



DRIVING BUSINESS SUCCESS

2025 Issue 4 Volume 21

PLUS:

GLOBAL CPAS

Institute members share how their experiences abroad have shaped their careers

THE INVESTOR'S PERSPECTIVE

What do investors really care about when it comes to sustainability disclosures?

SECOND OPINIONS

How can accountants lead in Hong Kong's emerging stablecoin economy?

SHAPING TOMORROW'S PROFESSION

IFAC President
Jean Bouquot
takes the pulse of
accounting on
the move

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DEAR MEMBERS

As I mark nearly a year as President of the Hong Kong Institute of CPAs, I am pleased to share a summary of our collective achievements and milestones. Guided by the HKICPA Strategic Plan 2025, this period has been defined by collaboration, learning, and progress for our profession.

Hong Kong continues to position itself at the forefront of global sustainability reporting. After the publication of HKFRS S1 and S2 in December last year, our commitment was recognized in the IFRS Foundation's Jurisdictional Profiles, with Hong Kong among the first to target full adoption of ISSB Standards.

To further equip members for HKFRS S1 and S2 implementation, we hosted the inaugural HKICPA Sustainability Forum, launched the Certificate on Sustainability Reporting (now eligible for subsidy under the Pilot Green and Sustainable Finance Capacity Building Support Scheme), and released *HKFRS S1 and S2 Guidance – Part 1*.

A highlight this year was the ISSB Preparer Readiness Training in October, held with the IFRS Foundation and supported by CLP Holdings, and led by Sue Lloyd, Vice-Chair of the International Sustainability Standards Board (ISSB) and Neil Stewart, Director of Corporate Outreach of the IFRS Foundation.

To accelerate digital adoption across the profession, we're also launching the Digital Transformation Roadmap in November – a strategic framework designed to empower SMPs and SMEs to navigate the complexities of digitalization through six pivotal stages, supported by essential resources. This initiative underscores our commitment to equipping members and the profession with future-ready capabilities.

Future-proofing the profession remains a top priority. We renewed Mutual Recognition Agreements with CPA Australia and ACCA, enhancing international mobility and career development.

The new Certificate in Accounting and Business was rolled out to help professionals build future-ready capabilities, and members have embraced these digital credentials, inspiring the next generation to pursue the Qualification Programme (QP). We were pleased to host over 150 participants, including strategic partners, employers, academia, members, and students in October to showcase key features and celebrate the launch of this important qualification.

“The progress made in sustainability, talent development, Mainland and international engagement, and member wellbeing has positioned the HKICPA to thrive in a rapidly changing world.”

We also strengthened our connection with future talents, with over 30,000 students from primary to tertiary levels in 2024/25 academic year engaged to strengthen talent pipelines and sustain the profession.

The Greater Bay Area Conference and delegation to Foshan promoted cross-border growth and collaboration, while the launch of the Alliance of CPA Firms Dedicated to Financial and Tax Guidance for Businesses' Global Expansion united 123 firms to support outbound enterprises. In October, I was honoured to represent the Institute to take part in the official launch of the government-led Task Force on Supporting Mainland Enterprises in Going Global, further strengthening support for Mainland enterprises expanding internationally.

This year, HKICPA strengthened its global presence through high-profile collaborations and events in recent months. We welcomed leaders from the International Accounting Standards Board, International Federation of Accountants (IFAC) and the Global Accounting Alliance, hosting strategic meetings and joint member events that reinforced Hong Kong's role as an international accounting hub. The HKICPA x IFAC SMP Conference in November also brings global expertise directly to our members, fostering valuable exchange on digitalization, sustainability, and quality assurance.

We recently concluded the Council Election 2025, during which members were elected to serve for the next two years. A total of 6,333 valid votes were received, and I am grateful for your engagement and participation.

While it is not possible to list every achievement in this message, I want to emphasize that together we have laid a strong foundation for the Institute's future. The progress made in sustainability, talent development, Mainland and international engagement, and member wellbeing has positioned the HKICPA to thrive in a rapidly changing world.

As my term as President draws to a close, I am deeply encouraged about the future of our Institute. The groundwork we have established over the past year sets a strong foundation for ongoing advancement and achievement. It has been a true privilege to serve as your President and to help guide such an innovative and forward-looking organization. I am grateful for the opportunity and look forward to remaining actively involved as a Council member and Immediate Past President.

Edward Au, President

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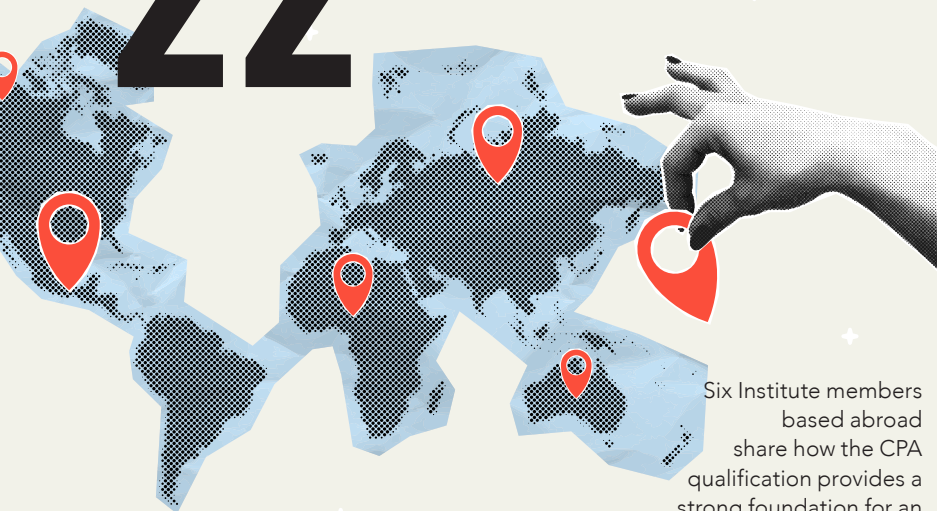


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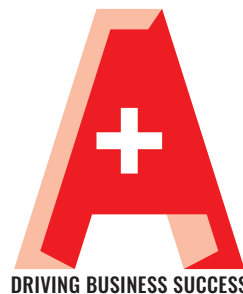
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About our name

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



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The digital version is distributed to 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

HKICPA welcomes IFAC leadership



The Institute hosted a cocktail reception for Jean Bouquot, President of the International Federation of Accountants during his visit to Hong Kong.

On 11 September, the HKICPA was honoured to host a cocktail reception for Jean Bouquot, President of the International Federation of Accountants (IFAC) during his visit to Hong Kong.

