



DRIVING BUSINESS SUCCESS

2025 Issue 3 Volume 21

PLUS:

BUILDING TRUST

A special feature on how CPAs build trust with the public in their roles, guided by their training

SECOND OPINIONS

Why should employers prioritize accounting and business credentials when hiring?

THOUGHT LEADERSHIP

Cultivating lifelong financial literacy through play-based learning

REINFORCING TRUST FOR HONG KONG

From conceiving an independent regulatory body to now leading it, David Sun's career has come full circle. The AFRC Chairman on common missteps that can compromise audit quality, and his lifelong love for the profession

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DEAR MEMBERS

Over the past quarter, the Institute has made significant strides in engaging stakeholders, nurturing the next generation of talent, and driving the ongoing development of our industry. Through a range of initiatives, we have strengthened connections within our professional community, supported learning and growth opportunities, and advanced key priorities shaping the future of accounting in Hong Kong and beyond.

As the designated sustainability disclosure standards setter for Hong Kong, the Institute welcomed the IFRS Foundation's publication in June of Jurisdictional Profiles on adoption of ISSB Standards, which recognizes Hong Kong's leadership in aligning local sustainability disclosure standards with the global baseline. Hong Kong stands among the first jurisdictions to set a target for full ISSB Standards adoption, reinforcing its position at the forefront of global sustainability disclosure and market transparency.

Building on this momentum, we hosted the inaugural HKICPA Sustainability Forum, supported by CA ANZ and ICAEW. Focused on the theme of climate and data readiness for HKFRS S1 & S2, the event brought together CFOs, sustainability leaders, investors, and data experts to explore how climate and nature assessments, backed by strong ESG data governance, are driving meaningful progress and business impact in the profession.

Indeed, training remains a cornerstone of our mission, whether it is building capacity in sustainability reporting, or fostering the next generation of CPAs. The Institute is advancing the future competitiveness of the city's professionals through programmes like the Certificate on Sustainability Reporting and the Certificate in Accounting and Business equipping them with cross-disciplinary, sustainability-focused skills essential for today's dynamic global financial landscape.

Meanwhile, we continue to foster international collaboration and professional mobility through landmark agreements to enhance career mobility and professional opportunities for our members within an increasingly interconnected global accounting environment, reinforcing Hong Kong's stature as a leading international accounting hub. Read about all these efforts to build capacity and equip our members in this issue's *Institute Insights*.

Our commitment to nurturing talent and building trust also took us beyond Hong Kong to the rest

of the Mainland. The annual visit to Beijing in May brought us to meet with seven organizations, including the Ministry of Finance of the People's Republic of China, Hong Kong and Macao Work Office of the State Council of the People's Republic of China, Chinese Institute of Certified Public Accountants. These meetings enabled closer ties with our Mainland counterparts, opening pathways for deeper cooperation and knowledge exchange.

In line with this dynamic engagement, we recently signed memoranda of understandings with 10 leading universities across the Mainland. This initiative promotes academic exchange, professional excellence, and will nurture the next generation of accounting talent, seamlessly bridging our professional community across borders. This partnership will facilitate joint initiatives, including the dissemination of exclusive industry insights and Qualification Programme (QP) updates through the New Partnership Scheme, and will facilitate the administration of QP module exemption assessments for designated courses.

As we reflect on these achievements, it's also important to highlight a few recent events that embody our commitment to engaging the profession and our members.

Over the past few months, we've held several President's Luncheons to connect with members face-to-face and gather feedback – a vital part of our ongoing improvement. While this year's sessions have concluded, we look forward to continuing the conversations at the upcoming annual Members' Forum, further strengthening member engagement and idea-sharing across our community.

Building on this spirit of engagement and collaboration, the CPA Sports Carnival 2025, co-organized with the Society of Chinese Accountants and Auditors, brought together over 1,000 accounting professionals and their families at Hammer Hill Road Sports Ground for a day of athletic competitions and wellness activities.

Whether on the sports field or through our professional initiatives, the HKICPA community exemplifies the values of perseverance, innovation, and collaboration. Let us continue to harness these strengths to build trust, nurture talent, and drive transformational growth for a vibrant and sustainable future. Thank you for your continued dedication and support.

Edward Au, President

“The Institute is advancing the future competitiveness of the city’s professionals... equipping them with cross-disciplinary, sustainability-focused skills essential for today’s dynamic global financial landscape.”

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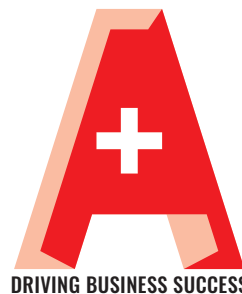


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About our name

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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香港會計師公會

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The digital version is distributed to over 47,000 members, and around 12,000 students of the Institute and over 2,000 business stakeholders every quarterly.

NEWS

Institute news

Business news

Institute delegation visits Beijing to strengthen ties



The Institute's leadership delegation met with Ministry of Finance of the People's Republic of China, as part of a visit to Beijing on 25-27 May to engage with key Mainland regulatory and professional bodies.

A delegation from the Institute, led by President Edward Au, Vice Presidents Stephen Law and Jasmine Lee, Immediate Past President Roy Leung, and Chief Executive and Registrar Margaret Chan, visited Beijing on 25-27 May to engage with key Mainland regulatory and professional bodies. The delegation met with seven organizations, including the Ministry of Finance of the People's Republic of China, Hong Kong and Macao Work Office of the State Council of the People's Republic of China, Chinese Institute of Certified Public Accountants, China Securities Regulatory Commission, IFRS Foundation Beijing Office, and more.

During the visit, insightful discussions focused on key areas including the convergence of Hong Kong and Mainland accounting standards, sustainable development

initiatives, talent attraction and nurturing, digital transformation in the profession and strengthening Hong Kong's role in international accounting affairs.

To further strengthen connections, the Institute hosted a reception dinner, bringing together around 80 representatives from regulatory bodies, members, Qualification Programme (QP) graduates, authorized employers and partner universities. The event provided a valuable platform for networking and exchanging insights on supporting members pursuing opportunities in the Mainland. Read the [press release](#) to learn more.

MRAs with CPA Australia and ACCA renewed

The Institute renewed its mutual recognition agreements (MRAs) with

CPA Australia and the Association of Chartered Certified Accountants (ACCA) respectively in June, strengthening collaboration between the accounting bodies with the aim of cultivating top-tier accounting talent and advancing the profession.

The Institute has held both MRAs with CPA Australia and ACCA since 2000. The new five-year MRA with CPA Australia and the new three-year MRA with ACCA continues to enhance the professional development mobility of their members. More details about these new MRAs can be found [here](#).

New Certificate in Accounting and Business launched

The Institute introduced the HKICPA Certificate in Accounting and Business (CAB) on 30 June, a

new initiative designed to meet the growing demand for interdisciplinary and professional accounting talents.

“While accounting is often referred to as the language of business, the professional knowledge it provides is a critical skill for strategic decision-making. HKICPA has been keeping pace with the times by proactively motivating the accounting profession to upgrade and transform. Through the CAB, the HKICPA strives to equip individuals from diverse academic backgrounds with solid accounting and business knowledge, thereby expanding the pool of accounting professionals, filling the market needs for interdisciplinary and novel types of talents, and further strengthening Hong Kong as an international financial centre,” said Institute President Edward Au.

Visit the [dedicated website](#) and read the [press release](#) to learn more.

Institute launches Certificate on Sustainability Reporting

In July, the Institute launched the [HKICPA Certificate on Sustainability Reporting](#), a comprehensive programme designed to equip professionals with the skills to implement HKFRS S1 and HKFRS S2 for sustainability and climate-related disclosures, which take effect from 1 August 2025. The certificate includes expert-led modules on materiality assessment, scenario analysis, greenhouse gas emissions, stakeholder engagement, and integrating sustainability into financial and risk management practices. A limited-time discount of HK\$1,000 on the enrolment fee is available until 31 August.

Practical insights on implementing HKFRS S1 and HKFRS S2 were covered in the first HKICPA Sustainability Forum,

which also took place in July, and brought together an inspiring lineup of chief financial officers, sustainability leaders, investors, and data experts.

Jurisdictional Profiles on ISSB Standards adoption welcomed

The Institute welcomed the IFRS Foundation’s publication of [Jurisdictional Profiles on Adoption of ISSB Standards](#), which recognizes Hong Kong’s leading progress in aligning the local sustainability disclosure standards with the corresponding global baseline. According to the Profiles, Hong Kong has been confirmed to be among the first jurisdictions having set a target of fully adopting the ISSB Standards. Read the Institute’s press release [here](#).

As a member of the A4S Accounting Bodies Network (ABN), the Institute has also endorsed [five new ABN principles](#), which will guide how the profession addresses today’s sustainability challenges and opportunities.

Institute collaborates with Mainland universities to cultivate talent

The Institute in July signed a memorandum of understanding for the cultivation of accounting professionals with 10 universities, including Nankai University, Huazhong University of Science and Technology, Xiamen National Accounting Institute, China University of Political Science and Law, Beijing University of Technology, Liaoning University, Tianjin University of Finance and Economics, Jilin University of Finance and Economics, Guangdong University of Finance and Economics, and Shenyang

Agricultural University.

These strategic partnerships will launch initiatives focused on accounting talent development, including providing the latest industry insights and information on the QP through the New Partnership Scheme, co-hosting seminars on career development planning and QP, and conducting QP module exemption assessments for nominated courses.

Launched in 2024, the scheme expands the Institute’s network with Mainland universities, fostering globally recognized accounting professionals. Under this initiative, the Institute will conduct QP module exemption assessments for nominated university courses, facilitating eligible students to undertake the QP. Read the press release [here](#).

CPA Sports Carnival 2025

The CPA Sports Carnival 2025, co-organized by the Institute and the Society of Chinese Accountants and Auditors, was held on 17 May. This flagship annual event of the accounting profession attracted over 1,000 sports enthusiasts from more than 40 accounting organizations, joined by their family and friends, showcasing the vibrant spirit of the profession.

With the theme “Shared Success, Vibrant CPA” (共享共贏. 活力 CPA), this year’s event provided a welcome respite for practitioners to recharge, rejuvenate physically and mentally, and expand their professional networks. View the photo highlights [here](#).

Council meeting minutes

The [abridged minutes](#) from the March, April, May and June 2025 Council meetings are now available.

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3

The number of banks that the Hong Kong Monetary Authority (HKMA) took disciplinary action against for anti-money laundering control failures. Indian Overseas Bank, Hong Kong Branch faced an HK\$8.5 million penalty and a reprimand for deficient transaction monitoring and oversight. The other two banks, Bank of Communications (Hong Kong) Limited, and Bank of Communications Co., Ltd., Hong Kong Branch, were fined HK\$4 million and HK\$3.7 million, respectively, for failing to monitor certain transactions effectively.

1 August

The date Hong Kong's Stablecoins Ordinance will take effect, which requires issuers of fiat-referenced stablecoins in Hong Kong, or those pegged to the Hong Kong dollar, to be licensed by the HKMA. The banking regulator is likely to issue its first stablecoin licences by early 2026, with applications due by the end of September, *SCMP* reported. On 29 July, the HKMA published licensing procedures and explanatory notes, as well as two sets of guidelines.

HK\$3.47
billion

The amount raised by life and health insurance company FWD Group Holdings in its Hong Kong IPO. Shares of FWD Group closed up 1 percent in its Hong Kong trading debut on 7 July. After the IPO, CEO Huynh Thanh Phong said FWD would continue to focus on Asia, the fastest-growing insurance market worldwide.



Deloitte in the United States updated its well-being subsidy programme, allowing employees to spend up to US\$1,000 annually on Lego sets and puzzles, reported *Business Insider*. The June policy update also includes kitchenware, spa services, personal portable cooling fans and ergonomic pillows. The subsidy is meant to “empower and support your journey toward thriving mentally, physically, and financially and living your purpose,” the policy documents say.

90-100

The number of initial public offerings (IPOs) PwC forecasts for this year, with total fundraising projected to exceed HK\$200 billion. Hong Kong's IPO market rebounded significantly in the first half of 2025, as a growing number of A-share listed companies sought listings in Hong Kong. Rising investor demand for core Chinese assets also drove market activity. “We expect 2025 to be the most active fundraising year for IPOs in the past four years,” said Diamantina Leong, PwC Hong Kong Capital Markets Services Partner.

HK\$1.4 trillion

Hong Kong's pension scheme, the Mandatory Provident Fund (MPF), reached an all-time high of HK\$1.4 trillion as of June, an increase of 130 percent from 10 years earlier, said Mandatory Provident Fund Schemes Authority Chairwoman and Institute member Ayesha Macpherson Lau. As of end of 2024, around 125,000 MPF members had assets of more than HK\$1 million, double the number from five years earlier.

“Economic transformation and upgrading is a continuous process. As long as we stay confident, make use of the country's development strengths and policy support, and push for diversified and high-quality growth, Hong Kong's economy will gain momentum and benefit its people.”

– Financial Secretary Paul Chan in his weekly blog. Driven by robust exports, private consumption, and mega-events, Hong Kong's gross domestic product is expected to maintain growth for the second quarter, marking a 10th consecutive quarter of year-on-year expansion, Chan noted.

73%

The percentage of large companies from G20 countries obtained assurance on their sustainability disclosures in 2023, up from 69 percent the previous year, according to *The State of Play: Sustainability Disclosure and Assurance, (Five-Year Trends and Analysis, 2019-2023)*, a report by IFAC and AICPA & CIMA. Audit firms lead in providing assurance (55 percent), as opposed to other service providers, with notable increases in Singapore, South Africa, the United Kingdom, and the U.S. The report also notes that certain jurisdictions had double-digit increases in sustainability assurance in 2023, including Hong Kong.

