach ensuring the tax benefits are aligned with substantial R&D activities within the jurisdiction. While the calculation of the concessionary portion of assessable profits eligible for the preferential tax rate is the same, the preferential tax rates are however different:

- Hong Kong's patent box tax incentive applies a flat 5 percent tax rate on the concessionary portion of assessable profits.
- Singapore's IDI offers a tiered tax rate of either 5 percent, 10 percent or 15 percent, where the lower rate applies to businesses that meet a higher annual business spending requirement. In addition, during the extended period (not more than 10 years for each extension, see below), the concessionary tax rate will increase by at least 0.5 percent at regular intervals.

Economic substance requirements

IDI includes quantitative economic requirements regarding (1) the number of skilled employees in Singapore and

(2) annual business expenditure, and qualitative assessments of the underlying project(s). In contrast, Hong Kong does not impose additional economic substance requirements beyond the nexus approach.

Eligible industries and IP

Hong Kong's regime does not impose industry-specific restrictions, making it accessible, in theory, to a wide range of businesses. Singapore's IDI, however, excludes certain industries, such as financial institutions, shipping enterprises, and tobacco manufacturers.

Both regimes cover similar types of eligible IP. However, Hong Kong mandates local registration for patents and plant variety rights granted outside the jurisdiction after a "24-month grace period", while Singapore does not impose a local registration requirement for qualifying IP.

Eligible income

Hong Kong's regime includes a broad spectrum of income types, while Singapore's IDI primarily focuses on royalties and other income from the commercial exploitation of qualifying IP. This broader scope in Hong Kong allows for greater flexibility in the types of income that can benefit from the concessionary tax rate.

Pre-approval requirements and subsequent administration burden

Hong Kong's regime does not require formal application or pre-approval, reducing administrative burdens. Singapore's IDI requires a formal application process and annual progress updates.

Other considerations

Hong Kong's patent box tax incentive requires businesses to track income and R&D expenditure for each eligible IP, while

Singapore allows grouping of IP into families, providing more flexibility.

From a policy standpoint, Hong Kong's regime offers indefinite incentive periods without a sunset clause as long as the concessionary conditions are met. In contrast, the incentive period for Singapore's IDI is limited to 10 years, with possible extensions not exceeding 10 years each time, with incremental economic commitments. Additionally, there is a sunset clause with the IDI set to end on 31 December 2028. These policy differences significantly impact strategic business planning, with Hong Kong providing more stability for long-term investments.

The expected enactment of corporate inward re-domiciliation laws in Hong Kong will allow the "transfer" of IP holding vehicles to Hong Kong, bringing Hong Kong and Singapore on a par in this regard.

Conclusion and future outlook

The introduction of Hong Kong's patent box regime is a crucial step in its ambition to lead in innovation and IP development. By offering a 5 percent concessionary tax rate on eligible IP income, the regime encourages local R&D and IP commercialization, aligning with global standards and enhancing Hong Kong's competitive position against other financial hubs like Singapore. Possible (enhanced) R&D deductions would further incentivize IP-related businesses to base and grow in Hong Kong.

This article is co-authored by Eugene Yeung, Partner of KPMG China and Chair of the Institute's Taxation Faculty Executive Committee, and Edmond Ma, Tax Manager of KPMG China.

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IT Conference 2024: “Innovation Through New Intelligence – Harnessing AI to Revolutionize Accounting Practices”

Speakers at last year’s IT Conference explored the transformative potential of AI in reshaping the accounting profession

In November 2024, the Hong Kong Institute of CPAs held its 2024 IT Conference, with a focus the use of artificial intelligence (AI) within the accounting industry.

The speakers at the event presented compelling arguments for the use of new technologies, including AI, within the accounting profession and helped to balance this message with approaches for risk mitigation. Opening the conference, Roy Leung, President of the Institute at the time, emphasized the need to embrace technological adoption and recounted his own personal experience of change from stuffing bank letters in envelopes to seeing the use of digital confirmations. Training and the need to ensure that future accountants are equipped with the right skills was a significant theme of the President’s opening remarks.