Institute President Edward Au delivered a welcome address, highlighting the robust partnership between the Institute and IFAC since its founding in 1977. Joseph Chan, Under Secretary for Financial Services and the Treasury, also shared a speech. Kelvin Wong, Chairman of the Securities and Futures Commission (SFC); Janey Lai, Chief Executive Officer and Executive Director of the Accounting and Financial Reporting Council (AFRC); Herbert Hui, Group Chief Financial Officer of the Hong Kong Exchanges and Clearing Limited (HKEX); Edmund Wong, Legislative Councillor representing the

accountancy sector; and Nancy Tse, member of the IFAC Professional Accountants in Business Advisory Group, were also in attendance. Council members were also present to show their support at the event.

During Bouquot's visit, the Institute facilitated dialogue between IFAC and key Hong Kong stakeholders, including the HKEX, the AFRC and firm representatives. These engagements are crucial for aligning IFAC's global vision with Hong Kong's dynamic financial ecosystem. Bouquot also shared valuable insights on the transformations of sustainability and digitalization at a seminar on 12 September exclusively to Institute members.

ISSB Preparer Readiness Training

The Institute, in collaboration with the IFRS Foundation and with

generous support from CLP Holdings, successfully concluded the ISSB Preparer Readiness Training on 13-14 October.

Following an opening address delivered by Institute President Edward Au to introduce the Institute's capacity building efforts, Sue Lloyd, Vice-Chair of the International Sustainability Standards Board, and Neil Stewart, Director of Corporate Outreach of the IFRS Foundation, provided keynote insights and facilitated discussions and deep dive sessions over the two-day event. This included a panel discussion facilitated by Eddie Ng, Chair of the Institute's Sustainability Disclosure Standards Committee, with panellists from SFC, HKEX, Hong Kong Monetary Authority, Hang Seng Investment and CTF Services, and a case studies session delivered by Hongkong Land.

The technical programme

brought together around 120 ESG practitioners from listed companies, multinational companies, accounting firms, consultants, government and regulators, with the aim of strengthening understanding of IFRS S1 and IFRS S2, equipping participants with practical insights to enhance sustainability reporting quality and consistency.

GAA board meeting held in Hong Kong

The Institute hosted the Global Accounting Alliance (GAA) board meeting on 7-8 October where Board members of all 10 GAA member bodies convened for strategic discussions focused on advancing a high-quality, global accounting profession. It was the first ever joint member event that the GAA has arranged.

The guest speakers included Paul Chan, the Financial Secretary; Carlson Tong, Chairman of HKEX; and Crystal Fok, Director of AI Application at Cyberport Hong Kong. They shared perspectives on Hong Kong's development as an international financial centre, the development of HKEX, and local and

regional AI development.

The event culminated in a cocktail reception attended by nearly 130 participants from GAA member organizations, demonstrating the international nature of Hong Kong, where many professional accountants from around the world have chosen to develop their professional careers. To help promote Hong Kong, GAA Board members and alternates enjoyed a guided tour of Hong Kong's iconic sights, arranged by the Institute.

The 2025 Greater Bay Area Conference

Over 250 accounting professionals, business leaders, and government representatives from Guangdong, Hong Kong, and Macau came together for the 2025 Greater Bay Area Conference on 22 September.

The conference was jointly organized by the HKICPA and the Hong Kong Association of Registered Public Interest Entity Auditors Limited, and supported by the Guangdong Institute of Certified Public Accountants and the Union of Associations of Professional Accountants of Macau.

The half-day event explored how the accounting profession across the Greater Bay Area can empower enterprises to navigate the complex global landscape.

A key highlight was the launch of the Alliance of CPA Firms Dedicated to Financial and Tax Guidance for Businesses' Global Expansion. The initiative unites 123 firms across the region to provide robust cross-border support for outbound enterprises. Read the [press release](#) to learn more.

HKICPA welcomes the latest 2025 Policy Address

The Institute welcomed the diversified initiatives outlined in the Policy Address on 17 September to boost the local economic development. The HKICPA believes that the initiatives for enhancing the capital market, attracting talents and supporting the development of green finance and innovative technologies would enhance Hong Kong's connectivity with the Mainland China and global markets, reinforcing the competitiveness of Hong Kong economy.

"We welcome the initiatives proposed in the Policy Address to



Board members of all 10 Global Accounting Alliance (GAA) member bodies convened at the GAA board meeting on 7-8 October, held in Hong Kong.



The HKICPA Student Awards 2025 recognized top performers from the Qualification Programme, scholarship recipients, Online Quiz winners, and top achievers in the BAFS exams.

boost the economy and enhance the capital market development, believing that these efforts will help Hong Kong maintain its competitive edge in the new global economic and trade landscape. In particular, we are delighted to see a focus on promoting green and sustainable finance and low-carbon transition, including expanding cooperation in the Greater Bay Area carbon market and strengthening green infrastructure,” said Institute President Edward Au. “These initiatives will accelerate the development of green finance ecosystem, driving progress toward Hong Kong’s 2050 carbon neutrality target. The HKICPA will continue to foster the Hong Kong accounting profession’s commitment to professionalism, providing high-quality professional services to various industries, and solidifying Hong Kong’s status as a leading international financial centre.” Read the [press release](#) to learn more about the Institute’s responses.

Members’ Forum and networking reception

More than 240 members took part in the Members’ Forum on 4 September.

Edward Au, the Institute’s President, along with Stephen Law and Jasmine Lee, Vice-Presidents, and Margaret Chan, Chief Executive and Registrar, shared insights on the Institute’s latest progress, strategic

direction, and upcoming initiatives. The forum was followed by a lively networking reception where members, Council members, and the management team continued the conversation.

HKICPA Student Awards

The HKICPA Student Awards 2025, held on 27 September, brought together almost 200 participants to celebrate exceptional student achievements. The event recognized top performers from the Qualification Programme, scholarship recipients, Online Quiz winners, and top achievers in the BAFS exams.

Embracing the theme, “Connect & Celebrate,” the day highlighted the importance of recognizing excellence and building strong connections across the profession, academic partners, and tomorrow’s talents. Under Secretary for Financial Services and the Treasury Joseph Chan was the guest of honour.

HKICPA Teen Money Survey 2025 reveals new directions for financial education

The Institute announced the results of the Institute’s [Teen Money Management Survey 2025](#) at a press conference held on 2 October. At the event, Institute President Edward Au and HKICPA Accounting Ambassador Debbie Pak presented key findings

from the survey along with the Institute’s recommendations. Moses Wong, Vice Principal of S.K.H. St. Peter’s Primary School, was invited to share real-world insights into financial literacy education and discuss how professional bodies can offer meaningful support.

Based on the survey results, Hong Kong students’ financial literacy was ranked at a “B-” level, indicating students possess basic financial knowledge, while there is an urgent need to help them better manage the risks of cyber fraud.

Key findings include:

- Most students demonstrate basic financial knowledge
- Positive attitudes towards saving and tracking spending
- Nearly 10 percent of respondents reported falling victim to fraud, resulting in financial loss
- Lending and borrowing activities are common among students, reflecting a need to strengthen budgeting skills

The survey was conducted from May to June 2025, with over 2,000 responses received from Primary 4 to Secondary 3 students. Read the [press release](#) to learn more.