AfRC

Accounting and Financial
Reporting Council
會計及財務匯報局

COMING

FULL C





IRCLE

As Chairman of Hong Kong's Accounting and Financial Reporting Council, Institute past president David Sun wants to elevate public trust and inspire a new generation of accountants. He shares the motivations behind the watchdog's strategic priorities

Photography by Jocelyn Tam

Interview with David Sun, Chairman of the Accounting and Financial Reporting Council

David Sun's appointment as Chairman of the Accounting and Financial Reporting Council (AFRC) on 1 January 2025 marked the culmination of a career that spans continents, decades, and milestones in Hong Kong's accounting landscape. In some ways, his journey with the AFRC began more than 20 years earlier – when he led discussions that laid the groundwork for today's independent accounting regulatory body.

"It was quite a coincidence in the sense that it has come full circle. We started with the idea of creating an independent regulatory body, and two decades later I became chair of this body," Sun reflects.

The AFRC, formerly known as the Financial Reporting Council (FRC), was established by the Hong Kong government post-Enron in December 2006. It evolved significantly following regulatory reforms in 2019, becoming what Sun calls a "full-fledged regulator of the accounting profession," shifting the profession from self-regulation to independent oversight.

For Sun, this evolution has deeper roots. In 2003, during his tenure as President of the Hong Kong Institute of CPAs and before the FRC was formed, the government approached the Institute to consider how best to preserve the independence and trustworthiness of the accounting profession, amid the global shift

towards independent oversight.

“The Council met several times to discuss and reaffirm the importance of maintaining public trust and recommended that the government appoint independent members to the Council, which is still in place today. We also recommended setting up an independent body, which was later named the FRC to investigate improprieties. Thus, one may say that the Institute and the AFRC essentially share the same objective: to promote quality and develop the accounting profession.

Sun’s aspirations as Chairman stem from a career-long love for accounting. “I fell in love with accounting in college and have benefited immensely from a fulfilling career with a global firm. To any young person today, I would say: this is a great profession to join,” he says.

A vision for greatness

A top priority for Sun is to push forward the AFRC’s three-year strategic plan, released in March. It outlines four pillars: regulation, development, governance, and organizational effectiveness. Sun sums up its philosophy: “Quality and growth – quality in the work that we do, and growth not only in the work itself but also as individuals and as an industry. That’s what makes accountants great again.”

Quality, he emphasizes, is absolutely imperative and non-negotiable. “The AFRC was set up to ensure the quality in the audit work being done,” he says, drawing on his experience as Director of Audit of the government. “Financial

statements and government services need regular health checks to ensure public confidence in the numbers, the processes, and the services.”

“Probity is fundamental to accountancy; practitioners are expected to embody integrity, independence, trustworthiness, and accountability. That’s why ethics is a critical part of our training and CPD.”

The AFRC’s enforcement divisions, inspection, investigation, and discipline, play a critical role in ensuring competence, consistency, and conduct in financial reporting and auditing. “We want to guard against the missteps of the ‘head’, ‘hand,’ and ‘heart’ of professional accountants,” says Sun, referring to incompetence, inconsistent service delivery, and ethical lapses that have contributed to audit failures. “Accounting professionals need to foster character and curiosity; build conviction and capability,” he stresses.

When it comes to tackling missteps of the “head,” alluding to incompetence, the AFRC collaborates with the Institute to enhance continuing professional development (CPD), ensuring the city’s around 47,000 CPAs remain up to date. According to Sun, “Once you become a CPA, that’s

not the finish line. It’s actually the beginning, and it’s important for our professionals to cultivate a growth mindset and continue to be relevant.” Sun indicated that the AFRC is working with the Institute to ensure that the CPD courses address current challenges faced by accounting professionals today, ranging from the integration of technology and AI within the audit processes to building capacity for sustainability reporting and assurance.

On the “hand,” consistency, Sun stresses that firms must maintain disciplined and structured practices supported by robust systems of quality management (SQM) that upholds principles and performance at all times.

Lastly, he emphasizes the value of the “heart,” referring to character. “Probity is fundamental to accountancy; practitioners are expected to embody integrity, independence, trustworthiness, and accountability. That’s why ethics is a critical part of our training and CPD. Practitioners are reminded that these core values are integral to our profession.”

Balancing regulation and development

The AFRC also assumes a development pillar, advancing the profession as part of its mandate. This includes publishing inspection findings, encouraging firms to conduct self-assessments, and providing guidance. Although the AFRC holds enforcement power, Sun insists that discipline is about improvement, not punishment. “The motivation behind discipline is to help firms improve and



David Sun was appointed as the Chairman of the Accounting and Financial Reporting Council (AFRC) for a term of two years from 1 January 2025. Upon the start of the new regulatory regime of the accounting profession in 2022, the AFRC has become a full-fledged regulatory and oversight body of the profession with expanded statutory functions.

develop,” he says.

A crucial part of development is also ensuring auditors possess appropriate capability and capacity. “Auditing a bank is quite different from auditing a trading company. We want to ensure that firms engaged in such work employ specialists with the relevant industry expertise and experience,” says Sun.

Recognizing that the AFRC cannot act alone, the governance pillar seeks to strengthen the broader ecosystem – listed company boards, management, independent non-executive directors (INEDs), and investor groups – so that they can ask better questions. The AFRC supports this through workshops and publications, integrating

all stakeholders into what Sun calls “the ecosystem that guards quality.”

The fourth pillar – organizational effectiveness – focuses on the AFRC’s self-evaluation. “Are we effective? Are we efficient?” Sun says, noting that the regulator is revamping its workflows through technology to enhance its own performance.

Building a framework for sustainability assurance

The AFRC’s oversight goes beyond red flags. Its mandate also looks to the future, particularly sustainability assurance, where Sun sees the accounting profession playing a significant role. The government has tasked the AFRC

with developing a regulatory framework for this area.

Interestingly, a recent AFRC study revealed that over half of today’s sustainability reports are assured by engineering firms, many of which have been active in this space since its early days. The same study also revealed disparities in readiness among

“One only needs to follow the flow of money to see that climate change and its associated risks are top of mind for the next generation.”

PROFILE

David Sun



Sun was the Director of Audit of the Hong Kong government between 2012 and 2018. Prior to that, he was Chairman of EY and served as President of the Hong Kong Institute of CPAs in 2003.

assurance providers. “The Big Four audit firms are better prepared than smaller players,” he notes.

The challenge, Sun notes, is integrating this emerging field under a unified and internationally recognized framework while ensuring the market remains accessible to new players. “We inspect accountants but not engineering firms. How we bring the two together is a matter for deliberation,” he says, referring to the AFRC’s upcoming public consultation later this year.

Sun observes that the sustainability movement is driven by financial forces, particularly institutional investors who are focused on future proofing their investees’ business models. Another driver is the anticipated “great wealth transfer,” where trillions of dollars will be passed from baby boomers to younger generations who place greater value on clean energy and our planet resilience. “One only needs to follow the flow of money to see that climate change and its associated risks are top of mind for the next generation,” he notes. This shift is expected to influence investment priorities and reshape corporate strategies over the coming decades.

Life in numbers and people

Sun’s journey into accounting was a gradual realization. “I enrolled in accountancy almost without knowing what it was about,” he recalls. “Then I discovered that numbers tell stories. If you show me your checkbook, I can tell you the kind of person you are. In the same way, numbers tell stories

about companies and their leaders.”

His fascination deepened at Arthur Young (now EY), where he learned not just accounting and auditing but also how to manage projects, people, and problems, skills that he still applies. Failures shaped him too. “Nobody never fails,” Sun says bluntly. “I failed a few times, but as the Chinese would say, ‘failure is the mother of success.’ I learned to view every failure as an opportunity for growth and development.”

As a college student in the United States, Sun spent two summers selling books door-to-door, enduring failures and rejections that taught him resilience. “It thickened my skin and gave me insights into handling failures and criticisms,” he says.

A call to public service

Sun credits his foray into public service, which began in the late 1980s, to the partners at his firm like Mr. Horace Yao and Dr. Brian Stevenson who encouraged and allowed him to serve not just clients but the community, as well as watching how leaders like Dr. Charles Lee, Dr. Eric Li, and

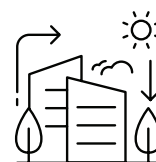
Dr. Peter Wong served. “These men have taught me great lessons about life, work, and society,” Sun says.

Serving on boards exposed him to many community leaders as well, offering masterclasses in decision-making and expression. “Where else could a 30-something sit up close and personal and learn from wise leaders, listening to them talk and watching how they made decisions? I certainly reaped more than I sowed.” Over the years, Sun has served on boards and committees across government, education, and finance sectors, culminating in serving as the Director of Audit of the government.

Staying young

Outside the boardroom, Sun keeps fit with jogging, “less for joy, more for wellness,” and enjoys golfing with friends. A Christian, he also engages in Bible studies and spiritual mentorship. He embraces a philosophy of holistic well-being, citing the book *Younger Next Year* and distilling it into three points: “Eat well, exercise well, and live well with a group of close friends, that will make you younger next year.”

While the AFRC’s strategic plan was only published recently, Sun says Chief Executive Officer Janey Lai and her executive team are highly motivated and making steady progress according to the set priorities. His focus now is on effectively executing the plan, fostering collaboration with the Institute and other stakeholders, and restoring trust in the profession. “We see the Institute as our partner,” he says, “and the more we work together, the more we benefit the profession.”



The Hong Kong government has tasked the AFRC with developing a new regulatory framework for sustainability assurance, and the regulator recently conducted a survey revealing disparities in readiness among assurance providers.

“I failed a few times, but as the Chinese would say, ‘failure is the mother of success.’ I learned to view every failure as an opportunity for growth and development.”

IN CPAS WE TRUST

For Institute members, the CPA training is what shapes their ethics, instilling a mindset of doing the right thing. Professionals in diverse fields, including members, talk to *A Plus* about their experiences in handling ethical dilemmas, and building trust and transparency in organizations and beyond

Illustrations by Olga Aleksandrova

In the world of business, accountants are often celebrated as the ones who balance the books, advise on strategy, and steer organizations toward growth. Their technical acumen and commercial instincts are critical to success. But behind the numbers lies a deeper, less often told story – of how accounting professionals quietly uphold the very fabric of trust that underpins effective capital markets and fuels investor confidence.

This commitment to principle over profit has never been more critical. In an era where artificial intelligence (AI) reshapes decision-making, cryptocurrency challenges traditional frameworks, and public trust in institutions faces constant scrutiny, accounting professionals stand as guardians of transparency and accountability.

In today's complex and evolving business environment, accountants are also doing more than ever before. They are stepping into new industries, grappling with emerging technologies, and solving problems that extend far beyond audit. Yet no matter how their roles expand, it is crucial that their unwavering commitment to integrity in their approach to work remains unchanged.

The stories that follow reveal how today's accounting professionals serve the public interest. From audit partners who risk lucrative contracts to uphold reporting standards, to non-profit finance leaders who transform donor relationships through transparency, to technology experts who ensure ethical principles evolve alongside digital innovation, these individuals demonstrate that wherever their careers take them, their commitment to foundational values goes with them. In doing so, they reinforce the trust that is essential for the profession's credibility, and continue to contribute to Hong Kong's financial integrity.



ETHICS IN ACTION

Maria Xuereb,
Partner Emeritus
at Deloitte China,
and Chairman of
the Institute's Ethics
Committee

During an audit, a choice was made by Maria Xuereb and her team between loyalty to the client or loyalty to principle. "There was disagreement with the client regarding the timing of recognition of disposal of a business and the appropriate accounting treatment," recalls Xuereb, Partner Emeritus at Deloitte China.

After thorough consultations with her team, advisory partners, and technical experts, the firm's stance was presented to the client: "Unless the accounting treatment was remedied, a qualified audit opinion would be issued," Xuereb says. This resolute position, though it eventually led to losing the client, exemplifies Xuereb's commitment to ethical standards over business pressures.

A common unethical behaviour she has encountered during her 40-year-long

audit career related to the manipulation of financial records to achieve a particular outcome. "Such manipulation could arise from inappropriate accounting for unusual transactions, improper valuations of illiquid assets and impairment allowances, with management estimates or biases leaning towards a more favourable outcome," she explains.

When confronted with such behaviour, Xuereb follows a disciplined process: "Fact finding, consultation and communication!" Her methodical approach involves gathering evidence, consulting experts, and escalating issues to senior management or governance bodies when necessary. "In some instances, the audit client would be receptive to our findings and make the necessary adjustments," she notes, but acknowledges that "with proper consultation

and communication, an ethical outcome could eventually be achieved,” even in challenging cases.

Xuereb champions proactive measures to safeguard transparency and honesty in accounting. “I’m a strong supporter of providing learning with real-life case scenarios of ethical dilemmas to staff,” she says, emphasizing the value of practical training. She also advocates for employers to “promote a strong ethics culture and awareness at the workplace and to strengthen their ethics and compliance policies.” She highlights the importance of robust controls, for example, the application of clear guidelines and approval processes for expense claims or overtime, to prevent malpractices.

For Xuereb, ethics are the bedrock of the profession. “Ethics have always been critical in the accounting profession since accountants are seen as the financial guardians,” she explains. “Ethics are necessary to ensure accuracy, transparency and trust in the financial reporting, all elements being fundamental for the overall health of the company and vital for investor confidence.” Both her Christian upbringing and CPA training reinforce this ethos, with the latter “clarifying what is the right thing to do in business” through structured guidance on resolving ethical dilemmas.

Her role as learning leader and audit quality champion during her tenure at Deloitte honed her ability to implement ethical policies and quality standards. “The firm had in place strong ethics and compliance policies and required all personnel, including partners, to comply with such policies and to complete relevant courses,” says Xuereb. While she retired in 2019, Xuereb continues to promote ethics for the profession and is currently Chairman of the Institute’s Ethics Committee. Her previous involvement in reviewing draft auditing standards or guidelines and her leadership in various committees further sharpened her consensus-building skills, critical for this role, particularly as the committee assists the Institute in developing standards and guidelines on ethics for professional accountants.