The Guest of Honour, Donald Mak, Deputy Commissioner (Data Governance), Digital Policy Office, at the Hong Kong government, provided insight into the government’s actions to support the use of new technologies and emphasized the importance of Hong Kong in bridging data from the Mainland and international sources. He also discussed Cyberport’s AI Supercomputing Centre which officially began operations in December 2024 and is designed to help promote the development of AI in Hong Kong and provide cutting edge tools for the future.

With AI models ever developing, Joyce Liu, Acting Senior Legal Counsel (Global Affairs and Research), Office of the Privacy Commissioner for Personal Data (PCPD), opened the keynote speeches with a session on the vital importance of AI governance and privacy. Liu explained the need for robust governance systems to ensure

that AI is developed safely and with the proper emphasis on data security. She discussed in detail the PCPD’s AI: Model Personal Data Protection Framework, which provides guidance to organizations in Hong Kong that are looking to deploy AI and must ensure they are protecting personal data privacy. Liu also described the importance of ensuring effective communication and engagement with stakeholders to help develop trust and to make sure that those who may be affected by the outcomes of AI models are well informed.

Continuing the theme of governance and discussing their own AI implementation journey in the second keynote speech was Jacqueline Chan, Managing Director and Chief Financial Officer, DBS Bank Hong Kong. Chan described how financial services are one of the top industries driving AI development and that Hong Kong has significant potential for improving productivity growth through the deployment of AI tools. She also discussed specific areas and tools where DBS are exploring the potential of AI namely in customer fraud detection which helps to protect customers and in assessing the creditworthiness of individuals and companies. Emphasizing the most common concerns that people have around AI, Chan spoke on the common concerns of ethics, trust, privacy and security that are particularly important for financial services and accountants given the volume of sensitive personal and financial information that is processed.

The third presentation from Sarah Butler, Head of Product, Caseware APAC & Global Solutions Lead for GenAI Development, discussed trends in the use

of AI in auditing specifically. In a recent poll of their user base, over 60 percent of respondents stated that they already had or planned to adopt AI in some element of their practice though noted that 21 percent still had no plans to make use of AI. Given the rise of Generative AI (GenAI), documentation generation was among the most popular use of AI, with statistical analysis also common. Butler highlighted the importance of reducing bias in training data to avoid biased outcomes. She advised that firms should ensure that they are transparent with clients about their usage of AI, that models are explainable and that they ensure they remain appropriately sceptical of outputs and the extent to which they can be directly relied upon.

The final session was a panel discussion that included Dr. Toa Charm, Advisor to Wizpresso, Calvin Lui, Co-founder of Pintar Investments Group, Roger Luo, Co-founder of ProFound Tech, Allan Kong, Chief Executive Officer and Co-founder of SmartLedgers Limited and Tommy Lui, Chief Business Officer, GPTBots.ai. The panel highlighted the necessity for specialized AI tools for accountants, given the profession’s specific expertise. They emphasized that AGI tools do not have the precision needed for intricate financial work. The discussion also included other AI applications like document verification and client due diligence.

Vincent Chan and Victor Tan, Co-convenors of the ICTIG Organizing Committee, concluded the conference by urging accountants to embrace change and new technologies to revolutionize accounting practices.

The archived conference is now available for enrolment [here](#).

TECHNICAL NEWS

The latest standards and technical development highlights

Publication of HKFRS S1 and HKFRS S2 and updates to Members' Handbook

Following the Hong Kong government's publication of the [Roadmap on Sustainability Disclosure in Hong Kong](#) on 10 December 2024, the Institute published the inaugural Hong Kong Financial Reporting Standard (HKFRS) Sustainability Disclosure Standards – HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and HKFRS S2 *Climate-related Disclosures* on a full alignment basis with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards on 12 December 2024. For details, please access the one-page [infographic](#) and Handbook Update [No. 319](#) related to the issuance of HKFRS S1 and HKFRS S2.