Council meeting minutes

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

HK\$462.3 billion

The value of Hong Kong's exports in September 2025, exceeding expectations and fuelled by strong demand from Mainland China and Asia. Data from the Census and Statistics Department showed that exports rose by 16.1 percent year on year, faster than the 14.5 percent increase seen a month earlier. Imports also surpassed forecasts, reaching HK\$512.5 billion, up from 11.5 percent in the previous month.

US\$46.2 billion

The amount corporate issuers have raised so far this year through dim sum bonds, according to Bloomberg data. Deutsche Bank estimated that annual issuance of dim sum bonds, yuan-denominated debt issued outside Mainland China, tripled between 2022 and 2024 to hit 1.4 trillion yuan in 2024. That figure is expected to be higher this year as issuers take advantage of cheaper funding costs.

A\$440,000

How much Deloitte Australia charged for a government report later found to contain AI-generated errors, including fake citations and a fabricated court quote. The 237-page review for the Department of Employment and Workplace Relations prompted Deloitte to issue a partial refund after revealing it had used a generative-AI tool without initial disclosure, sparking scrutiny over transparency and reliability in government-commissioned research.



Hong Kong businesses reported HK\$92 billion in digital-fraud losses in the past year, according to a report by TransUnion. The survey of managers worldwide, including 200 in Hong Kong, found identity-theft-linked third-party fraud accounted for 26 percent of reported incidents in the city. While Hong Kong's overall digital-fraud rate remains below global averages, the sheer scale of losses underscores rising vulnerability amid rapid digitalization and cyber-threats.

US\$300 billion

The debt of China Evergrande Group. The company was delisted from the Hong Kong Stock Exchange on 25 August, following an 18-month trading suspension after a court-ordered liquidation in January 2024 when it failed to implement a viable debt restructuring plan. The delisting marked a significant chapter in Hong Kong's market history, highlighting ongoing risks in the city's real estate and financial sectors.

US\$1.5 trillion

The value of global private-equity investment in the first three quarters of 2025, putting it on pace for a four-year high. According to KPMG's *Pulse of Private Equity* report, Q3 alone saw US\$537.1 billion in deal value across 4,062 transactions. The U.S. accounted for roughly US\$300.2 billion of that quarter's total, across 1,971 deals.

"I would say that we need to be very conscious that the world is still under a lot of stress geopolitically and macro-economically."

– Hong Kong Exchanges and Clearing Chief Executive Officer Bonnie Chan at the Bund Summit financial forum in Shanghai in October. Chan cautioned that fundraising activity, though strong with a pipeline of over 300 companies, could be tempered by rising geopolitical tensions and economic uncertainty.

HK\$420 billion

The amount earmarked to help Hong Kong SMEs upgrade and transform, as roughly one in two local businesses eye expansion into Asian markets, according to the latest Standard Chartered Hong Kong SME Leading Business Index, executed by Hong Kong Productivity Council. Of those planning growth abroad, around 60 percent favour the Chinese Mainland and nearly 50 percent are targeting other Asian destinations.

US\$5 billion

The combined annual revenue of the newly approved transatlantic partnership between RSM US LLP and RSM UK Holdings Ltd., uniting more than 23,000 professionals across six countries. Set to take effect on 1 January 2026, the partnership aims to align governance, partner pay, and cross-border service delivery while preserving each firm's independence.

A PRO C



PROFESSION ON THE MOVE

Interview with Jean Bouquot, President of the International Federation of Accountants

For IFAC President Jean Bouquot, listening is leadership, as the international accounting body leads the profession towards a more sustainable, tech-savvy future

Photography by Jocelyn Tam

When Jean Bouquot became President of the International Federation of Accountants (IFAC) in late 2024, he knew he was stepping into one of the most globally visible positions in the profession. What he did not anticipate was just how much time he would spend in transit.

In his first 10 months, Bouquot visited more than 20 countries, a dizzying schedule that has taken him from the skyscrapers of Hong Kong to the corridors of the Ministry of Finance in Lebanon, from emerging accounting organizations in Africa to stakeholder summits in Latin America. But there is no trace of fatigue in his voice when he describes why the travel matters.

“These visits mean a lot to our members,” he explains. “We help to raise their profile. We contribute to the dialogue with regulators and stakeholders, and reinforce our own key messages. But most importantly, we hear directly from our members about the value they are getting from IFAC.”

For Bouquot, listening is the very heart of IFAC’s mission. “I would characterize my role as being active and listening, also curious and engaging,” he says. “Listening is key.”

The emphasis is deliberate. In a world of accelerating change, he sees IFAC’s job as less about issuing pronouncements and more about connecting, interpreting, and amplifying the voices of its 187 member organizations.

PROFILE

Jean Bouquot

“We are a federation,” he says. “Our strength comes from our members. My role is to make sure they are heard.”

Bouquot, on a visit to Hong Kong, speaks with enthusiasm about the Hong Kong Institute of CPAs. He sees it not just as a strong local professional accounting organization that is part of IFAC, but as a global partner in furthering the profession.

“HKICPA is a very powerful institute. It has always maintained strong international engagement,” Bouquot says. He emphasizes that its early adoption of IFAC membership and its strategic connectivity in international finance make it a key part of IFAC, long contributing volunteers to IFAC governance.

Building value through trust

So what do members say they value most about IFAC? Bouquot offers three areas: quality, connectivity, foresight.

“Quality in everything we do,” he begins. “Connectivity, the links we bring our members. And looking to the future, trying to be ready for what is coming.”

That future-facing stance reflects IFAC’s unusual role. It is neither a regulator nor a standard-setter (functions it deliberately spun off to ensure independence) but a federation that works across borders to advocate for the profession. It promotes the adoption of international standards, convenes dialogue between regulators and firms, and champions the profession’s role in serving the public interest.

It is that last phrase, public interest, that Bouquot returns to again and again. “Providing trust and working for the public interest is what makes us different,” he insists. “If we leave this, then our profession is no longer relevant.”

In an era when corporate scandals can tarnish the reputation of auditors overnight, Bouquot knows the fragility of trust all too well. His own career was shaped by the collapse of Arthur Andersen, where he spent two decades. He felt the shockwaves from afar in France when Enron’s implosion began in America. “It was a shock,” he recalls. “It taught me the importance of being reliable, not just yourself, but all together. Weakness in one part of the world can damage trust everywhere.”

Sustainability disclosure as a defining challenge

If trust is the foundation of the accountancy profession, then sustainability-related information is one of the frontiers. And the conversation is an ongoing one.

“The first thing is to understand the fundamental change in the scope of information that many investors, lenders, companies and stakeholders want and need for decision making. Then, there has to be trust in sustainability information, which will only exist if it is assured.”