Outside of that, as a volunteer with charities and NGOs, Xuereb continues to apply her financial knowledge and experience to support vulnerable communities, reflecting her lifelong dedication to doing the right thing. Other than financial matters, she helps in frontline charity work with physically or mentally challenged children. Through her leadership, advocacy, and unwavering ethical standards, Xuereb is supporting the accounting profession’s foundation of trust.

“Ethics are necessary to ensure accuracy, transparency and trust in the financial reporting, all elements being fundamental for the overall health of the company and vital for investor confidence.”

RIPPLE EFFECT

Sindy Chan, Associate Director (Operations) at Children’s Cancer Foundation, and an Institute member

Sindy Chan’s journey from auditing to serving Hong Kong’s most vulnerable families reflects her belief that accounting is more than balancing spreadsheets. “At non-profits, it’s about safeguarding hope. We’re entrusted with the dreams of families and the generosity of those who want to make a difference,” says Chan, Associate Director (Operations) at Children’s Cancer Foundation.

Her work ensures that every dollar donated to the Foundation is used thoughtfully, aligning with donor intent and the organization’s mission to support children battling serious illnesses. Prioritizing open and honest disclosure of financial information, Chan views transparency as a “moral obligation” that connects resources to needs and stories to outcomes. “The more clearly we communicate, the better donors and stakeholders understand our work,” she explains. This clarity, she believes, strengthens mutual trust and keeps supporters engaged through mission-driven storytelling that honours their generosity.

Chan’s approach to donor engagement exemplifies her ability to adapt accounting principles to non-profit values. Recalling a standout moment, she shares how she guided her team to apply the audit principle of “Know Your Client” to deepen donor relationships. “We are not just doing identity confirmation with new donors – we make the effort

to understand their industries, philanthropic history, and alignment with our mission of supporting seriously ill children,” she says. By tailoring impact reports to reflect donors’ contributions, Chan has strengthened trust, signalling that the Foundation accepts donations with “thoughtfulness, integrity, and a commitment to long-term mission alignment.” This strategy safeguards the organization’s reputation and encourages greater contributions.

Fiscal efficiency is another cornerstone of Chan’s work. She emphasizes cash flow and liquidity as critical to maximizing the Foundation’s impact. “I coach my team to conduct rolling cash flow forecasts, introduce a review on budget-to-actuals in the monthly financial report, and maintain a reserves policy tailored to the organization’s risk exposure,” she says. These practices enable confident planning around impact and growth, ensuring stability for both the organization and the vulnerable communities it serves.

Communicating complex financial information to non-financial stakeholders is a challenge Chan meets with creativity. “The key to effective communication lies in simplification,” she says. By using analogies, data visualizations, and mission-driven narratives, she turns dense financial data into accessible insights. “I convert complex financial information into tables with narratives, which eases the management’s review on the financial reports. I also use data visualization with charts to help the general public understand overall funding allocation,” she explains.

One of Chan’s notable achievements is her engagement in expanding the Foundation’s drug and treatment sponsorship programme. Leading a feasibility study, she facilitated the board’s evaluation of the programme expansion, while orchestrating workflow design and negotiating payment terms to safeguard the Foundation’s financial stability. “We were able to support more children and cover a broader range of critical treatments,” she says. “It was a powerful reminder that smart finance decisions can directly change lives.”

Chan’s CPA training underpins her commitment to ethical decision-making. “Whether reviewing financial information, evaluating internal controls or advising on partnerships, I keep all our stakeholders in mind: donors, communities, and the people we serve,” she says. Guided by her mantra of not just asking “can we” but “should we,” she focuses on ensuring every financial choice aligns with the Foundation’s values. “I speak up about risks, push for transparency, and advocate for accountability – even when it’s hard,” she says. “Because every dollar is someone’s hope, and I take that responsibility seriously.”

With her expertise and thoughtful financial stewardship, Chan contributes to the Foundation’s work, helping to improve the quality of life of thousands of young patients and their family members.

DEFENDING PRINCIPLES IN A TECH ERA

William Gee, member of the IESBA Technology Experts Group and an Institute member

As digital technologies continue to develop and penetrate into all aspects of people’s lives, creating many opportunities, William Gee is guiding accounting professionals through uncharted ethical waters. After years specializing in the adoption and commercial deployment of emerging technologies, including blockchain and AI, Gee, a retired CPA, is now focused on addressing the ethical challenges they present, such as algorithmic biases, transparency, and accountability.

“As AI models improve, and with their real-time data access, errors will be even more subtle and it takes experience to spot it. This is something professionals should be more aware of,” says Gee.

A member of the International Ethics Standards Board for Accountants (IESBA) Technology Experts Group (TEG) since 2022, Gee provides critical industry insights to IESBA’s Technology Working Group, ensuring that deliverables reflect the realities of technology adoption across the global accounting landscape. He works closely with other TEG members, professionals of different backgrounds from around the world, helping to shape thought leadership and standards that address local nuances while maintaining universal principles.

“In this tech-driven setting, there’s always this discussion on whether the existing framework can continue to apply,” Gee says. “Participation in IESBA very quickly led one to realize that the fundamental principles really haven’t changed. As a professional, you have to follow the same standards to have public trust.”

His participation has also enriched his own perspective. “When I joined, I was still working with the firm and provided feedback to our own in-house risk management and compliance teams, informing them what is being discussed, and on the potential issues in the adoption of technology,” says Gee, former partner of PwC Mainland China and Hong Kong.

“At non-profits, it’s about safeguarding hope. We’re entrusted with the dreams of families and the generosity of those who want to make a difference.”

With ethical considerations in digital technology still at a nascent stage, Gee reflects on the ethical ambiguities he has addressed in the past, particularly around cryptocurrencies. “We had professional ethical guidelines on holding client investments, but it never touched on cryptos,” he notes. “Auditors cannot participate in a traditional share offering, but the guidelines in the early days did not extend to Initial Coin Offerings and other cryptocurrency-related initiatives.” Faced with this gap, Gee and his team at the firm applied fundamental ethical principles to avoid conflicts of interest, demonstrating the importance of principled decision-making in the absence of specific guidelines. “We decided to follow the same principle. It’s not about being conservative; it’s the right approach to safeguard our independence,” he says.

Gee has delivered seminars on AI ethics and the IESBA’s technology revisions to the Code of Ethics, including sessions for the Hong Kong CPA community and upcoming talks for ICAEW’s members in North America. He will participate in the Institute’s ethics conference in October.

Gee studied accountancy at the University of East Anglia in the United Kingdom. “Accountancy was a science degree offered by the School Information Systems, reflecting the growing importance of information technology for accountants.” He joined Thomson McLintock in Norwich after graduation, which became KPMG. After qualifying as a Chartered Accountant in 1990, he decided to specialize in “EDP Audit” and moved to the firm’s London office. Gee then returned to Hong Kong in 1997 to tackle the Y2K problem and went on to lead a number of major technology initiatives for the Hong Kong government, including the development of the regulatory framework for certification authorities and the Interoperability Framework to support e-Government. These early projects laid the foundation for his later pursuits in emerging technologies.

“Technologies enhance our efficiencies and effectiveness, but also bring along changes to business and operational processes. With these changes, a question arises: can we continue to conform to established ethical principles?” says Gee. “The foundational training of a CPA provides you with the knowledge and a set of principles, and I believe this is even more essential today given the pace of technological advances and their far-reaching impact.”

For Gee, building public trust in accounting hinges on understanding and explaining technology’s role. “Understand what you are doing, the technology you’re using, and being able to explain that to your team and to your clients, making sure in terms of professional behaviour the team does not blindly rely on the output,” he advises. This critical thinking ensures that accountants uphold their role as trusted advisors, even in a tech-driven era.

“Understand what you are doing, the technology you’re using, and being able to explain that to your team and to your clients, making sure in terms of professional behaviour the team does not blindly rely on the output.”

FROM STRATEGY TO LEADERSHIP

Carrie Mong, Chief of Staff and Senior Director of Strategy and Insights at McDonald’s Hong Kong, and an Institute member

In McDonald’s Hong Kong, where every decision impacts millions of customers, Carrie Mong, Chief of Staff and Senior Director of Strategy and Insights, stands at the helm of strategic direction. With her CPA training as her foundation, Mong transforms data into strategies that drive financial success, and deepen the trust of McDonald’s vast customer base across 260-plus outlets in Hong Kong.

“It’s not just about understanding the numbers, it’s about interpreting what they mean for the business,” she says. This perspective allows her to evaluate performance, assess risks, and guide decisions that balance growth with operational efficiency. “Whether we’re exploring new growth opportunities or improving operations, I ensure our strategies are financially disciplined, deliver reasonable return on investment, and align with long-term value creation,” she adds.

For Mong, days working at the quick service restaurant chain are a dynamic mix of strategic planning, data analysis, and cross-functional meetings and discussions. “A key part of my role is translating insights into action – making sure we’re not just collecting data, but using it to drive meaningful decisions,” she stresses. For instance, during a recent strategic pricing review, Mong combined margin analysis with customer insights from conjoint studies and competitive benchmarking. “The analysis revealed where customers were most sensitive to price and where we had room to adjust without compromising our strong value perception,” she explains. “The outcome was a refined pricing strategy that balanced financial performance with our strong value positioning, demonstrating how data-driven decisions can support both business goals and earning customer trust.”

The role, she adds, is purpose-driven. And her

“The CPA designation is rooted in integrity, accountability, and public interest – values that resonate deeply with McDonald’s core principles ‘Acting with Integrity.’”

CPA training ensures decisions reflect the company’s commitment to ethical responsibility. “The CPA designation is rooted in integrity, accountability, and public interest – values that resonate deeply with McDonald’s core principles ‘Acting with Integrity.’ These guide how I lead and make decisions.” Mong notes.

She finds fulfillment in connecting insights to action, and seeing how her work contributes to both business success and social good. Drawing from her consulting background, Mong uses visual storytelling to connect performance metrics with strategic outcomes, and communicates complex data in a relatable way for both internal and external stakeholders. For example, when presenting sustainability initiatives, such as transitioning to paper-based packaging in 2024, she highlights both financial implications and community benefits. “This dual perspective helps stakeholders understand the broader value of our decisions and ensures alignment with societal goals,” she says.

Mong, who began her career in strategy consulting, applies her experiences at a professional firm, from structuring complex problems to driving cross-functional alignment, at McDonald’s Hong Kong, her first corporate role. Navigating the complexities of a fast-moving retail environment is also a constant part of the job, especially in the current economic climate. “Consumer expectations, market dynamics, and operational realities evolve rapidly,” Mong acknowledges. She overcomes these challenges by staying close to the data and customers, ensuring agility and alignment with stakeholders. “I ensure we adapt quickly to market change while staying true to the values of our brand. This helps us remain competitive and responsive, even in uncertain conditions,” she says.

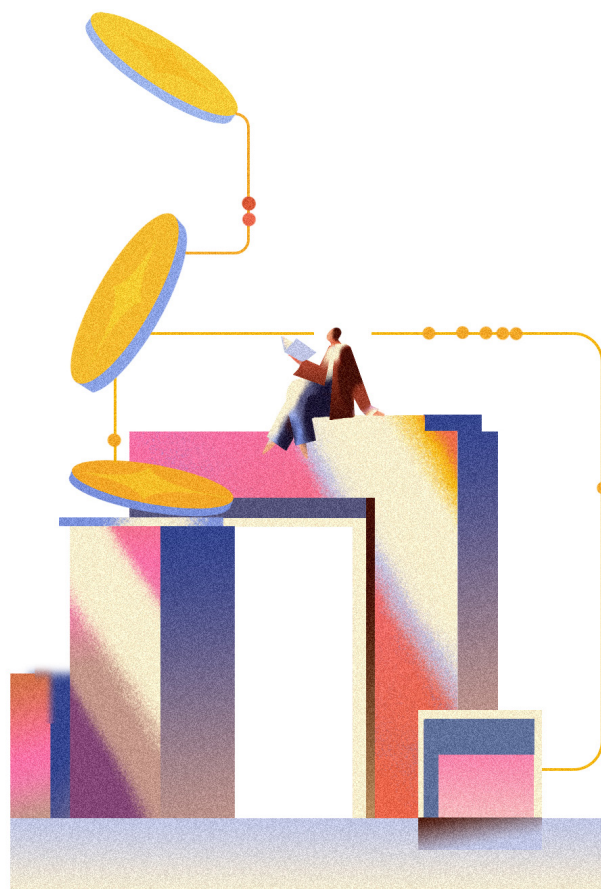
What Mong loves most is the impact of her work. “The opportunity to shape decisions that have real impact on our customers, our people, and our communities everyday with McDonald’s being one of the biggest quick service restaurants and youth employers in Hong Kong,” she says. “Whether it’s advocating for feeding and fostering communities, or supporting an inclusive workplace, I strive to uphold the trust placed in me as a CPA.”

THE RIGHT CALL

Kobus Cheung, Senior Forensic Accountant at ICAC, and an Institute member

Standing before more than 100 anti-corruption professionals in Astana in Kazakhstan, Kobus Cheung felt the weight – and the privilege – of his role. He was delivering a specialized training session on financial investigation and asset recovery, feeling a sense of shared purpose across the room. “The energy in the room, the exchange of ideas, and the shared commitment to integrity were truly inspiring,” recalls Cheung, Senior Forensic Accountant at Hong Kong’s Independent Commission Against Corruption (ICAC).

Leading a team of forensic accountants, Cheung conducts forensic reviews of financial records, assists in search and seizure operations, and prepares detailed analysis reports that serve as the foundation for supporting investigators in building “robust, evidence-based cases.” His daily work directly supports ICAC’s three-pronged approach of enforcement, education, and prevention.