Other Members' Handbook highlights

Handbook Update [No. 320](#) revises practice notes (PN) [620.2 \(Revised\)](#) and [810.2 \(Revised\)](#) in Members' Handbook [Volume III](#). They are updated for reporting in relation to the implementation of the risk-based capital (RBC) regime as a result of the Insurance (Amendment) Ordinance 2023 and the relevant subsidiary legislation which became effective on 1 July 2024.

Under the RBC regime, an authorized insurer is required to submit an auditor's report on the specified forms included in the annual returns to the Insurance Authority. Guidance on this assurance reporting in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) is now provided in [PN 810.2 \(Revised\)](#).

Handbook Update [No. 318](#) relates to revisions to the Institute's *Code of Ethics for Professional Accountants* (Code) incorporating the following:

- *Revisions to the Definitions of Listed Entity and Public Interest Entity (PIE) in the Code* which will be effective for audits of financial statements for periods beginning on or after 15 December 2024.

- *Revisions to the Code Addressing Tax Planning and Related Services* (Tax Planning Revisions) which will be effective for tax planning activities or services beginning after 30 June 2025. Early adoption is permitted. Section 600 of Chapter C has also been revised for conforming and consequential amendments as a result of the Tax Planning Revisions.
- Other housekeeping editorial changes to align with the 2024 Handbook of *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA).

Financial reporting

Invitation to comment

The Institute is seeking [comments](#) on the IFRS Foundation Exposure Draft [Proposed Amendments to the IFRS Foundation Due Process Handbook](#) by 14 February.

List of new and amended HKFRS

The Institute has published the [list](#) of amended HKFRSs and Interpretations that are applicable to December 2024 year-end.

IFRS 19 disclosure tracker

The IFRS Foundation has released the [IFRS 19 disclosure tracker](#), which lists the disclosure requirements in IFRS 19 *Subsidiaries without Public Accountability: Disclosures* and maps them to their equivalents in other IFRS Accounting Standards. The tracker, which requires registration to access, will be updated regularly to reflect changes in both IFRS 19 and other IFRS Accounting Standards.

IASB completes technical work on Management Commentary

The International Accounting Standards

Board (IASB) has [completed](#) its technical decision-making on the revised IFRS Practice Statement 1 *Management Commentary*. The IASB is expected to publish the updated Practice Statement in the first half of 2025.

This revision addresses the need for better information related to a company's ability to create value and generate cash flows, including in the long term. In finalizing the project, the IASB made targeted improvements to its proposals to support alignment with IFRS Sustainability Disclosure Standards and improve connectivity in companies' reports. The IASB intends that the updated statement will support the improvement and global alignment of management commentary and similar reporting for regulators and companies.

Auditing and assurance

Year-end audit preparation

The following publications and resources will be helpful for practitioners preparing for the annual audit for the year ended on or after 31 December 2024.

- The Accounting and Financial Reporting Council's (AFRC) [Audit Focus for 2024 year-end audits](#) provides guidance to auditors in effectively identifying and responding to the elevated risks in financial reporting and auditing created by the current uncertain economic conditions. It also provides critical reminders to auditors to ensure audit quality for the upcoming year-end audits.
- Practitioners performing group audit engagements for the year ended on or after 31 December 2024 should adopt [Hong Kong Standard on Auditing \(HKSA\) 600 \(Revised\)](#). This updated standard introduces significant changes to the auditor's responsibilities, emphasizing a proactive and risk-based approach to group audits. To ensure an effective implementation, practitioners

can refer to the Institute's updated [Audit Practice Manual \(2024 edition\)](#) and other resources relevant to the application of HKSA 600 (Revised) which are available at the Institute's [resource centre](#). Additionally, practitioners should note that revisions related to the definition of engagement team and group audits in the Institute's Code will take effect concurrently with the effective date of HKSA 600 (Revised).

AFRC publication on root cause analysis and remediation

The AFRC has released its [Inspection Insights – Root Cause Analysis and Remediation: A Call to Action for Quality Improvement](#). The report shares observations on how PIE auditors subject to the AFRC 2023 inspections had performed root cause analysis of the identified deficiencies and responded by designing and implementing remedial actions. The AFRC observed that firms with proactive leadership are more pronounced in fostering a culture of continuous improvement and thus have invested more time and resources in developing quality remediation plans.