In 2021, the IFRS Foundation created the International Sustainability Standards Board (ISSB), chaired by Emmanuel Faber, and by mid-2023 it had issued its first two standards, IFRS S1 and S2.

For Bouquot, this was a milestone, but also the start of hard work. “We still have colleagues who are wondering what our role is in sustainability,” he admits. Without assurance, he warns, sustainability reporting risks degenerating into public relations gloss. “Producing information is one thing. Making sure it has the appropriate level of quality, that it is suitable for decision-making, and subjecting it to assurance is something else. And this is where we have to step in.”

It requires upskilling and training, he says. “You cannot just say, ‘I’m a green accountant,’” Bouquot insists. “It requires real expertise. This is in the hands of the professional accounting organizations. Significant progress has been made, but we are still at the early phase of a very important engagement.”

He points to his own country, France, where regulators have taken a significant step: introducing a 90-hour certification programme for sustainability auditors. Bouquot himself undertook the training, sitting through lessons and assessments like a student again. “Today in France, we have 2,000 of these trained auditors,” he notes with pride. “It shows the impact we can have if we engage seriously.”

For him, sustainability education is not just about technical skills. It is also about inspiration. “For young generations, it can be a new source of purpose. They see they can be both financial experts and experts in non-financial information that investors and stakeholders want. It makes

Jean Bouquot, President of IFAC, spoke to *A Plus* during his visit to Hong Kong in September. During his visit, the Institute facilitated dialogue between IFAC and key Hong Kong stakeholders.



“Providing trust and working for the public interest is what makes us different. If we leave this, then our profession is no longer relevant.”



the profession more interesting, attractive, and future fit.”

That attractiveness is not a minor point. Across many countries, accountancy faces declining enrolments. Bouquot believes the reporting and assurance of sustainability-related information can help reverse the trend. “Young people want to contribute to meaningful change. This is meaningful.”

Even with new standards that address what sustainability-related information should be reported by companies and how it should be assured, trust in the profession is imperative. “We have lived in the past with problems of greenwashing. It will not disappear with standards alone. It is about how they are applied, how seriously corporations take the information.”

The lesson again, says Bouquot, is that trust must be earned. Just as in financial reporting, accountants’ role is to ensure that sustainability

information that companies provide is reliable. It is a role, Bouquot says, that requires judgement, independence and a willingness to call out weaknesses.

The SME perspective

Bouquot is candid about the difficulties. For small- and medium-sized entities (SMEs) and small and medium practices (SMPs), sustainability often feels like a compliance burden. “If it is viewed as a cost, then we are lost,” he says.

Attitudes vary widely. Some SME leaders are enthusiastic, others skeptical. In his experience, many are surprisingly engaged. “A lot of SME leaders consider this important. They see where they can have a role. In some ways, it may even be easier for SMEs to adapt than for very large corporations with factories all over the world.”

Still, Bouquot says the perception of burden is real. Europe,

where sustainability reporting has become mandatory for large entities, has already seen pushback. “At the moment, Europe, which had to engage very fast, is slowing down,” he notes.

The challenge, then, is communication: framing sustainability disclosure not as bureaucratic overhead but as a necessity for fully informed economic decisions. “Your clients, your suppliers, they will expect it.

“We have lived in the past with problems of greenwashing. It will not disappear with standards alone. It is about how they are applied, how seriously corporations take the information.”

PROFILE

Jean Bouquot

A portrait of Jean Bouquot, an older man with grey hair, wearing a dark suit, white shirt, and patterned tie. He is smiling slightly and looking towards the camera. The background is dark and out of focus.

Bouquot became IFAC President in November 2024, having served previously as IFAC Deputy President since November 2022. He has over 44 years of experience as an auditor in various positions at EY.

You cannot stay in your own world,” Bouquot says. “It is a question of economic behaviour.”

AI: tool, not replacement

Artificial intelligence (AI) defines another frontier. For some, AI is an existential threat to the profession. “For me, AI is a tool. It is not the profession,” he says firmly. “Our role is judgement, skepticism. If we don’t understand what is in the black box, what comfort can we give?”

That does not mean AI isn’t game-changing. On the contrary, Bouquot sees it reshaping how accountants work, especially in data analysis, risk detection, and audit sampling. The risks, however, are clear: the opacity of AI models, the investment required, and the danger of leaving SMPs behind. “We have to make sure small practitioners don’t say, ‘This is not for me, I can’t climb that mountain.’”

At the same time, he sees enormous potential. “AI gives us

access to huge amounts of data we could never analyse before. It makes

“For me, AI is a tool. It is not the profession. Our role is judgement, skepticism. If we don’t understand what is in the black box, what comfort can we give?”

“We are humans. Difficulties will always exist. That is why we emphasize training, education, and independent oversight. Trust is fragile. We must protect it every minute.”

strong ethical codes. If we leave this, our profession is no longer relevant.”

It is a never-ending challenge. “We are humans. Difficulties will always exist. That is why we emphasize training, education, and independent oversight. Trust is fragile. We must protect it every minute.”

Ethics, for him, is not abstract. It is the reason the profession has survived scandals, technological upheaval, and shifting political winds. It is what allows accountants to be recognized not just as technicians but as guardians of credibility.

Global profession, fragmented world

Bouquot is also alert to geopolitics. He recalls the pre-IFRS days, when multinationals had to translate accounts across jurisdictions. Convergence, he argues, was a market-driven necessity, and the profession delivered.

Today, fragmentation looms again, particularly in sustainability reporting. “We cannot tell the political environment to stop. But we can help our profession understand the differences, and provide expertise across borders. That is immense value.”

In an era of rising protectionism, Bouquot sees IFAC’s global role as more vital than ever. “We want to stay global.”

To that end, IFAC continues to prioritize its “IFAC Connect” regional meetings in Africa, the Middle East, Latin America and Asia to ensure members feel heard and connected.

“We cannot be seen as something living in one part

of the world. This is key. It differentiates us. It makes us agile, knowledgeable, innovative.”

Lessons in leadership

Bouquot’s personal history offers further lessons. After Arthur Andersen, he joined EY where he was audit partner until 2020 and embraced the role of “trusted advisor.” Auditing, he argues, is not simply about signing accounts but about dialogue. “Clients do not expect you to just say, ‘Your accounts are okay.’ They expect insight.”

Equally important was mentoring. “Transmission, transmission, transmission,” he emphasizes. “You can contribute from the beginning. You bring the fresh eye. Maybe you are wrong, but at least you learn. And the next time, you approach things differently.” That ethos, listening, transmitting, engaging, now defines his presidency.

Asked how he sees the profession a decade from now, Bouquot is optimistic noting that it will be agile, global, and anchored in values. The challenges are formidable and include sustainability, AI, attracting new talent, financing, ethics. But the assets, he points out – including multiculturalism, connectivity, inventiveness – are there too.