As Hong Kong's first and only law enforcement agency with an in-house forensic accounting unit, ICAC provides accountants dedicated to Hong Kong society with what Cheung describes as "a unique platform for public service." This model remains "rare among global jurisdictions," he notes, demonstrating how accounting professionals can be integrated into law enforcement to enhance both investigative capabilities and public trust.

Beyond investigations, the establishment of the Hong Kong International Academy Against Corruption (HKIAAC) in February 2024 has provided Cheung with an expanded platform to influence global anti-corruption efforts. He became a specialist trainer for capacity-building programmes under HKIAAC, sharing his financial forensics and asset recovery expertise with audiences ranging from Hong Kong and Mainland business leaders to international anti-corruption professionals. "I have felt a deep sense of purpose as an active contributor to HKIAAC projects, both at home in Hong Kong and on the international stage, especially in Belt and Road partner countries," he says. These initiatives not only spread best practices but also deepen his own commitment. "These projects reaffirm my dedication to nurturing a culture of integrity both in Hong Kong and far beyond," he adds.

With a background in auditing, Cheung brings both technical competence and ethical vigilance to his work. "The CPA qualification instils a sense of responsibility to act in the public interest," he explains. This grounding helps him navigate the ethical complexities of financial crime, guided by both the HKICPA's Code of Ethics and the ICAC's own Code of Conduct. "This commitment includes maintaining independence and objectivity throughout all investigative work, regularly reflecting on potential ethical dilemmas and proactively seeking guidance," he adds. "Adherence to these codes is fundamental."

What began as a career move – drawn by the ICAC's "unwavering commitment to integrity and justice" – has become a calling for Cheung. "Taking a job is often about embracing new challenges, but staying in a career is about passion, fulfilment, and finding deeper meaning," he says.

The challenges facing forensic accountants are evolving rapidly. "Key challenges arise from the constantly evolving nature of financial crimes, increasingly sophisticated corruption schemes, the significant volume of both physical and electronic case documentations," Cheung explains. Despite this, he remains focused on the ultimate goal that drives all his efforts: contributing to Hong Kong's status as a fair society. "My work not only affects individual cases but also upholds the reputation of the profession and the trust of the community," he says.

"My work not only affects individual cases but also upholds the reputation of the profession and the trust of the community."

PARTNERS PROMOTING INTEGRITY

Mary Lau, Executive Director of the Hong Kong Business Ethics Development Centre of the ICAC

On 19 November 2024, a room of seasoned CFOs and senior finance professionals gathered at the ICAC building for a new kind of training about integrity. Co-developed by the Hong Kong International Academy Against Corruption of the ICAC and the Hong Kong Institute of CPAs, the "Professional Anti-Corruption Training" course sought to cultivate ethical leadership from the top down, and not just check a compliance box. The day marked another milestone in a long-standing alliance dedicated to raising awareness among business practitioners about the importance of upholding a high ethical standard at work.

"Among its invaluable partners, the HKICPA has played a pivotal role in working together with the Hong Kong Business Ethics Development Centre (HKBEDC) of the ICAC in advancing professional ethics within the accounting profession in Hong Kong," says Mary Lau, Executive Director of the HKBEDC. Founded in 1995, the HKBEDC has been at the forefront of promoting business ethics in Hong Kong by collaborating with key industry stakeholders.

Through the Institute's extensive membership network, the HKBEDC effectively reaches accounting professionals through continuing professional development seminars and webinars that address corruption prevention, ethical

decision-making, and professional conduct. Participants were also invited to visit the ICAC headquarters for immersive learning through exchanges and tours of its facilities. “This provides HKICPA members with a unique, first-hand learning experience about Hong Kong’s anti-corruption history and the ICAC’s strategies for combating corruption,” says Lau.

One of the partnership’s significant achievements has been the development of “Ethics Resources for Accounting Professionals,” a comprehensive reference that Lau and her team created in collaboration with the Institute. The online resources are composed of four feature articles highlighting common ethical risks faced by external auditors, internal auditors, financial accountants and management accountants. Critical topics covered include conflict of interest, non-compliance with laws and regulations, anti-money laundering, and practical tools for ethical decision-making using a “GPS Ethics Compass.”

“In developing the content of these feature articles, the HKICPA provided invaluable support by offering comments and insights on the ethical risks faced by professional accountants and the related requirements under the Code of Ethics for Professional Accountants,” Lau notes. This partnership leverages “HKBEDC’s expertise in integrity education and HKICPA’s extensive professional knowledge and network” to create resources that serve as “a practical guide for accounting professionals to navigate ethical dilemmas responsibly while upholding public trust.”

The success of these initiatives stems from the deep-rooted partnership between the two bodies. Since 2002, an ICAC representative has held a seat on the Institute’s Ethics Committee, an arrangement that “illustrates both the ICAC and HKICPA values integrity and professional ethics and provides a valuable opportunity to facilitate mutual leverage,” says Lau. She adds that this representation helps “embed anti-corruption principles into the CPA ethical framework” and “encourages CPAs to uphold highest standard of integrity and accountability, which are crucial in both their professional conduct and in promoting integrity culture within their organizations.”

Lau sees the relationship evolving through continuous capacity building, information sharing, and a shared commitment to tackling misconduct. For her, the partnership represents more than institutional cooperation, and embodies a shared commitment to maintaining Hong Kong’s reputation as a centre of financial integrity. “The evolving partnership between ICAC and HKICPA represents a strategic effort to embed anti-corruption principles within the profession,” she says, “fostering a culture of integrity and ethical excellence that benefits both the profession and the community.”

SUSTAINABILITY STEWARD

Amy Lam, Chief Sustainability Officer at Hong Kong Air Cargo Terminals Limited, and an Institute member

In the high-stakes world of corporate sustainability, where bold claims can outpace actual performance, Amy Lam stands as a guardian of truth. The Chief Sustainability Officer at Hong Kong Air Cargo Terminals Limited (HACTL) confronts the risk of exaggerated sustainability claims with the precision of a seasoned accountant. “I understand that sustainability claims, particularly around emissions reductions and resource efficiency, occasionally risk exaggeration due to overly optimistic interpretations of data,” she says, reflecting on her mission to ensure credibility. “Therefore, I have always emphasized that all sustainability claims must be backed by rigorous, evidence-based data. My team ensures metrics are consistently measured and independently verified through third-party audits. All public claims must be fact checked.”

With a background as HACTL’s former chief financial officer and executive director from 2015 to 2023, Lam transitioned to her current role in January 2024, bringing a unique perspective that bridges financial rigour with sustainable impact.

In her role, she collaborates closely with senior management to embed sustainability into HACTL’s business strategy. “My background as a CFO provides me with a unique perspective to align sustainability goals with financial and operational realities,” she explains. By integrating sustainability into workflows, such as prioritizing investments in low-carbon technologies and adopting internal carbon pricing for capital expenditure projects, Lam ensures measurable, cost-effective outcomes. These tangible results resonate with stakeholders – employees, shareholders, and customers – bolstering trust in HACTL’s commitments.

Since HACTL began sustainability reporting in 2021, Lam has leaned on frameworks like the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), and the Science Based Targets initiative. “These frameworks provide standardized metrics to measure environmental and social impacts consistently,” she notes. Her team meticulously collects raw data from various internal departments, submits it for her approval, and engages assurers annually to ensure accuracy.

“The evolving partnership between ICAC and HKICPA represents a strategic effort to embed anti-corruption principles within the profession.”



Lam's approach is rooted in her accounting background. "My CPA training instilled a deep commitment to integrity, accuracy, and accountability, which I carry into my role," she says. "This mindset drives me to 'do the right thing' by holding the company accountable to its stakeholders, whether it's through honest reporting or advocating for equitable policies."

Her CPA expertise also shapes her ethical approach to financial decision-making. "Sustainability can be presented as a value-creation strategy," she explains, citing cost reductions through energy efficiency and brand enhancement through ethical practices. By doing this, she aligns financial decisions with societal impact. Over the years, HACTL has incorporated sustainability factors into capital allocation, such as prioritizing investments in low-carbon technologies and community development programmes. Lam's advocacy for long-term impact over short-term gains has also strengthened stakeholder trust. "My CPA background also gives me the confidence to make tough calls, like correcting errors in sustainability data," she says.

Lam's career, spanning senior finance roles across logistics, aviation, and shipping within the Jardine Matheson group, has equipped her with the governance and risk management skills essential for her current role. "Being a CFO in various companies that I've worked before, we are a business partner at times but we also act as the gatekeeper," she reflects, noting how her experience in handling issues like cybersecurity and data privacy has honed her ability to navigate complex stakeholder expectations. Her regional roles have sharpened her cultural sensitivity, enabling effective collaboration with HACTL's global stakeholders.

By grounding sustainability in data-driven accountability, Lam is advancing HACTL's environmental and social goals, while setting a standard for ethical leadership in the accounting profession.

SETTING A CLEAR STANDARD

Horace Ma, CFO at S. Culture Holdings (BVI) Limited, and Deputy Chairman of the Institute's Ethics Committee

Not long after S. Culture Holdings (BVI) Limited went public, Horace Ma, its newly appointed CFO, faced a moment that revealed just how deeply entrenched habits can collide with modern expectations. His financial controller walked into his office holding a piece of handwritten paper – an invoice seemingly from a wet market, requesting reimbursement for hairy crabs. The claim had been passed down from a member of the founding family's older generation.

"My FC asked me how we should handle it. Obviously the subject matter did not qualify for a valid expense claim," Ma recalls. Rather than dismissing it outright, he handed the issue to the CEO, part of the younger generation, to explain the rejection. "It is quite usual in family business that they treat the company in whatever ways they want it. Therefore, I always advocate that these companies should exercise better governance so that older norms would be averted and changed to demonstrate higher standard is being followed as tone at the top," Ma explains.

For Ma, who has decades of experience in senior management, audit, compliance and finance in the technology and consumer sectors, trust is not a theoretical concept, but a daily responsibility. When faced with potential unethical behaviour, such as manipulating financial records, he points to the Non-Compliance with Laws and Regulations (NOCLAR) code as a guiding

"My CPA background also gives me the confidence to make tough calls, like correcting errors in sustainability data."

“Ultimately it is the tone at the top that works best to keep a high awareness of the culture.”

framework. “Depending on how you have come by such situation and what level you are at the hierarchy of management and governance, the code has stipulated the various means and rules you may follow.”

He also believes that maintaining integrity in finance requires constant reinforcement, and therefore pushes for annual updates to staff manuals “with acknowledgment of acquiescence from staff” and encourages participation in ethics-related training. Yet, he acknowledges that the most powerful tool is leadership by example. “Of course, ultimately it is the tone at the top that works best to keep a high awareness of the culture,” he says.

Transparency and honesty, Ma argues, are non-negotiable in safeguarding the profession’s integrity, and leadership must embody the values it seeks to instill. This principle is particularly critical in business today. “In this fast-changing world, while everything could be drowned and washed away in the tsunami of new technologies like AI, putting forth the importance of maintaining high integrity and adherence to a high standard code of ethics is the only thing that we professional accountants could keep to ourselves and not be able to replace, as AI is also not trustworthy!” Ma asserts.

Ma’s ethical foundation started taking shape when he was a junior at an accounting firm. “My partner always emphasized ‘credit and reputation could be taken away in just a blink of an eye. Do whatever you can to safeguard it and you will never be beaten,’” he remembers. Professional ethics in accounting remains timeless, he adds. “Adherence to professional ethics is innate in our profession as well as in training modules of every level of seniority, as it is always the one thing that doesn’t change.”

In a world where trust is hard-won, Ma’s approach offers a clear path forward: lead with ethics and let the tone at the top inspire confidence.

AN END-TO-END EFFORT

Perlie Wong, Senior Sustainability Manager at Jardine Matheson Limited, and an Institute member

Perlie Wong’s perspective on building public trust stems from a deep-rooted belief that sustainability cannot operate in isolation. “Cross-functional collaboration is the foundation of how we embed sustainability into Jardines’ business strategy and operations,” explains Wong, Senior Sustainability Manager at Jardine Matheson Limited. Working across different functions including finance, audit and risk management, company secretaries, facilities management, procurement, people and culture, and communications, Wong has discovered that trust emerges when sustainability strategies are gradually and seamlessly integrated into core business processes to drive meaningful change and tangible impact across the organization and its portfolio companies.

This collaborative approach provides Wong with what she describes as “a granular understanding of operational realities on what’s feasible, where the gaps are, and how sustainability practice can be tailored to fit existing processes.” Her team fosters “a culture of shared ownership” that builds trust not only among internal stakeholders who see their roles reflected in sustainability strategy, but also among external stakeholders who value transparency, consistency and accountability.

Wong’s approach to ensuring accurate sustainability reporting reflects the rigorous standards of her CPA training. She applies globally recognized frameworks including the GRI and TCFD, and is currently studying the International Financial Reporting Standards S1 and S2 standards for upcoming compliance. She develops group-wide ESG data guidelines “designed to ensure consistency, traceability, and reliability across our diverse portfolio companies,” she notes. This is backed by both internal review and external assurance, with

stakeholder engagement woven throughout, “demonstrating that our sustainability commitments are grounded in evidence, aligned with stakeholder priorities, and continuously evolving,” Wong says.

Trust is also built through practical engagement. To upskill portfolio companies, her team conducts workshops, one-on-one consultations, and scenario-based simulations to build capacity across functions. The ESG integration frameworks they have developed guide capital allocation and risk management processes through a sustainability lens, complementing traditional business considerations. “These include ESG due diligence for major investments or purchases, financial impact assessments of decarbonization, and climate risk integration into enterprise risk management. This enables senior management to make informed decisions that balance sustainability goals with financial returns, reinforcing our commitment to long-term value creation and building trust with all stakeholders,” Wong says. This has resulted in investors and rating agencies responding positively. “They feel more confident in the robustness of our

sustainability strategy,” she adds.