IAASB approved revised ISA 570 and a new audit project

In December 2024, the International Auditing and Assurance Standards Board (IAASB) made significant strides in enhancing auditing standards.

- The [final text](#) of International Standard on Auditing (ISA) 570 (Revised 2024), *Going Concern* was approved. Among others, the revised standard aims to strengthen the auditor's evaluation of management's assessment of going concern and enhance transparency with respect to the auditor's responsibilities and work related to going concern in the auditor's report. The IAASB anticipates to publish the final standard in Q2 2025 with an effective date set for audits of financial statements for periods beginning on or after 15 December 2026. The Institute will follow its due process for the convergence and adoption of the standard.
- A new [project proposal](#) on Audit Evidence and Risk Response was approved. The project aims to improve audit quality

through revisions to some auditing standards, namely ISA 330, ISA 500 and ISA 520. The IAASB anticipates an exposure draft by December 2025.

Ethics

Upcoming changes to ethical standards

The following summarizes upcoming changes to the Code that members should prepare for in relation to the new and revised ethical requirements:

- *Revisions to the Code Relating to the Definition of Engagement Team and Group Audits*: Effective for audits of financial statements for periods beginning on or after 15 December 2023.
- *Technology-related Revisions to the Code*: Updates to the Independence Standards will take effect for audits and reviews of financial statements for periods beginning on or after 15 December 2024. Additional revisions to the ethical provisions of the Code will be effective from 15 December 2024. Join the Institute's [e-learning](#) to explore these revisions and prepare for the changes.
- *Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code*: Effective for audits of financial statements for periods beginning on or after 15 December 2024. The Institute's Ethics Committee, in adopting the revised PIE definition and related provisions, has incorporated local refinements to ensure the definitions are relevant for implementation in Hong Kong. Access the [video](#) to learn more about these important changes.
- *Revisions to the Code Addressing Tax Planning and Related Services*: New provisions concerning tax planning and related services will become effective on or after 1 July 2025. Join the Institute's [e-learning](#) to gain insights into these changes and be well-prepared.

Read this [article](#) for highlights on the above changes. To learn more about the new and revised requirements, explore the resources available at the [Institute's Ethics Resource Centre](#).

Sustainability standards approval at IESBA's December 2024 meeting

The IESBA took a major leap forward at

its [December 2024 meeting](#) by approving two sets of standards aimed at enhancing public trust in sustainability reporting and assurance:

- *The International Ethics Standards for Sustainability Assurance (IESSA)* and related revisions to the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), setting a global benchmark for ethical behaviour and independence in sustainability reporting and assurance.
- Revisions to the IESBA Code on *Using the Work of an External Expert*, establishing an ethical framework for evaluating the competence, capabilities and objectivity of external experts used by professional accountants and sustainability assurance practitioners.

Sustainability

Highlights from the Beijing International Sustainability Conference 2024

The IFRS Foundation's Beijing Office hosted the Beijing International Sustainability Conference 2024 on 21 November 2024. The conference, themed "Path to Global Baseline", highlighted the latest developments from the International Sustainability Standards Board (ISSB). Access the conference archive [here](#).

Webcasts: Accelerating Climate and Sustainability-related Disclosures: A Global Perspective

The International Federation of Accountants (IFAC), the IFRS Foundation, and the International Organization of Securities Commissions (IOSCO) jointly hosted the event Accelerating Climate and Sustainability-related Disclosures: A Global Perspective during the Climate Week New York City 2024. Leaders from IFAC, ISSB and IOSCO joined the event to share their perspectives on global adoption and implementation of the ISSB Standards. To support the ongoing discussion and action, the IFAC has made the [recordings](#) available to the public.

Please refer to the full versions of *Technical News on the Institute's website*: www.hkicpa.org.hk

YOUNG MEMBER OF THE MONTH

Landico Wong

LANDICO WONG Senior Sustainability Manager
at DFI Retail Group



Landico Wong, Senior Sustainability Manager at DFI Retail Group, is determined to play a key role in the retailer as it evolves in the sustainability landscape. To do so, she navigates the complexities of embedding sustainability in supply chains and continuously draws from her CPA knowledge.