“Agility is key,” he emphasizes. “Openness to the world is key. And always, always, public interest.”

With that, he gathers his things, ready for his next journey, first back to his home country France for a conference on women in accounting and then onto another IFAC member country. For Bouquot, IFAC is a living embodiment of a profession on the move.



On 12 September, Jean Bouquot, President of IFAC, shared insights exclusively to Institute members at a seminar on the transformations of sustainability and digitalization. Key insights from the session include: Sustainability and digitalization are not just trends – they are defining opportunities for the accounting profession; professional accountants already have the core skills and ethics to be trusted leaders in this shift; and continuous upskilling and reskilling, especially in artificial intelligence, are essential to stay ahead.

us more relevant, provided we escape the fear and use it wisely.”

And for young accountants, AI is not a deterrent but a magnet. “Many are already steps ahead of me,” he says. “For them, it shows the profession is engaged in the issues shaping the future.”

The thread linking sustainability and AI is ethics. For Bouquot, this is non-negotiable. “We play a role which no other profession has in terms of public interest. Providing trust means we must comply with



With climate risks mounting, Hong Kong's evolving sustainability disclosure standards aim to give investors confidence and companies a roadmap for meaningful ESG action. **Crystal Chow** reports

Illustrations by Anna Fedoseeva

Sustainability reporting is no longer just a matter of ticking boxes; For investors, it's becoming a key lens for understanding how companies assess risk, strategy, and long-term value. As Hong Kong moves to align its new sustainability disclosure standards with the IFRS Sustainability Disclosure Standards (IFRS SDS), the city is positioning itself as a regional leader in an evolving landscape where voluntary efforts are giving way to mandatory frameworks driven by regulatory change and growing stakeholder demand.

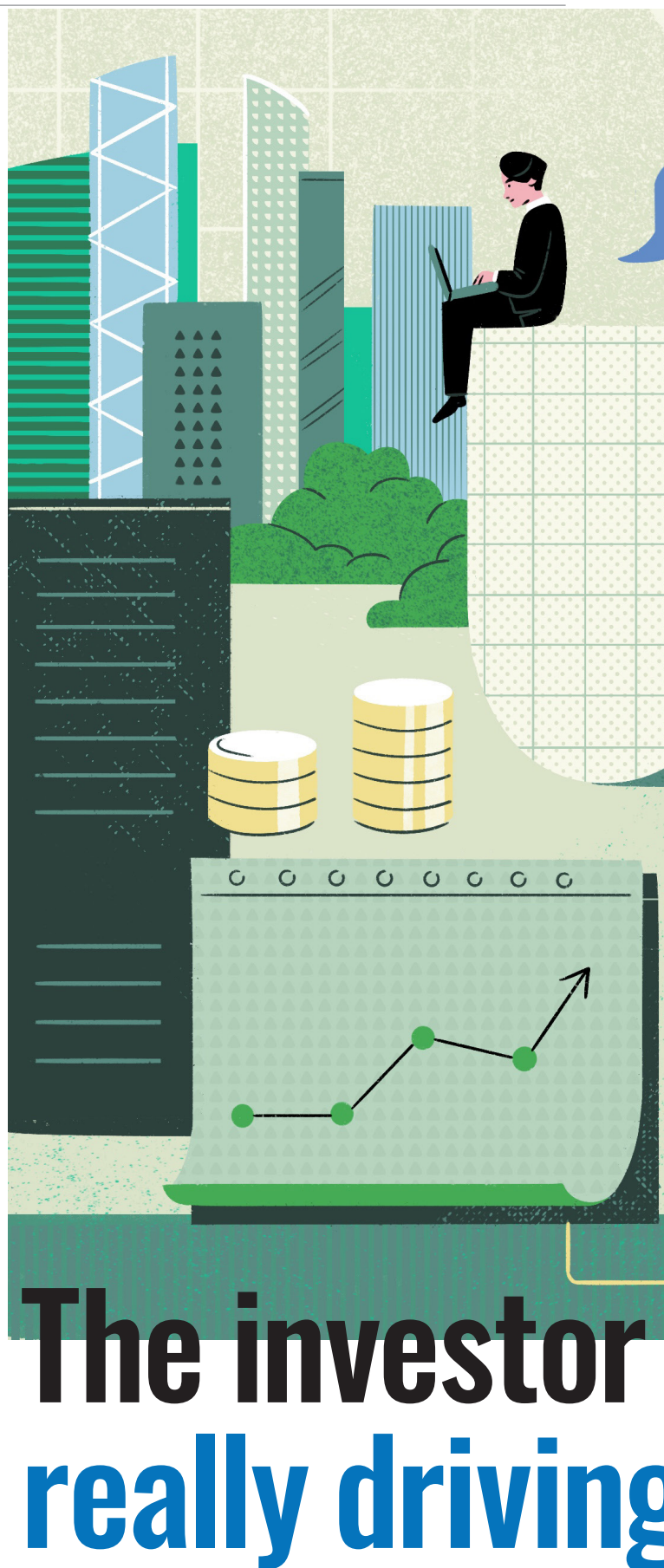
"Hong Kong is critical because it's an advanced market and a gateway for global capital," says Nathan Fabian, Chief Sustainable Systems Officer at the Principles for Responsible Investment (PRI). Fabian leads sustainability strategy for the world's largest investor network, with over 5,200 signatories representing US\$139.6 trillion in assets under management, and previously chaired the EU Platform on Sustainable Finance. "We see Hong Kong as being a standard bearer in the region."

This leadership is taking shape through the Hong Kong Institute of CPAs, which introduced the HKFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and HKFRS S2 *Climate-related Disclosures* (HKFRS SDS) in December 2024, fully aligned with IFRS SDS.

Accountants play a pivotal role in this shift, translating complex sustainability data into insights investors can act on. The challenge – and the opportunity – now lies in moving beyond compliance to disclosures that genuinely drive value and market confidence.

What investors look for

Investors approach sustainability disclosures through a financial materiality lens, seeking clarity, comparability, and meaningful insight into how environmental and social factors may affect a company's performance and long-term value.



The investor really driving



effect: What's g sustainability reporting?

“The first question is if the material sustainability issues identified by a company align with what we are concerned about,” says Gabriel Wilson-Otto, Head of Sustainable Investing Strategy at Fidelity International. “Then we look at how that’s integrated into their own corporate strategy – where governance, structure and accountability become important – and how they set and perform against the metric targets on those material issues.”

He explains that disclosures serve two main purposes: refining fundamental analysis by assessing risk and opportunity exposure, and determining whether an issuer qualifies for specific sustainable investment products.

At AIA Group, sustainability disclosures are scrutinized as much as quarterly or annual financial statements. “We developed our own in-house ESG Rating Scorecard, which our analysts use to assess investee companies,” explains Corrine Png, the group’s Regional Head of Equities Research and Stewardship. “Our analysts study these sustainability disclosures and compare them with sector peers to see how their practices are faring.”