Wong credits her CPA training as foundational to the way she works in this field. “It instilled in me a deep respect for integrity, transparency, and accountability, which are principles that are not only central to financial reporting but also critical in the realm of sustainability,” she reflects.

Her move from external assurance to her current role was a natural progression. At Jardine Matheson, she rose through the group audit and risk management function, gaining an understanding of how each portfolio company works. “This familiarity enables me to identify opportunities where sustainability can be thoughtfully integrated into existing processes, rather than introducing entirely new systems,” she says.

Driven by a genuine passion for creating positive societal and environmental impact, Wong eventually transitioned into corporate sustainability. “I see my role as helping to shape and support the business through a sustainability lens,” she says, “working alongside colleagues across Jardines to embed responsible practices into everyday processes.”

“[The CPA training] instilled in me a deep respect for integrity, transparency, and accountability, which are principles that are not only central to financial reporting but also critical in the realm of sustainability.”

Dr. Heidi Cheng and Chloe Hung

The Principal Lecturer (Acting) and Lecturer at the Department of Childcare, Elderly and Community Services of the Hong Kong Institute of Vocational Education (Sha Tin) on financial education at an early age



Cultivating lifelong financial literacy through play-based learning

In contemporary society, material abundance and financial accessibility are prevalent. Children are exposed to money in various forms on a daily basis, however, many lack a clear understanding of its value. For instance, some perceive stored-value cards and online payment systems as sources of unlimited funds, enabling them to purchase anything they desire. Recent surveys conducted by multiple organizations have highlighted a concerning trend: young people in Hong Kong frequently spend beyond their means.

Developing sound financial management habits during childhood helps instil core financial values and fosters lifelong responsible financial behaviours. Since 2004, the Child Education Centre for Teaching & Learning (CECTL), Department of Childcare, Elderly and Community Services (CECS) at the Hong Kong Institute of Vocational Education (Sha Tin) has actively promoted financial literacy in preschools and established Hong Kong's first experiential learning hub, Kids' Bank, a training platform for early childhood educators, while also offering parent education, functioning as a training venue for financial literacy. This initiative utilizes play-based learning and hands-on experiences to help children understand the evolution of money, the relationship between work and wages, budgeting, saving, and banking services.

Building on this foundation, a partnership was formed in 2017 between CECTL and the Hong Kong Monetary Authority to launch the Kiddie-Family Moneyland Programme, pioneering financial education within the pre-primary sector through interactive and play-based methodologies. In 2023, CECTL became a strategic partner of the Hong Kong Institute of CPAs, expanding its educational model to upper primary and secondary levels, ensuring continuity across different stages of schooling.

Experiential financial learning for early ages

Kids' Bank is a financial education initiative designed specifically for children aged 3 to 6, tailored to their developmental needs. The programme integrates traditional Chinese values, benevolence, righteousness, courtesy, and filial piety, into the design of various experiential activity zones, fostering both financial literacy and character development. Key zones include:

- **Banking Service Zone:** Children engage in simulated banking activities such as opening accounts, making deposits, and withdrawing funds, to learn about banking services.
- **Working Zones:** By role-playing various professions, children learn the relationship between effort, time, and compensation, reinforcing the concept of earning through work.
- **Consumer Zones:** Simulated environments such as department stores and restaurants help children practice planned spending and distinguish between "needs" and "wants."
- **Caring for Others Zone:** Children are encouraged to demonstrate

kindness by using their own money or savings to support those in need, promoting empathy and social responsibility.

During their experience at Kids' Bank, each child receives 20 coins and a smart card, along with a custom-designed wallet to manage their funds. Activities include spending, donating, working, and earning, offering a comprehensive introduction to money management. Parents are actively involved, participating alongside their children to reinforce financial concepts and foster shared learning experiences.

Since its inception, Kids' Bank, in conjunction with the Kiddie-Family Moneyland Programme, has benefited over 4,000 children, 8,000 parents, and 250 educators. These initiatives have successfully embedded financial education into Hong Kong's kindergarten curriculum, laying the groundwork for a lifelong understanding of financial responsibility.

Deepening financial literacy through all life stages

To broaden its reach and effectiveness, CECTL has equipped more than 60 Higher Diploma in Child Care and Education students at CECS with the skills to serve as professional tutors in children's money management, enabling them to lead financial literacy activities in Kids' Bank and support family engagement.

Beyond early childhood, financial education and life planning seminars have been organized to support secondary and tertiary students in acquiring practical financial knowledge and future planning skills. In collaboration with the Hong Kong Monetary Authority, a series of online community financial education initiatives were launched, introducing key financial concepts and interactive parent-child money management activities to the wider public.

To further support educators, professional development training has been provided for kindergarten and upper primary teachers, aimed at enhancing their capacity to design school-based financial education programmes and integrate financial management concepts into everyday teaching practices.

Financial literacy for lifelong success

Financial education serves as a cornerstone of character development, extending beyond the mere management of money. Through early intervention, play-based learning approaches, and collaboration with diverse stakeholders, the next generation is empowered to cultivate responsible financial behaviours. These initiatives establish a strong foundation for lifelong financial literacy and contribute meaningfully to the holistic development of individuals and communities.

Interested parties in Kids' Bank may contact CECTL@vtc.edu.hk for enquiries and session reservations.

SECOND OPINIONS: WHY SHOULD EMPLOYERS PRIORITIZE ACCOUNTING AND BUSINESS CREDENTIALS WHEN HIRING?

“The business-related credentials signal a future-proof skillset and a proactive approach to career development that can be far more valuable than sheer years of experience.”



JOYCE FOK
TALENT DIRECTOR AT ROBERT HALF, AND
AN INSTITUTE MEMBER

In my job recruiting for financial services roles, I often see employers hyper-focused on direct experience, especially for niche roles like crypto fund accounting and financial reporting in a crypto platform. There's no doubt that experience and specialization are essential to finding the right talent, but overlooking candidates with strong accounting and broader business credentials is a missed opportunity. A foundational understanding of how a business operates is incredibly desirable in order to create a workforce that directly contributes to the bottom line.

At its core, every business decision in any function like financial services, operations, finance and accounting, HR, or IT, eventually impacts the financial health of the organization. Someone who understands accounting principles through their accounting and business credentials will likely comprehend revenue drivers, cost implications, profitability, and return on investment (ROI) clearer. These educated professionals see and understand the financial ripple effect of their actions, allowing for more strategic and fiscally responsible decisions.

Individuals with business credentials also possess a holistic view of organizational functions. They grasp concepts like supply chains, market dynamics, strategic planning, and risk management. This perspective gives room for effective collaboration and opportunities for growth which contributes to the overall business strategy.

Consider a simple scenario in the accounting and finance sector itself. A business might have a candidate with 10 years of experience using an outdated, on-premise accounting system. They're highly proficient in that specific system, but the industry is shifting to cloud-based enterprise resource planning (ERP) solutions integrated with artificial intelligence and automation. Now, consider another candidate with less direct work experience in finance and accounting but who has recently completed advanced certifications in cloud accounting software (e.g. SAP S/4HANA, Oracle Cloud ERP), data analytics tools (e.g. Tableau, Power BI), or even a postgraduate qualification in FinTech.

The individual with extensive, but outdated, experience might struggle to adapt to new workflows, require significant retraining, and potentially slow down digital transformation initiatives. In this context, the business-related credentials signal a future-proof skillset and a proactive approach to career development that can be far more valuable than sheer years of experience in a quickly obsolescing area.

At a time of increasing complexity and data-driven decisions in organizations, employees who understand the financial pulse of the business are invaluable. Prioritizing candidates with these credentials ensures businesses are building a workforce that's not only skilled in their specific domain but also commercially astute, highly adaptable, and truly invested in a company's sustainable success.



DONALD TSE

GLOBAL HEAD OF CYBER AND RESILIENCE RISK AT STRIPE, AND AN INSTITUTE MEMBER

I'm constantly thinking about the future of trust and the digital highways we're building. When I look at who we bring onto our team, accounting and business credentials aren't just checkboxes, they're foundational to building trust in the FinTech sector.

In payments, every nanosecond counts, and so does every dollar. Accounting credentials like a CPA aren't about dusty ledgers. They're about the real-time integrity of our financial nervous system. Our platform handles billions flowing globally. A finance professional who deeply understands controls, audit trails, and regulatory nuances – from rigorous credentials – is our first line of defense against cyber fraud and financial mischief. Crucially, a CPA brings the fundamentals of risk management and control concepts. They understand control testing and are adept at designing preventive and detective controls, paramount in FinTech. This isn't just about avoiding fines. It's about protecting every merchant, user, and transaction. Their expertise ensures our digital pipes are fast, incredibly secure, and transparent, keeping us ahead of bad actors exploiting financial flows.

Then there's the business acumen. FinTechs seek to deliver value to its users, and a strong business background means our team members don't just see lines of code. They see the bigger picture: how a new product launch impacts compliance, how a system vulnerability could hit our top line, or how a streamlined process unlocks growth. This holistic view is crucial for anyone in tech risk. It allows us to speak the language of product managers, engineers, and go-to-market teams, translating complex technical risks into tangible business impacts. This strategic alignment ensures our security measures are not roadblocks but accelerators, empowering FinTech to be innovative while balancing risks in the launch process. We push boundaries, but always with a clear-eyed view of vulnerabilities.

Ultimately, my job is about mitigating risk so we can build with confidence. Hiring individuals with accounting and business credentials isn't just about filling roles, but also about embedding deep financial integrity and strategic thinking into our DNA. This brings us to digital trust. In a world of virtual transactions, trust is the verifiable reliability, security, and transparency of our digital systems. Users rely on FinTech to be a trusted intermediary. This trust is built on effective controls, astute business decisions, and the ethical backbone from professionals with these credentials. These aren't old-school qualifications. They're the bedrock for building the future of digital trust – a future that is not only innovative and efficient but also inherently trustworthy and secure.

“These aren't old-school qualifications. They're the bedrock for building the future of digital trust.”



ALEC TONG

CHAIRMAN OF THE INSTITUTE'S QUALIFICATION AND EXAMINATIONS BOARD, AND EX-CFO AT AN MNC

In today's fast-paced and interconnected economy, the ability to interpret financial data, manage resources, and make informed decisions is essential across all industries. Accounting and business skillsets are foundational to operational success and long-term sustainability. Accounting skills enable individuals to assess risk, interpret financial statements, and ensure compliance. Business competencies such as budgeting, planning, and performance analysis help align operations with organizational goals.

“The CAB strengthens enabling competencies... while gaining a professional recognition in business.”

A growth mindset is a defining trait of professional accountants. Their commitment to continuous learning and adaptability allows them to respond to evolving business needs and contribute beyond traditional finance roles. Analytical ability is central to their work, enabling them to break down complex challenges and transform data into actionable insights. For example, accountants play a pivotal role with IT and operations teams in ERP that automates business processes to deliver actionable insights and accelerate decision-making. In collaboration with sales teams, they can analyse customer behaviour, provide sales forecasts to optimize pricing strategies to enhance overall profitability. These contributions demonstrate how accounting and business expertise can add value and support strategic goals across departments.

These capabilities are not limited to accounting functions. In marketing, accounting knowledge helps evaluate campaign ROI. In supply chain, it supports cost optimization. In HR on performance measurements, it helps with the numerical design of incentive schemes to motivate the workforce including the balanced scorecard for senior management. In tech start-ups, it guides funding decisions and growth strategies.

To meet this growing demand, the newly launched HKICPA Certificate in Accounting and Business (CAB) offers a flexible, future-ready programme that equips professionals with both core accounting knowledge and specialized professional skills. Designed for those seeking a strong foundation in finance and business, the CAB strengthens enabling competencies in critical analysis, problem solving and communication, while gaining a professional recognition in business. For university students, the CAB provides a unique opportunity to earn a recognized “interim professional qualification” alongside their degree. The CAB is also an important milestone in the full Qualification Programme, offering a clear path to be a fully qualified CPA. Hiring CAB achievers means gaining team members who can make an immediate impact – bringing insight, adaptability, and collaboration to today's dynamic workplaces.

FIVE QUESTIONS

PAIB & PAIP

What are the biggest lessons in your career so far?

My transition from accounting to investment banking involved a significant learning curve. Early in my investment banking career, a manager doubted my fit for the role, advising a return to audit advisory. Nevertheless, I trusted my capabilities and persisted. Now, with over 20 years in investment banking, I see career transitions and economic changes as opportunities for growth amid challenges. These experiences build resilience and demand dedication.

What are the challenges and opportunities of your role?

I lead the strategic orchestration of company listings on the Hong Kong capital market. A significant benefit is the opportunity to collaborate with a wide range of industries. Over the past 20 years, the market has experienced continuous evolution, driven by sustained industry innovation. Initially, the sector was largely traditional, characterized by straightforward structures, such as those of state-owned enterprises and real estate companies. More recently, private enterprises, especially from innovative sectors, have joined, enhancing the market's diversity. This progression has required ongoing professional growth, which I find deeply rewarding. Challenges align with these opportunities, as the dynamic market, evolving industries, and regular company updates necessitate constant adaptation.

What advice do you have for young CPAs who are looking to specialize in IPOs?

For them, the foundation lies in mastering core skills and building a robust base. As a CPA myself, I benefited from comprehensive training, covering technical fundamentals such as accounting principles and financial statement analysis. Early in my career,



FIVE QUESTIONS FOR PAIB Nelly Pai

Nelly Pai, Managing Director and Head of Hong Kong IPO and Corporate Finance Group at J.P. Morgan, on her transition from accounting to investment banking, and how the world of listings has catalyzed her ongoing professional growth

working on-site with diverse clients provided invaluable insights into the business world, establishing a strong platform for my professional growth. IPOs, with their intricate details and regulations, demand a solid understanding of basics to devise effective solutions and offer reliable advice. I recommend that young accountants focus on mastering these essentials before diversifying their expertise.