What are your current role and responsibilities? How is the work going so far?

As the Senior Sustainability Manager at DFI Retail Group, I am responsible for our sustainability planning, target-setting, internal and external engagement, as well as progress tracking and reporting. I am honoured to collaborate with a dedicated team and benefit from strong leadership committed to sustainability. My company has been supporting team members to incorporate sustainable practices into daily decisions and has been providing training and resources to implement sustainability initiatives. Overall, our efforts are progressing well, and I am enthusiastic about the positive impact we are making.

What are the most rewarding and challenging aspects of your role, and why?

The most rewarding aspect of what I do is the exposure to a diverse range of sustainability initiatives across various functions and banners in different markets. This breadth of experience significantly contributes to my professional development, allowing me to learn from different approaches and best practices. However, the challenges are equally significant. The complex nature of our supply chains, involving multiple layers of suppliers and various categories across regions, makes engagement and collaboration quite intricate. Balancing the diverse interests and perspectives of many stakeholders requires careful navigation and thoughtful communication.

In what ways has your CPA qualification helped you in your role?

My CPA qualification has equipped me with a robust foundation in financial analysis and carbon accounting practices, enabling me to effectively leverage environmental, social and governance data and assess the financial implications of sustainability initiatives. Additionally, my CPA network has been invaluable for exchanging ideas and best practices, keeping me updated on industry trends and innovations that can enhance our sustainability efforts and drive meaningful changes within the organization.

Where do you see yourself in the next five to 10 years in your career?

I envision myself being deeply engaged in advancing sustainability initiatives within my company and the industry. My goal is to contribute significantly to maintaining our position as a pioneer in sustainable development in Asia's retail sector. I aspire to be an integral part of our sustainability team, collaborating with colleagues across various functions to drive impactful projects and growing alongside the organization as it innovates and evolves in the sustainability landscape.

What are the biggest lessons you have learned so far from work experience or managers?

The business landscape is continuously evolving making adaptability essential, especially in sustainability, where new regulations, market trends, stakeholders' expectations and technologies emerge rapidly. I have learned to embrace change and prioritize continuous learning, which has enabled me to tackle challenges more effectively. Additionally, I have observed from my management that effective collaboration and communication are critical success factors in our work. This approach fosters a comprehensive understanding of the challenges we face, particularly in complex areas like Scope 3 emission reduction and waste management, where innovative solutions and collaborative thinking are vital for success.

What is your reaction to the recent release of the HKFRS Sustainability Disclosure Standards (HKFRS SDS), and how will you be preparing for the implementation and application of these standards?

I sincerely welcome the release of the HKFRS SDS, as it represents a vital step toward improving the consistency and transparency of sustainability reporting for stakeholders. I foresee this development will ultimately benefit companies that have made greater sustainability investments than their peers. Achieving full alignment of HKFRS SDS with ISSB Standards is a challenging but an essential endeavour to uphold Hong Kong's competitive edge in the global market. However, I believe it is also crucial for organizations to go beyond reporting to ensure that their key sustainability issues are effectively managed. To support this transition, companies should prioritize the development of internal processes, actively engage with stakeholders, and leverage implementation support from professional organizations like the HKICPA. This will provide necessary training to team members, equipping them with the skills needed to navigate the new standards. While this progress is significant, the success of these standards still relies on the collective effort and ongoing dialogue among all stakeholders within the sustainability reporting ecosystem.

HKICPA and ACCA partnership: Unlocking global professional opportunities

How the HKICPA and ACCA collaboration can elevate members' careers, helping them thrive in a rapidly evolving business landscape

In the current global environment, the scope of professional opportunities has significantly expanded. As industries progress and professionals are tasked with navigating diverse markets and adhering to international standards, it is imperative to broaden one's network and stay ahead of emerging opportunities.