In addition to self-reported data, Png notes that her team utilizes external databases to track whether the companies are “on an improving trend” relative to global benchmarks. Companies that fail to disclose sufficient information on key risks and have low internal ESG scores may face larger valuation discounts – or be deemed as unattractive investments from a total risk-return perspective.

The HKFRS SDS frameworks aim to meet investor demand for actionable insights by requiring companies to present “connected information” alongside their financial statements. This means explicitly linking sustainability factors – such as climate risks or workforce transitions – to their financial impacts, including future

revenues, asset values, and cash flow.

“The sustainability information provides an early indication of how future risks and opportunities might potentially impact the entity’s financial position, performance and cash flow across the short-, medium- and long-term,” explains Eddie Ng, Chair of the Institute’s Sustainability Disclosure Standards Committee, and Partner of ESG Advisory at KPMG. Instead of treating ESG data as a separate report, companies must show investors how these factors – like

carbon emissions and water scarcity – could materially affect the prospects.

Ng also says that the new standards cover interactions along the value chain – aspects not fully captured by historical financial statements alone.

Investors use sustainability disclosures to gauge how well companies are positioned to manage policy interventions and supply chain risks, explains Wilson-Otto. For example, if a country plans to phase out internal combustion engines, investors look



at how an automaker is adapting to electric vehicles. Likewise, if a company relies on suppliers in regions with weak environmental or labour standards, investors look at whether risks are mapped and contingency plans in place.

The challenges of getting it right

Even with high investor appetite for sustainability data, companies are still figuring out what constitutes “meaningful” disclosure. A common misconception, investors say, is that every number has to be perfect. In reality, investors care more about whether the data is relevant, transparent and consistent than whether it’s mathematically precise.

“There are always grey areas – like whether a particular spend counts as climate-related, or how far down the value chain you go,” Wilson-Otto explains. “For most companies, these are ballpark numbers around those impacts and estimates, which, from my standpoint, is perfectly fine, as long as assumptions are clear.”

This transparency is what matters most, adds Fabian. “We understand it’s challenging,” he says. “What’s important is that companies are clear when they’ve got high confidence in a measurement versus when they’ve relied on assumptions. Investors can make their own judgement from there.”

Forward-looking planning is often more complex. “Companies are often uncertain how far ahead they should plan, especially around capital expenditure for transitions,” Fabian notes. “Even so, signalling intentions through targets or ranges gives investors something to work with.”

Still, one challenge towers above the rest. Nearly 80 percent of major Chinese companies have

yet to report Scope 3 greenhouse gas emissions. These indirect supply chain emissions are largely untracked in Asia due to technology gaps, unclear methods, and low confidence in estimation models. “The biggest gap I see is around Scope 3,” says Wilson-Otto. “The data is less consistent, and many firms are still finding their footing.”

In China, that gap is even more visible. Bei Zhang, ESG Manager at China Pacific Insurance Group (CPIC), says acquiring and verifying data from “upstream and downstream players in the value chain” remains difficult, as many Chinese companies began collecting and integrating sustainability-related data relatively late.

“A lot of companies simply don’t trust the quality of their estimation models,” says Katherine Han, Head of ESG Research at Harvest Fund Management, one of China’s largest asset managers. “Some refrain from disclosing Scope 3 altogether.”

Such inconsistency has left investors wary. “The quality and consistency of Scope 3 disclosures, particularly in this region, varies considerably,” says Cameron Bretnall, Senior Manager of the Investment ESG Centre of Excellence at AIA. “Some investors we’ve spoken to completely ignore

disclosed Scope 3 emissions because they’re just not comparable across companies. Instead, they model them based on sector characteristics.”

As reporting standards evolve beyond climate to include nature-related risks, the task only grows more complex. Fabian notes that while “the standards are less developed on the nature side,” issues like water or biodiversity are “deeply relevant local issues,” which makes “comparability quite challenging across countries”.

Nevertheless, this difficulty should not deter disclosure, as Fabian argues that requiring companies to apply the standards and disclose data is the only way to “drive the practice through as many jurisdictions as possible”. And as Png puts it, companies with strong management leverage disclosures to their strategic advantage, enabling them to secure more favourable valuations and financing terms as investors and lenders are able to price the risks more efficiently. Otherwise, investors and lenders may discount the “worst case scenario” given the greater uncertainty and unknown risks, which could be “extremely costly” for companies during market disruptions.

In fact, since the adoption of the IFRS SDS, the push for clarity and quality is improving the data foundation across the region. In Mainland China, asset managers are tailoring frameworks to local needs. Zhang highlights the Ministry of Finance’s new Enterprise Sustainability Disclosure Standards – Basic Standard, which provides “practical and implementable directives” to ease alignment with international requirements.

“Reporting has improved over time, not just in narratives but in performance metrics. Many companies now map their

5,200

The Principles for Responsible Investment (PRI) is the world's leading investor network for sustainable finance, representing over 5,200 signatories representing US\$139.6 trillion in assets under management – more than half of global professionally managed investments. Backed by the United Nations since 2006, the PRI guides institutional investors in integrating environmental, social and governance factors into investment decisions.

“What’s important is that companies are clear when they’ve got high confidence in a measurement versus when they’ve relied on assumptions. Investors can make their own judgement from there.”

disclosures to international standards, and some even have third-party assurance,” says Han.

As Han observes, progress is evident across industries. In China’s steel sector, for instance, robust sustainability reporting supports the shift toward cleaner technologies and participation in carbon trading. Renewable energy companies, especially battery and solar manufacturers, have integrated sustainability into their operations from the outset, aligning disclosures with international benchmarks to stay globally competitive.

Global standards meet local realities

Data alone isn’t enough; For investors, reliable, comparable reporting has become the currency of trust.

“The interests of global investors are to have standardization and comparability in disclosure as much as possible,” Fabian says, adding that disclosure standards should not be viewed as exclusive to the “peculiar or particular economic transition dynamics in any one country.”

The rationale is clear: when disclosure frameworks diverge, capital becomes cautious. “If investors think a jurisdiction is developing unique standards that make it difficult to compare

performance,” Fabian explains, “it becomes a higher-cost place to invest.” That’s why the global baseline set by the International Sustainability Standards Board (ISSB) – and endorsed by the International Organization of Securities Commissions – acts as an anchor for fair, efficient capital allocation.

Yet achieving global alignment hasn’t always been straightforward. Companies and auditors have long navigated what the Institute’s Ng calls the “alphabet soup” of overlapping sustainability frameworks. “In Hong Kong, we currently converge with the ISSB Standards to reduce fragmentation, providing investors with a baseline framework,” she says.