How do you view the role of CPAs in building trust?

I have been engaged in public service and I am deeply honoured to contribute to this field. Over the past 25 years, I have maintained an unwavering focus on my role, immersing myself in the Hong Kong market. Transitioning from accounting to investment banking, my steadfast dedication has cultivated significant expertise in Hong Kong IPOs, earning widespread recognition. CPAs foster trust through rigorous training and a hands-on methodology. In addressing public interest, the inclusion of diverse perspectives and a thorough evaluation of issues are paramount.

How has your CPA training or qualification helped you in your career?

The training equips me to navigate complex financial scenarios, interpret regulations, and devise strategic solutions for clients, while establishing credibility as a trusted advisor in auditing and consultancy roles. The certification unlocks diverse opportunities within the financial industry, including access to a global professional network that fosters collaboration and career growth. Continuous education ensures I remain adept with evolving standards, a critical advantage in Hong Kong's dynamic market for managing IPO complexities and advising multinational clients. Moreover, it paves the way for leadership roles, reflecting the high value placed on CPA expertise.

What are the biggest lessons in your career so far? Early in my career, I realized that staying rigid in processes or thinking would limit growth. Embracing change, whether through digital transformation (e.g. AI in auditing) or adapting to new compliance standards, has been crucial. Another key lesson is the importance of relationships both with clients and within the team. Trust isn't built overnight; it requires consistency, transparency, and a genuine commitment to understanding clients' needs. Similarly, fostering a collaborative team culture has been essential. A high-performing team isn't just about technical skills but also about communication, mentorship, and shared accountability.

What are the challenges and opportunities of your role?

Challenges relate to regulatory and compliance complexity in Hong Kong's evolving tax laws, AML requirements, and cross-border regulations demand constant vigilance. Clients rely on us to decode these changes while ensuring compliance doesn't stifle their growth. There is also the issue of the accounting talent pool shrinking, with younger professionals seeking roles that blend technical work with strategic impact. Opportunities include digital transformation, which sees tools like AI-driven analytics enhancing audit accuracy and operational efficiency. Also, clients now seek CPAs as business partners, not just compliance experts. With Hong Kong's roles as a gateway to China and the world, there is a growing demand for CPAs who understand multi-jurisdictional compliance and expansion strategies.

As the Director of Conpak, what are your current priorities? One is enhancing client service. Rather than



FIVE QUESTIONS FOR PAIP Hazel Yim

Hazel Yim is focused on enhancing client service and encouraging unconventional thinking. She shares her approach to building and maintaining trust with clients as the Director of Audit and Assurance at Conpak CPA Limited

waiting for issues to arise, we aim to identify potential challenges early and offer strategic solutions. This proactive approach not only strengthens trust but also ensures our clients feel supported at every stage of their business journey. Secondly, fostering a culture of innovation within the firm is essential. We encourage our team to explore new ideas and challenge conventional thinking. This includes promoting collaboration across departments to share insights and best practices, which can lead to more effective solutions for our clients. We also emphasize the importance of continuous professional development.

What is your view on the best ways that CPAs can build trust with clients?

Trust is the cornerstone of the accounting profession, and building it requires consistent effort and integrity. Clients appreciate clarity, and it sets the foundation for a strong relationship. Additionally, proactive communication helps in addressing concerns before they escalate, reinforcing the client's confidence in our expertise. Finally, delivering consistent quality in our services is vital. Continually meeting client expectations solidifies that trust over time, ensuring long-lasting professional relationships.

How has your CPA qualification helped you in your career?

The CPA qualification emphasizes ethics and professional conduct, which are crucial in building trust with clients. Understanding the ethical responsibilities of our profession has guided my decision-making and reinforced the importance of integrity in my work. The CPA network has also been invaluable. Engaging with fellow professionals provides opportunities for collaboration and learning, which are vital in an ever-evolving industry.

An overview of the revised *HKFRS for Private Entities* Accounting Standard

What are the changes, and how should you prepare?

In Hong Kong, entities without public accountability can choose to adopt the *HKFRS for Private Entities* Accounting Standard (HKFRS for PE), which is equivalent to the *IFRS for SMEs* Accounting Standard issued by the International Accounting Standards Board (IASB), for preparing their financial statements. The requirements in HKFRS for PE are based on those of the full HKFRS Accounting Standards, with simplifications to reflect the information needs of users of financial statements and the resources available to private entities. By relieving private entities of the requirement to apply the full HKFRS Accounting Standards, HKFRS for PE helps ease the reporting burden of eligible private entities that are not eligible to apply the cost-based home-grown Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard.

Revisions to HKFRS for PE

In September 2022, the IASB published an exposure draft proposing amendments to the *IFRS for SMEs* Accounting Standard, aiming to reflect the improvements made to the full IFRS Accounting Standards while keeping the standard simple. Key proposals include aligning certain requirements in the standard with those in International Financial Reporting Standard (IFRS) 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*. In response, the Institute submitted a [comment letter](#) to the IASB.

After several rounds of deliberation on the feedback, in February 2025, the IASB published the third edition of the *IFRS for SMEs* Accounting Standard. The Institute noted that our comments were addressed in the revised standard. Following the completion of the due process, the Institute issued the [revised HKFRS for PE](#) in April 2025, which is equivalent to the third edition of the *IFRS for SMEs* Accounting Standard.

What are the key changes?

The revisions to the HKFRS for PE are extensive, covering nearly all sections of the standard. A list of the amendments can be found in the *Introduction* of the revised HKFRS for PE. The sections with major amendments, which are the focus of this article, are outlined on the next page.

To understand how these major amendments impact local entities currently applying the extant HKFRS for PE, refer to [Key impact of the 2025 revised HKFRS for PE on local entities](#) issued by the Institute.

Key areas not amended in the revised HKFRS for PE

Although the revisions to the standard are extensive, there are a few areas where the current requirements have either been retained or not amended. These areas include:

- The concept of “undue cost or effort” in Section 2 *Concepts and Pervasive Principles*.
- The rebuttable presumption in Section 9 *Consolidated and Separate Financial Statements* that control exists when an investor owns the majority of the voting rights of an investee.
- The incurred loss model for the impairment of financial assets measured at amortized cost.

Moreover, Section 20 *Leases* has not been amended to align with Hong Kong Financial Reporting Standard (HKFRS) 16 *Leases* in this revision. Any decisions on future alignment will be made only when more information about entities’ experience of applying HKFRS 16 is available.

Effective date and transition

The revised HKFRS for PE is effective for annual periods beginning on or after

1 January 2027, with early application permitted. Entities are required to apply the new and amended requirements in the revised HKFRS for PE retrospectively. However, some relief from retrospective application is available for entities applying certain amendments.

What actions should entities take now?

The amendments are comprehensive and will affect entities currently applying the extant HKFRS for PE. The impact ranges from changes in accounting policies and related accounting treatments to providing additional disclosures in the financial statements. Preparers should read the original text of the revised HKFRS for PE thoroughly to understand the amendments and assess how they will affect financial reporting based on the entity’s specific facts and circumstances.

For instance, the revised Section 23 *Revenue from Contracts with Customers* may result in some entities accounting differently for transactions with customers under the new five-step model. In addition, the new disclosure requirements in the revised Section 11 *Financial Instruments*, such as the aging analysis of financial assets and the maturity analysis for financial liabilities, require entities to collect additional information. Therefore, preparers should consider whether any changes to the systems, processes and controls are necessary in order to apply the new requirements.

What technical resources are available?

The IASB has provided various [support materials](#), including a Project Summary, Feedback Statement and Effects Analysis and podcasts, to assist entities with the implementation process. Additionally, the IASB is in the process of

Table – Sections with major amendments

Section 2 Concepts and Pervasive Principles
<ul style="list-style-type: none"> Section revised based on the <i>Conceptual Framework for Financial Reporting</i> issued in 2018.
Section 9 Consolidated and Separate Financial Statements
<ul style="list-style-type: none"> Update of the definition of control to align with HKFRS 10 <i>Consolidated Financial Statements</i>, using the control model as the single basis for consolidation. Amendments outlining requirements when a parent loses control of a subsidiary, requiring entities to measure any retained interest in the former subsidiary at fair value at the date control is lost, with any resulting gain or loss recognized in profit or loss.
Section 11 Financial Instruments
<ul style="list-style-type: none"> Addition of a supplementary principle for classifying financial instruments based on contractual cash flow characteristics. Addition of the definition of a financial guarantee contract. Amendments to the requirements for issued intragroup financial guarantee contracts, with nil-consideration contracts now within the scope of Section 21 <i>Provisions and Contingencies</i>, while others remain in Section 11 and continue to be measured at fair value. Addition of disclosure requirements for intragroup financial guarantee contracts within Section 21 to explain their nature, purpose, and possible effects on cash flows. Introduction of new disclosure requirements for financial assets and financial liabilities, including ageing analysis of financial assets and maturity analysis for financial liabilities. Removal of the option for an entity to apply the recognition and measurement requirements in Hong Kong Accounting Standard 39 <i>Financial Instruments: Recognition and Measurement</i>.
New Section 12 Fair Value Measurement
<ul style="list-style-type: none"> A new section that consolidates fair value measurement requirements from other sections of the HKFRS for PE. Update of fair value measurement requirements to align with HKFRS 13 <i>Fair Value Measurement</i>, including the definition of fair value, fair value hierarchy principles, and the disclosure requirements.
Section 19 Business Combinations and Goodwill
<ul style="list-style-type: none"> Amendment to the definition of a business to align with HKFRS 3 <i>Business Combinations</i>. Addition of accounting requirements for acquisitions achieved in stages. Introduction of new requirements explaining that an entity newly formed to effect a business combination may not be the acquirer. Amendments to the requirements for the recognition and measurement of acquired assets, assumed liabilities, and goodwill, including: <ul style="list-style-type: none"> Clarifying that an acquirer cannot recognize a contingent liability that does not meet the definition of a liability. Requiring entities to measure contingent consideration at fair value, if it can be measured reliably without undue cost or effort. Requiring entities to recognize acquisition costs as an expense in profit or loss.
Section 23 Revenue from Contracts with Customers
<ul style="list-style-type: none"> Introduction of a comprehensive framework for recognizing revenue based on the five-step model in HKFRS 15 <i>Revenue from Contracts with Customers</i>, with the following simplifications: <ul style="list-style-type: none"> Using simple, concise language that is consistent with the language eligible private entities use when discussing contracts with customers. For example, Section 23 uses the term "promise" to identify the unit of account for goods and services promised in a contract with a customer, instead of the term "performance obligation" used in HKFRS 15. Limiting the amount of judgement and information required from entities applying Section 23 for topics such as warranties, customer options for additional goods or services, and costs of obtaining a contract. Omitting topics that are not relevant to eligible private entities, such as consideration payable to a customer. Streamlining the disclosure requirements from HKFRS 15.

publishing updated educational modules, complemented by a webcast series, to provide further explanations and examples for applying the standard.

On the local front, the Institute plans to offer a webinar in the coming months to

help entities understand the main features of the revised HKFRS for PE. Stay tuned for upcoming resource updates in the [HKFRS for PE Information Centre](#) and get in touch with the Institute's Standard Setting Department through the [Technical Enquiry](#)

[system](#) if you have any questions about implementing the revised HKFRS for PE.

*This article was contributed by **Anthony Wong** and **George Au**, Associate Directors of the Institute's Standard Setting Department.*

A new HKSA for audits of less complex entities

An overview of the application of the HKSA for LCE

In July 2021, the International Auditing and Assurance Standards Board (IAASB) issued an exposure draft for a "simplified" auditing standard, the *Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities* (ISA for LCE). The IAASB's proposal and the Institute's responses were discussed in previous *A Plus* articles from [2021](#) and [2022](#).

In December 2023, the IAASB released the [final ISA for LCE](#), which is a new stand-alone auditing standard for auditors of less complex entities (LCEs). The ISA for LCE contains all requirements necessary to obtain reasonable assurance about whether the financial statements of an LCE, as a whole, are free from material misstatements, whether due to fraud or error.

In April 2025, the Hong Kong Institute of CPAs' Auditing and Assurance Standards Committee (AASC) adopted the ISA for LCE as the [Hong Kong Standard on Auditing for Audits of Financial Statements of Less Complex Entities](#) (HKSA for LCE or the "standard"). To apply the HKSA for LCE in an audit engagement, the auditor must assess whether the entity meets the eligibility criteria outlined in the Authority in Part A of the standard.

Authority for using the standard

The Authority that governs the use of the HKSA for LCE is structured into three key categories, each of which must be met for

the standard to be applied. To ensure the standard is appropriately applied in Hong Kong context, the AASC has introduced local refinements to these categories. Each category and their local refinements are described below.

Specific prohibitions

This category sets out classes of entities that are prohibited from using the standard in their audit engagements. They are:

- Law or regulation that prohibits the use of the HKSA for LCE or specifies the use of auditing standards other than the HKSA for LCE for the audit of the financial statements in that jurisdiction.
- The entity is a listed entity.
- The entity carries on any banking business and is an authorized institution as defined under the Banking Ordinance.
- The entity carries on any insurance business and is an authorized insurer as defined under the Insurance Ordinance.
- The entity is a licensed corporation under Part V of the Securities and Futures Ordinance to carry on a business in any regulated activity within the meaning of that Ordinance.
- The entity is granted an insurance broker company licence under Section 64ZA of the Insurance Ordinance to carry on regulated activities in one or more lines of business, and to perform the act of negotiating or arranging an insurance contract as an agent of any

policy holder or potential policy holder.