In this context, the Hong Kong Institute of CPAs (HKICPA) and the Association of Chartered Certified Accountants (ACCA) have entered a partnership that will grant its respective members fee waivers for admission to each other's memberships. This partnership, established to commemorate [ACCA's 120th anniversary](#), offers a unique opportunity for members of both organizations to unlock global benefits and complement their existing memberships.

This collaboration empowers members of both organizations to propel their careers forward and marks a significant opportunity towards creating a more interconnected professional community.

The agreement

Under this agreement, HKICPA members can join ACCA with a full waiver on the new member admission fee, valued at £297 ([see here](#)). Similarly, eligible ACCA members who join the HKICPA under the current [Mutual Recognition Agreement](#) (MRA) will enjoy a waiver of the application fee, worth HK\$3,100. This special collaboration is valid until 31 May 2025.

To qualify for direct admission to ACCA membership, HKICPA members must hold HKICPA membership through the HKICPA's Qualification Programme (QP). It is important to note that members must maintain memberships with both HKICPA and ACCA to benefit from the admission fee waiver. The ACCA offers a detailed [FAQs page](#) for further details.

Why you should take advantage

The HKICPA and ACCA collaboration offers exclusive dual membership benefits that elevate members' careers with unique advantages that complement their existing

membership. By joining ACCA, HKICPA members can access ACCA's trusted global professional network dedicated to public good and take advantage of a wealth of continuing professional development opportunities and technical resources available to ACCA members to stay informed on the latest trends shaping the profession. With ACCA's extensive global reach and recognition, members benefit from excellent employability across borders, making it an ideal choice for those aspiring to advance their careers internationally.

Meanwhile, joining the HKICPA offers significant advantages for ACCA members looking to enhance their professional standing and career prospects in Hong Kong and beyond. The HKICPA membership permits the use of the "CPA" designation in Hong Kong, and as the local standard setter for the profession in Hong Kong, the Institute provides access to resources that include technical updates, practice guidance, and professional training resources about the developments and applications of the latest standards. The Institute also partners with overseas and Mainland accounting bodies to offer eligible members exemptions from professional qualification exams.

For ACCA members, becoming part of the HKICPA not only enhances their qualifications but also opens doors to global opportunities and specialized training, making it a strategic step for professional growth in a dynamic and competitive environment.

Building a professional community

The collaboration between HKICPA and ACCA is designed to enhance professional development and create valuable opportunities for members of both organizations under the existing MRA. This unique opportunity allows members to complement their memberships, enhance their professional credentials, and provide more pathways to grow their careers.

Edward Au, President of the HKICPA,

believes this collaboration represents a significant step towards creating a more interconnected professional community. "This collaboration between the HKICPA and ACCA is a remarkable opportunity for members of both organizations to unlock global benefits and complement their existing memberships. At the Institute, we believe that collaboration is key to unlocking new opportunities for our members. This partnership with ACCA not only enhances our professional offerings but also empowers both memberships to thrive in an everchanging landscape. By expanding your credentials and networks, our members are equipping themselves to meet the challenges of today and tomorrow, ensuring they remain at the forefront of the accounting profession."

Stanley Ho, Chairman of ACCA Hong Kong, said, "This exclusive offer is a key part of our celebration of ACCA's 120th anniversary and our milestone of reaching 250,000 members worldwide in 2024. We're thrilled to partner with HKICPA by waiving the new member admission fee, empowering members from both bodies to enjoy the advantages of dual membership. This collaboration aligns perfectly with ACCA's commitment to fostering professional excellence and expanding global possibilities for our peers within the local industry. As we navigate the complexities of a rapidly evolving landscape, joining ACCA provides vital resources and support, ensuring we stay at the forefront of emerging fields such as sustainability and AI."

"As we enter the new year, we also commemorate [ACCA's 75 years of heritage and growth in Hong Kong](#). This marks a new era and presents a fresh opportunity for ACCA and HKICPA to join forces in making a positive impact within our profession in our hometown," Ho added.

Don't miss out on this opportunity to expand your global professional network and take your career to new heights. Apply now and be part of a global professional community committed to creating a better world filled with opportunities.



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