Asset managers, meanwhile, are finding their own balance between global comparability and local nuance. Han says while her company’s proprietary ESG assessment framework aligns with IFRS S1 and S2, the Task Force on Climate Related Financial Disclosures and the Global Reporting Initiative, localization remains vital. Her team identifies investment-relevant ESG signals by blending quantitative analysis with sector expertise to link ESG data to business outcomes.

While challenges remain, regulatory momentum in Hong Kong and its regional peers is quickly closing the gap, pushing the region towards comparable, globally consistent reporting.

“Hong Kong-listed companies are generally very strong in disclosures – really among the best in class,” says Png of AIA. “A Hong Kong listing gives confidence to global investors because the level of disclosure, whether financial or sustainability-related, is much richer.”

Addressing greenwashing

As reporting moves from voluntary to mandatory, confidence is everything. “When accountants prepare financial statements, they must consider the investor’s perspective,” says Ng, adding that the same principle now underpins the profession’s role in sustainability disclosures.

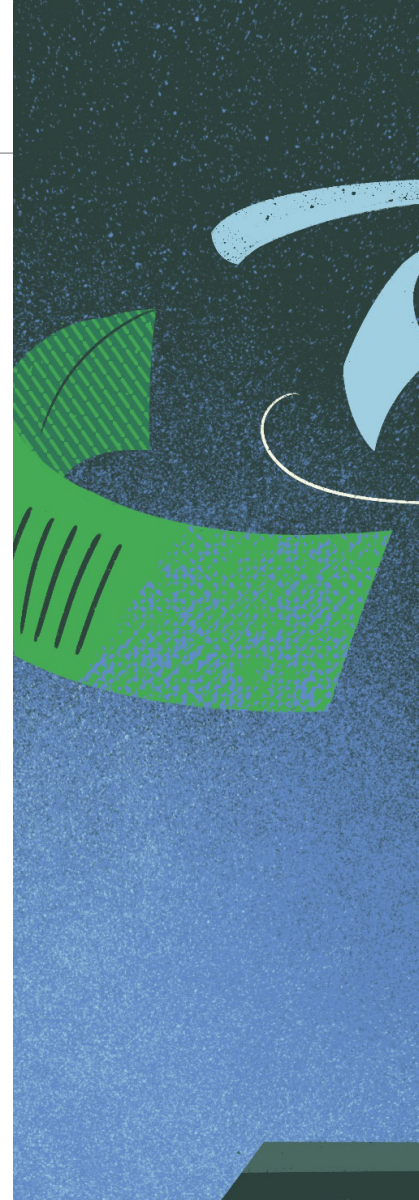
As Hong Kong’s sustainability disclosure standard setter, the HKICPA is helping companies navigate the transition by offering practical guidance and capacity-building initiatives to align global standards with local practice.

Ng argues that professional accountants bring unique value: they understand financial materiality, are trained to ensure connectivity between sustainability and financial statements, and possess the analytical rigour to support forward-looking estimates – expertise built for credibility.

Yet smaller companies still struggle with resources, evolving taxonomies, and limited senior buy-in. “There should be more technical consulting or training for senior management to really understand these issues,” notes Han.

The push for quality also reflects rising scrutiny over greenwashing. “International disclosure standards require companies to set quantifiable ESG targets and performance indicators,” says Zhang. “That drives internal governance and ensures alignment between ESG commitments and

“A Hong Kong listing gives confidence to global investors because the level of disclosure, whether financial or sustainability-related, is much richer.”





actual actions, helping regulators, investors, and the public assess corporate effectiveness and guard against the risk of greenwashing.”

The next step is assurance. The Accounting and Financial Reporting Council (AFRC) plans to consult on a local sustainability assurance framework in 2025 – a critical step to cement trust in disclosures and strengthen market integrity.

Building market resilience

Ultimately, sustainability reporting is evolving from a compliance exercise into a test of credibility that is non-negotiable for long-term investors. “The biggest risk for us,” says Bretnall, “is putting money into business models that might be jeopardized by climate risks or stranded assets.”

He adds that climate science

“The biggest risk for us is putting money into business models that might be jeopardized by climate risks or stranded assets.”

leaves little room for complacency: “At the end of the day, the science only points to two outcomes – either we face massive physical risks, or we face massive transition risks eventually.”

Improved reporting quality and more consistent, verifiable disclosures strengthen market transparency. Companies that treat disclosure as a strategic tool are better positioned for long-term transitions, giving regulators and

investors confidence that ESG commitments are actionable in a world increasingly shaped by climate change and environmental shocks.

Despite global political headwinds, regulatory momentum across Asia remains strong. “In Asia Pacific, the outlook is very strong,” notes Fabian. “About 11 jurisdictions have said they’ll adopt IFRS SDS in some form.”

Bretnall concurs, noting recent advancements in Hong Kong, China, and Southeast Asia, as well as significant global momentum. To date, 37 jurisdictions representing 60 percent of global GDP are adopting or taking steps to introduce the ISSB Standards, with most targeting implementation by 2026-2030. “And we’re not seeing a slowdown from regulators,” he contends.





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QP Graduates – June 2025 Session

The Institute is pleased to announce that 535 QP candidates successfully completed the Qualification Programme in the June 2025 Session. The list of graduates is as below.

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Congratulations to the graduates of the Hong Kong Institute of CPAs' Qualification Programme. Under the guidance of experienced CPAs, these graduates are on their way to joining the world's most prestigious accounting professionals. And they've taken the first big step towards becoming one of Hong Kong's success ingredients.



Many Institute members have leveraged their qualification as a foundation to explore new industries and take on broader strategic roles around the world. A few of them talk to *A Plus* about what it takes to thrive globally

For many Institute members, the story of their careers doesn't end in Hong Kong. It continues across continents, in offices and boardrooms where their skills, experience, and perspective are put to the test in new ways. From the start-ups of Denmark to the banking giants of Finland, from Canada's restructuring firms to Australia's education sector, members are shaping businesses, advising stakeholders, and driving change.

What emerges from their experiences is a common thread: technical expertise alone is never enough. Working internationally requires patience, adaptability, and cultural sensitivity. It demands the confidence to navigate unfamiliar regulatory regimes, the creativity to balance global standards with local practices, and the resilience to take on challenges without the familiar support structures at home. It also offers a different kind of learning, one that comes from listening as much as leading, and from seeing the same business issues

through a variety of cultural and operational lenses.

From Hong Kong to the Nordics

When Jin Luchun moved to Finland more than six years ago, it wasn't just a change of scenery – it was a leap into a whole new professional world. Today, she works in Group Credit Management at Nordea Bank, the largest financial institution in the Nordics, driving credit-related initiatives across the bank and exploring how AI can enhance processes. But her journey to this strategic role started with a more technical path in Hong Kong.

"I began my career in Hong Kong in accounting and audit," Jin recalls, "but once I joined PwC in Finland, my work quickly evolved. I covered technical accounting advisory, audits, and merger and acquisition (M&A) transactions. Later, at Nordea, I transitioned through internal audit and capital reporting, finally moving into strategy-driven risk management."