- The entity is a public interest entity defined in Part 4A, Chapter A of the *HKICPA Code of Ethics for Professional Accountants*.
- The audit is an audit of group financial statements and (i) any of the individual entities or business units in the group do not qualify for using the HKSA for LCE as described above, or (ii) component auditors are involved, except when their involvement is limited to circumstances regarding a physical presence for a specific audit procedure for the group audit.

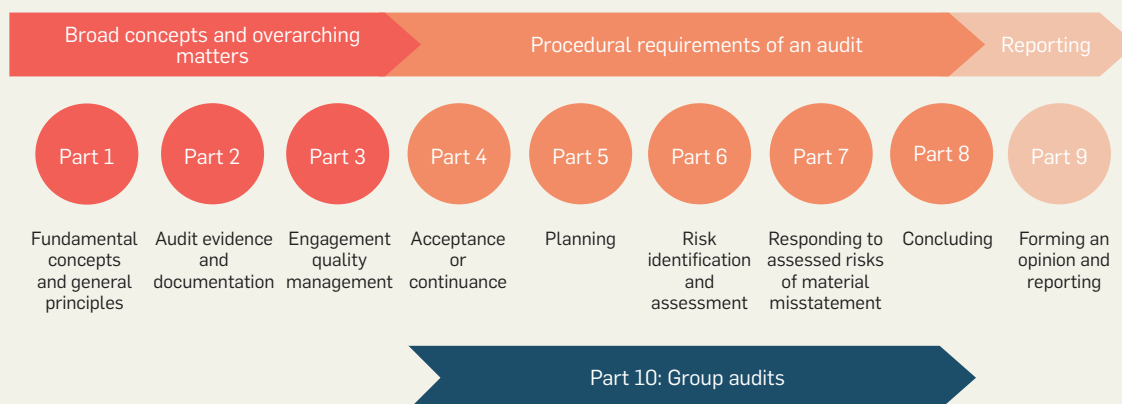
Qualitative characteristics

Qualitative characteristics describe the typical nature and circumstances of an audit of an LCE for which the standard includes all necessary requirements. If an entity does not exhibit these characteristics, it would ordinarily be precluded from using the HKSA for LCE for its financial statements audit.

Quantitative thresholds

These thresholds are established by relevant local bodies with standard-setting authority to determine eligibility for using the standard in each jurisdiction. In Hong Kong context, an entity or group must not exceed any two of the following limits to qualify for applying the HKSA for LCE in the relevant audit engagement:

- Total revenue of HK\$200 million.
- Total assets of HK\$200 million at the end of the reporting period.

Diagram: Structure of the HKSA for LCE

(Source: IAASB's First-Time Implementation Guide: The ISA for LCE)

- 100 employees.

The standard also sets out principles for assessing whether these quantitative thresholds are met, ensuring consistent and appropriate application in practice.

Overall design of the HKSA for LCE

The HKSA for LCE utilizes a risk-based approach to an audit, with requirements that are principles-based. The standard has been grouped into 10 parts that follow the flow of an audit. The parts are preceded by a Preface to the standard and its Authority (see the diagram above).

The requirements and Essential Explanatory Material (EEM) in the HKSA for LCE are designed to be proportionate to an audit of an LCE. Requirements and EEM in the standard do not address complex matters or circumstances. If the HKSA for LCE is used for an audit outside the intended scope of this standard, compliance with the requirements of the HKSA for LCE will not be sufficient for the auditor to obtain sufficient appropriate audit evidence to support a reasonable assurance opinion.

If an objective in a part of the standard cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor to: (a) modify the terms of engagement and perform the audit and report in accordance with the Hong Kong Standards on Auditing

(HKSA); or (b) modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation.

The EEM serves a similar purpose to application and other explanatory material in the HKSA but is targeted at a higher, conceptual and contextual level, taking into account the typical nature and circumstances of audits for which the standard has been designed. The EEM has been presented in italics and is highlighted in light blue. The EEM does not impose or expand requirements; rather, it provides explanation or guidance that is integral to understanding the relevant requirements.

Tailoring auditor's reports under the HKSA for LCE

Auditors applying the HKSA for LCE in audit engagements should ensure that auditor's reports are appropriately tailored to the specific reporting framework.

- For financial statements prepared under a fair presentation framework (e.g. HKFRS Accounting Standards; HKFRS for Private Entities Accounting Standard), refer to the illustration in paragraph 9.4 of the standard.
- For financial statements prepared under a compliance framework (e.g. HKICPA Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard (SME-

FRF & FRS)), tailor the auditor's report in accordance with paragraph 9.3.1 and footnote 39 of the standard. The Institute is currently developing an illustrative auditor's report under the HKSA for LCE for audits of financial statements under the SME-FRF & FRS.

- For other scenarios, refer to the [IAASB ISA for LCE Auditor Reporting Supplemental Guidance](#) for guidance.

Implementation support

The HKSA for LCE will be effective for audits of financial statements of LCEs for periods beginning on or after 15 December 2025.

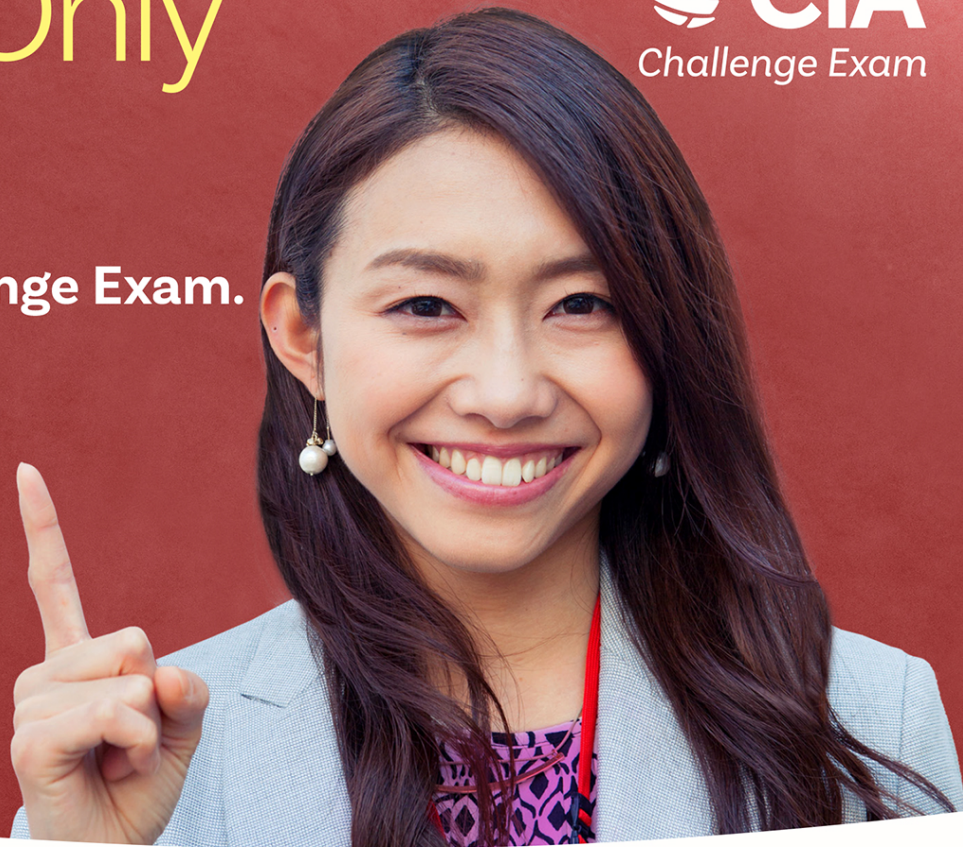
The Institute's [Basis for Conclusions](#) summarizes the considerations of the AASC in making the local refinements to the Authority of the standard, along with an impact analysis of key areas that auditors should be aware of when applying the HKSA for LCE in audit engagements.

Additionally, the AASC has developed a [Frequently Asked Questions](#) document that addresses various scenarios related to the assessment of quantitative thresholds and provides local application guidance. Other relevant guides and materials are available at the Institute's dedicated [resource centre](#).

This article was contributed by the Institute's Standard Setting Department.

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The Institute of
Internal Auditors

**Data as of 31 December 2023

Improving IAS 37 for recognizing and measuring provisions

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

In November 2024, the International Accounting Standards Board (IASB) published an Exposure Draft (ED) proposing targeted amendments to International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*. The proposed targeted amendments, which cover the three aspects of IAS 37 outlined in the diagram below, aim to clarify whether provisions need to be recognized, and if so, when to recognize them, as well as how to measure them.

The Institute responded to the ED in March this year. This article highlights our major comments on the ED. The full response is available on our [website](#).

We appreciate the IASB’s endeavours in formulating proposals that aim at improving the requirements in IAS 37 for recognizing and measuring provisions. However, we have concerns in the following areas.

Transfer condition

We are concerned that paragraph 14L of the ED introduces new concepts of “transfer” and “exchange” of economic resources into IAS 37, which are neither defined in the Glossary nor elaborated upon further in IAS 37. Some respondents questioned whether typical payments, such as levies, are considered as “transfer” or “exchange” of economic resources under the ED. Others expressed concerns that in situations where the nature of the transaction is unclear, the ambiguity surrounding the definitions of “transfer” and “exchange” could create challenges in determining whether the transfer condition is met, and thus whether a present obligation exists.

To enhance clarity and support consistent application, we strongly recommend that

the IASB clarify these concepts in IAS 37. This could be achieved by incorporating the principle of considering any future economic benefits of the asset or service received as a result of payment, as illustrated in Examples 3, 7 and 11B in the Guidance on implementing IAS 37 (Guidance), into the body of IAS 37.

Past-event condition

We have significant concerns regarding the proposed requirements for the past-event condition in paragraphs 14O to 14Q of the ED. The ED lacks clarity on how these paragraphs interact and how they apply to scenarios involving multiple conditions. Additionally, the application of the concepts introduced in these paragraphs to certain illustrative examples in the Guidance is confusing. For instance, it is unclear why the outcomes of Examples 13B and 13C are different (two separate actions versus one action) when they illustrate similar fact patterns.

Determining what constitutes an “action” under these paragraphs becomes particularly challenging in complex fact patterns involving multiple conditions in a contract or legislation. This complicates an entity’s assessment of whether the conditions represent one action, two (or more) separate actions, a continuation of an activity, or a measurement base for the provision. As a result, it is unclear whether paragraphs 14O, 14P or 14Q of the ED should be applied, which would affect the timing of recognizing the provision.

In light of the above, we strongly recommend that the IASB clearly illustrate the interaction between paragraphs 14O to 14Q in the final amendments, particularly

whether, and if so, which requirement would take precedence if they are relevant to the same fact pattern. Furthermore, we recommend that the IASB enhance the relevant illustrative examples in the Guidance to ensure consistent application of the proposed requirements across different fact patterns. We also recommend that the IASB test these proposals further to understand their impact and assess whether the outcomes are appropriate.

Measurement – Future operating costs

The ED proposes deleting paragraph 18 of IAS 37, which specifies that no provision is recognized for costs that need to be incurred to operate in the future, without explanation in the Basis for Conclusions. This creates confusion regarding whether future operating costs should be included in measuring a provision under the proposed paragraph 40A of the ED when those costs are directly related to settling the obligations. We believe that the IASB does not intend to change this general measurement principle which is applicable for all types of provisions. Therefore, we strongly recommend that the IASB either reinstate this paragraph or clearly specify this principle in the “measurement” section of the final amendments.

Other recommendation

As noted above, although this ED is characterized by the IASB as targeted improvements or clarifications, it may have a broader impact on current accounting practices than initially anticipated. To ensure a comprehensive understanding of the potential effects of the ED, we recommend that the IASB conduct further outreach with stakeholders when developing the final amendments.

*This article was contributed by **George Au** and **Shiro Lam**, Associate Directors of the Institute’s Standard Setting Department.*

The proposed targeted amendments to IAS 37

Recognition	Measurement	Measurement
“Present obligation” recognition criterion	Estimates of expenditure required to settle provision – costs to include	Rates used to discount future expenditure to present value

(Source: IASB’s presentation material at 2024 World Standard-setters Conference)

TECHNICAL NEWS

The latest standards and technical development highlights

Financial reporting

Invitations to comment

The Institute is seeking [comments](#) on the following tentative agenda decisions published by the IFRS Interpretations Committee by 25 August:

- [Determining and Accounting for Transaction Costs \(IFRS 9 Financial Instruments\)](#)
- [Embedded Prepayment Option \(IFRS 9 Financial Instruments\)](#)
- [Updates to Committee's agenda decisions for IFRS 18 Presentation and Disclosure in Financial Statements](#)

The Institute is also seeking [comments](#) on the International Accounting Standards Board (IASB) Request for Information (RFI) [Post-implementation Review of IFRS 16 Leases](#) by 29 August. To learn more about the RFI, watch the IASB [webcast](#).

IASB issues revised Practice Statement on management commentary

The IASB has issued the revised [Practice Statement 1 Management Commentary](#). The revised Practice Statement supports improvements to and greater global alignment in management commentary and narrative reports accompanying the financial statements.

The IASB intends for the revised Practice Statement to serve as a global benchmark for regulators to use in updating or developing their national requirements and guidance. It will also provide companies with a comprehensive resource for meeting investors' information needs.

The International Sustainability Standards Board (ISSB) [welcomes](#) the issuance of the revised Practice Statement. The Practice Statement is an important tool for supporting connected reporting, facilitating better connections between financial statements and sustainability-related financial disclosures.

New educational materials on the IFRS for SMEs Accounting Standard

The IFRS Foundation has published the

following updated [educational modules](#) to support small- and medium-sized entities in applying the third edition of the *International Financial Reporting Standard for Small and Medium-sized Entities* (IFRS for SMEs) Accounting Standard:

- Section 1 Small and Medium-sized Entities;
- Section 2 Concepts and Pervasive Principles; and
- Section 7 Statement of Cash Flows.

These updated modules are also relevant for entities applying the revised *HKFRS for Private Entities* Accounting Standard, issued by the Institute in April, which is equivalent to the third edition of the IFRS for SMEs Accounting Standard published by the IASB.

Auditing and assurance

ISA 240 (Revised) The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

The IAASB has revised [International Standard on Auditing 240 \(Revised\)](#) (ISA 240 (Revised)), which responds to global scrutiny and stakeholder concern regarding the auditor's role in detecting fraud.

The revisions align with ISA 570 (Revised 2024) *Going Concern*, recognizing that fraud and financial distress are often interrelated risks that must be addressed together to bolster corporate transparency and resilience. ISA 240 (Revised) will be effective 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.

New FAQ for the ISA for LCE

The International Auditing and Assurance Standards Board (IAASB) has published a new [FAQs document](#) for the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE), which is tailored for financial audits of smaller and less complex entities. This new FAQ replaces the previous version

and addresses common questions received during webinars and outreach following the standard's publication in December 2023, providing timely and practical clarifications.

This release is the final component of the IAASB's planned implementation support package to facilitate the effective implementation of the standard. It complements the previously released adoption guide, fact sheet, first-time implementation guide, and other supplemental materials.

Ethics

Institute submission

The Institute has submitted its [comment letter](#) on the International Ethics Standards Board for Professional Accountants (IESBA) Consultation Paper: Collective Investment Vehicles and Pension Funds – Auditor Independence.

Sustainability

Invitations to comment

The Institute is seeking [comments](#) on the following ISSB Exposure Drafts [Proposed Amendments to the SASB Standards](#) and [Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2](#) by 14 October.

Institute submission

The Institute has submitted its [responses](#) to the ISSB Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures*.

IFRS Foundation publishes jurisdictional profiles providing transparency and evidencing progress towards adoption of ISSB Standards

The IFRS Foundation has published an initial set of 17 [jurisdictional profiles](#) to provide transparency to capital markets which evidences the high degree of alignment with the ISSB Standards. Hong Kong is among the initial set of jurisdictions that have set a target of fully adopting the ISSB Standards.

These profiles provide detailed information about each jurisdiction's targets for aligning with ISSB Standards and the current status of their sustainability-related disclosure requirements. They are published once a jurisdiction's approach to sustainability reporting is finalized and no longer subject to consultation. This represents a significant step in clarifying progress toward establishing a global baseline for sustainability disclosures in capital markets.

IESBA and IAASB establish expert groups to support global implementation of sustainability standards

The IESBA and the IAASB have [formed](#) two expert implementation groups that will play important roles in supporting the effective implementation and application of the boards' recently released global sustainability standards:

- The IESBA's IESSA Implementation Monitoring Advisory Group (IIMAG) will support the implementation of the International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) and revisions to the IESBA Code for sustainability reporting.
- The IAASB's ISSA 5000 Technical Implementation Contact Group (TICG) will support implementation of the International Standard on Sustainability Assurance (ISSA) 5000.

The IIMAG and TICG will provide regular feedback to the boards to ensure that emerging issues related to the implementation of the standards are identified and addressed timely, and that implementation support resources remain relevant and practical.

GRI 102 and IFRS S2 – Reporting on both standards and equivalence for IFRS S2 on GHG emissions disclosures

The Global Sustainability Standards Board (GSSB) has [granted](#) equivalence to IFRS S2 for entities preparing disclosures of greenhouse gas (GHG) emissions under *GRI 102: Climate Change 2025*, the new climate standard issued by the GSSB.

Organizations using both GRI 102 and IFRS S2 can use the equivalent IFRS S2

disclosures for Scope 1, Scope 2 and Scope 3 GHG emissions to meet GRI 102 requirements.

To be able to provide the equivalent IFRS S2 GHG emission disclosures, organizations reporting in accordance with or with reference to the GRI Standards will have to:

- Measure their GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004); and
- Include a reference to the location where the information for each of the disclosures can be found as per the *Publish a GRI content index requirement in GRI 1: Foundation 2021*.

Educational material about using ISSB Industry-based guidance when applying ISSB Standards

The IFRS Foundation has published [educational material](#) to help companies understand the role of the ISSB industry-based guidance – which collectively refers to the Sustainability Accounting Standards Board Standards and the *Industry-based Guidance on Implementing IFRS S2* – when applying ISSB Standards.

The ISSB industry-based guidance is a useful resource for companies applying ISSB Standards, as it sets out disclosure topics and metrics that are typically relevant with specific industries.

Guidance on disclosures about transition plans

The IFRS Foundation has published a new guidance document titled [Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2](#) as part of its commitment to supporting the implementation of ISSB Standards. The document builds on disclosure-specific material developed by the Transition Plan Taskforce, for which the IFRS Foundation took responsibility in 2024.

IAASB and IESBA publications to support implementation of sustainability assurance and ethics standards

The IAASB and the IESBA have released two staff publications, [FAQs on Sustainability Assurance Engagements](#) and [IESBA Staff Questions and Answers on](#)

[IESSA](#), to support implementation of the IAASB's and IESBA's global sustainability-related standards: ISSA 5000 and IESSA.

Corporate finance

Second policy statement on development of digital assets issued to scale Hong Kong to new heights of global digital asset leadership

The government issued on 26 June the [Policy Statement 2.0 on the Development of Digital Assets in Hong Kong](#), reinforcing its commitment to establishing Hong Kong as a global hub for innovation in the digital asset field. This new policy statement builds upon the foundational measures outlined in the initial policy statement released in October 2022.

Insolvency

Implementation of the iCMS for civil appeal cases of the High Court

The Judiciary Administration has issued a [letter](#) to the Institute, advising that the integrated Court Case Management System (iCMS) will soon be extended to cover the civil appeal cases in the High Court.

Anti-money laundering

FATF list of high-risk and other monitored jurisdictions

On 13 June, the Financial Action Task Force (FATF) published a statement regarding [high-risk jurisdictions subject to a call for action](#), calling on its members and all jurisdictions continue to apply specific measures and actions on Iran, the Democratic People's Republic of Korea and Myanmar.

The FATF also issued a notice on [jurisdictions under increased monitoring](#), identifying jurisdictions with strategic deficiencies in their anti-money laundering/counter-terrorist and proliferation financing regimes and that are working with the FATF to address these deficiencies.

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

YOUNG MEMBER OF THE MONTH

Nicholas Ng

NICHOLAS NG

Assistant Tax Manager at
CityLinkers Taxation and
Accounting Limited



As Assistant Tax Manager at CityLinkers Taxation and Accounting Limited, Nicholas Ng has been taking on a wide range of responsibilities and is consistently broadening his skillset. He opens up about the biggest client advisory challenges, and his ambitions for the future.

Please explain your current role and responsibilities. What drew you to the role and how is it going so far?

As an Assistant Tax Manager at CityLinkers Taxation and Accounting Limited, my primary responsibility is to provide Hong Kong and China tax compliance and advisory services to my clients, either individuals or corporations. My interest in taxation developed while I was studying at Shanghai Jiao Tong University, where I obtained a master's degree in professional accounting. From my perspective, taxation is a blend of technical expertise and interpersonal insight. To provide effective and efficient tax assistance, it is crucial to first gain a thorough understanding of each client's distinct circumstances and unique needs. This foundational insight ensures that the support offered is tailored, relevant, and adds meaningful value. In my current role, I have evolved from managing Hong Kong profits tax compliance to delivering sophisticated tax advisory services, in particular involving cross-border transactions.

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

The most rewarding aspect of my current role is the opportunity to connect with the people I work alongside. I have formed meaningful friendships with many of my colleagues. I also enjoy the diversity of my tasks, which give me opportunities to understand different industries. Each project allows me to gain insights into different business models and industries, which not only keeps the work engaging but also contributes to my professional growth. On the other hand, navigating the complexities of today's economy is among the most demanding aspects of my role. These challenges inspire a strong commitment to continuous learning, particularly in the field of taxation, where staying up to date with legislative amendments and cross-border regulatory compliance is essential.

What inspired you to pursue a career in accounting?

As Hong Kong is a dynamic global financial hub, I understood early on that pursuing a career in accounting would open the door to diverse and rewarding opportunities across industries. One of the most defining milestones in my professional journey was passing the QP exam. This achievement not only solidified my technical competence but also elevated my professional standing, allowing clients and colleagues to place greater trust in my expertise. The QP qualification has empowered me to advise with confidence, make sound judgements, and uphold the highest standards of integrity. It has been instrumental in shaping the way I approach complex challenges, deliver value, and build lasting relationships in the field of tax advisory.

In what ways has your CPA training or qualification helped you in your career?

The tax knowledge I gained through the Qualification Programme (QP) has provided a solid foundation for my career. I particularly appreciated the workshops, which helped me develop essential skills in teamwork and public speaking. I believe the QP training equips professionals with practical knowledge that complements the hands-on training and experience they receive in any workplace. Obtaining the CPA qualification has significantly shaped my career across multiple dimensions. Most importantly, it strengthened my professional judgement, enabling me to approach client advisory work with clarity and integrity.

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

I see myself taking on a more strategic role in my industry, stepping into leadership, growing my expertise, and hopefully heading up a team or department. I would love to mentor younger professionals and help build a culture that is forward-thinking, supportive, and inclusive. In the long run, I want to be an advisor clients can count on – someone who brings real value to the table, encourages collaboration, and helps navigate the ups and downs of today's constantly evolving financial landscape.

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

Effective communication, from my point of view, is always the biggest lessons, as every person has their own distinct viewpoints and ways of working. In today's fast-evolving environment, continuous development in leadership and team management is essential. The practices that worked in the past may no longer be effective, which is why it is important to step beyond familiar approaches, embrace innovation, and remain open to feedback, even critical insights from junior staff and emerging generations.

Building accountancy talent and empowering Hong Kong's future competitiveness

How the Institute's initiatives are shaping the next generation of finance professionals in a sustainable economy

Hong Kong continues to solidify its status as a top global financial hub by embracing digital transformation, cross-disciplinary integration, and sustainability. According to the 2025 IMD World Competitiveness Yearbook, Hong Kong now ranks third worldwide, returning to the top three for the first time since 2019. Its second-place ranking for business efficiency underscores the importance of effective resource allocation and financial planning, core strengths supported by the accounting profession.

The Institute's ongoing talent initiatives are central to sustaining these achievements. By equipping emerging professionals with fundamental, future-ready skills, the Institute ensures that the next generation of talents continues to drive Hong Kong's competitiveness and future growth on the global stage.

Expanding the accountancy talent pool for a new era

Recognizing the market's growing appetite for versatile, cross-disciplinary professionals, the Institute launched the [HKICPA Certificate in Accounting and Business \(CAB\)](#). This programme verifies the practical accounting and business skills of executives, entrepreneurs, and individuals from any background, regardless of business experience.

The CAB programme builds on the foundation of the Qualification Programme (QP), offering a modular structure that allows participants to tailor their learning: completing six core and two elective units at the foundation level, and one core and one elective at the professional level, plus an introductory workshop, to earn the certificate. The curriculum emphasizes not only technical competence in accounting and essential business knowledge, but also core enabling competences such as critical thinking, problem-solving, and communication skills. These attributes are increasingly valued across sectors and job functions.

For those aspiring to a full CPA qualification, CAB serves as an important milestone, validating their progress and motivating them to complete the QP and attain professional status.

Building capacity in sustainability reporting

Hong Kong's adoption of the HKFRS S1 and HKFRS S2 standards, issued by the Institute, marks a significant milestone. These standards provide a coherent framework for identifying, assessing, and disclosing sustainability-related risks, opportunities, and financial impacts, fundamentally changing how companies report and manage sustainability issues. As part of its commitment to capacity building, the Institute is introducing the [HKICPA Certificate on Sustainability Reporting](#), a structured and practical training programme tailored to meet the needs of organizations and individuals navigating this new era.

The HKICPA Certificate on Sustainability Reporting is designed to bridge the knowledge gap for professionals from all industries, recognizing that sustainability reporting is no longer confined to specialists but is a strategic imperative for leaders across business functions. The programme's expert-led modules cover a comprehensive range of topics, including:

- Understanding and applying HKFRS S1 and S2 requirements in practical contexts
- Materiality assessment to determine what sustainability issues truly matter to stakeholders
- Scenario analysis for evaluating long-term sustainability risks and opportunities
- Greenhouse gas emissions measurement and management
- Stakeholder engagement strategies for building trust and accountability
- Integrating sustainability considerations into financial and risk management practices

Participants learn not only how to comply with new reporting obligations, but how

to turn them into actionable insights that inform decision-making, enhance risk management, and build long-term value for stakeholders.

Deepening international collaboration and professional mobility

As a founding member of the Global Accounting Alliance, the Institute supports international knowledge sharing and mutual recognition, which in turn helps members expand their global network and advance their career prospects. Currently, the Institute maintains reciprocal membership agreements or examination paper exemptions with 11 Mainland and overseas accounting bodies, underscoring the global credibility of Hong Kong's accountancy qualification. Recent renewals of mutual recognition agreements with CPA Australia and the Association of Chartered Certified Accountants further facilitate member mobility across jurisdictions, broadening professional horizons for Hong Kong accountants.

These collaborations are more than symbolic; they enable the profession to attract talent from diverse academic backgrounds and foster innovation. The Institute remains committed to expanding its global network and forging new partnerships, thereby enhancing the reach and relevance of Hong Kong's accounting profession in a rapidly evolving world.

Future-ready professionals

Through initiatives like the CAB and the Certificate on Sustainability Reporting, the Institute is building a robust pipeline of professionals ready to meet the demands of a cross-disciplinary, sustainability-driven business landscape. These efforts not only address the immediate needs of employers but also support Hong Kong's vision as a global centre for finance and innovation.

As international standards continue to evolve and sustainability becomes ever more central to corporate success, the Institute will persist in its mission to nurture versatile, future-ready talent.

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