The shift has been significant. "I'm now thinking



about how the bank manages credit risk at a systemic level, which requires a different mindset than focusing solely on numbers.”

Jin found that adapting to Finnish culture was surprisingly smooth. “Finnish people are straightforward and humble – you say what you mean, and no one takes it the wrong way. That clarity makes work simple and effective,” she says. “The only minor obstacle was the language – but with English so widely used, it wasn’t a barrier.”

This ease of adaptation has allowed her to focus on professional growth rather than cultural friction. “Working abroad has strengthened my communication skills tremendously. I’ve learned to present ideas clearly and persuasively, and to adapt my style for different audiences. Equally important is listening – stepping back to let others contribute. That skill has been invaluable across different teams and functions.”

One of the practical challenges of working internationally is harmonizing local practices with global standards. “Finnish Generally Accepted Accounting Principles (Finnish GAAP) is less complex than IFRS and leaves more room for interpretation,” Jin notes. Her approach is simple yet effective: collaborate with local colleagues while keeping international frameworks in mind. “This way, you respect local

practices but maintain consistency with global standards.”

Some lessons come from technical expertise, but others come from culture. Jin remembers a formative moment early in her PwC career. “I apologized for something that wasn’t really my fault. My supervisor stopped me and said: ‘Don’t say sorry if you didn’t do anything wrong. Everyone makes mistakes.’”

That insight resonated. In many Asian workplaces, apologizing preemptively is common, even expected. But in Finland, she learned that owning your work – and your mistakes – builds confidence. “It taught me to stand by my decisions and see mistakes as part of learning, not failure.”

Jin’s experience abroad has reshaped both her career and personal outlook. Her advice for fellow Institute members contemplating international moves is straightforward: embrace it all.

“The world is big, and there’s so much to explore. Working abroad comes with both challenges and rewards, but every step contributes to your growth – professionally and personally. Stay open and curious. There will be moments of uncertainty and moments of excitement. Take them all in. Even difficult experiences add to your story, and in the end, you’ll discover that you’ve grown far more than you expected.”

Driving growth in Japan

As Chief of Staff at BNP Paribas in Japan, Jenny Leung supports the country head in territory strategies, governance, and oversight of group entities, a role that differs markedly from her early days as an external auditor in Hong Kong.

“In Hong Kong, my work was primarily analytical, focusing on past results and preparing reports,” Leung explains. “In Japan, my responsibilities are forward-looking. I support business growth while also enhancing working conditions for all staff.”

Adapting to Japan’s corporate culture presented unique challenges, particularly in terms of gender dynamics. “Although Japan has made strides in promoting gender equality, the culture still tends to prioritize male perspectives, and the gender pay gap remains higher than in other countries,” Leung notes. Over time, she learned that consistent hard work and demonstrating value were key to gaining acceptance and influencing business decisions.

Working internationally has broadened Leung’s perspective in ways she could not have anticipated. “Being in a different country allows you to see varying accounting

practices and understand the viewpoints of both internal and external auditors,” she explains.

The role has also enhanced her negotiation and management skills. “Understanding cultural differences is essential for communication. It’s about learning to adapt your approach, listen actively, and find solutions that work for both the business and its people,” she says. These skills have proven invaluable in bridging gaps between local practices and global standards, and in fostering collaboration across teams.

Leung credits her HKICPA qualification with providing a strong foundation for her international career. “Seminars and online courses offered by the HKICPA have been particularly useful. They help tackle challenges and provide guidance on maintaining professional relationships across cultures.”

Unlike some countries, Japan does not have reciprocal agreements with Institute members, meaning local CPA qualifications require sitting the Japanese exam. Despite this, Leung emphasizes that the HKICPA designation equips members with the professional techniques, ethical grounding, and credibility to succeed in international roles, even without

local certification.

A critical aspect of Leung’s work is harmonizing local practices with global standards. “The key is to find a mutual solution that aligns with accounting standards while also reflecting what the business needs,” she explains. By providing logical explanations and highlighting long-term impacts, she ensures that compliance and business objectives coexist effectively.

This balancing act requires not just technical expertise but also diplomacy and foresight. “It’s about being both a guardian of standards and a facilitator for the business,” Leung says.

A pivotal moment in Leung’s career came seven years ago when she took on the role of Business Manager for an entity in Japan. The position extended beyond



“There will be moments of uncertainty and moments of excitement. Take them all in.”



Jin Luchun
in Finland



“Your HKICPA training gives you the technical foundation, but understanding local business practices and adapting your approach is what makes you successful internationally.”

accounting, covering end-to-end business operations. “That experience allowed me to see the business from multiple angles and enhanced my leadership skills,” she reflects. “I learned how decisions in finance impact operations, HR, and customer experience, and vice versa. It was a comprehensive lesson in integrated thinking and cross-functional management.”

Drawing on her journey, Leung offers practical guidance for those considering international careers. “Accept the culture of the country you are working in and be willing to work in companies of different sizes. Each environment offers unique insights and opportunities to analyse accounting treatments from various angles.”

She emphasizes that the combination of technical expertise and cultural adaptability is essential. “Your HKICPA training gives you the technical foundation,

but understanding local business practices and adapting your approach is what makes you successful internationally.”

Compliance and governance in Australia

Vivian Chan’s career took a new direction when she transitioned from Hong Kong’s financial services sector to the education industry in Melbourne.

Her current work as Senior Advisor, Compliance and Assurance at Box Hill Institute contrasts with her previous experience back home. “Compared with my previous experience in Hong Kong, which was predominantly in multinational insurance companies focusing on anti-money laundering, data protection, and internal audit, my current role is broader in scope. It requires applying compliance principles to an educational institution, where regulations and

stakeholders differ significantly from the financial services sector.”

One of the key challenges Chan faced was adapting to the local regulatory environment. “Unlike Hong Kong, where financial regulations are highly centralized and familiar to me, here the compliance requirements are spread across different education and government frameworks. To overcome this, I invested time in learning local regulations, actively engaging with peers, and attending relevant seminars.”

Adjusting to the cultural nuances of the Australian workplace also required adaptation. “In Australia, there is a more informal and collaborative approach, including the expectation of small talk in daily interactions, which was not something I was used to in Hong Kong’s more fast-paced and hierarchical environment. At first, this felt challenging, but I

CAREER DEVELOPMENT

Working abroad

learned to see it as a way of building rapport and strengthening working relationships. By being open to this cultural difference, and practicing it with colleagues, I became more comfortable and integrated into the team and colleagues from different departments.”

Working abroad has strengthened Chan’s technical and interpersonal skills. “Working in Melbourne has enhanced my adaptability and broadened my compliance expertise beyond financial services. I have gained a deeper understanding of the regulation regime in the education sector, which involves a different set of regulatory expectations, from student welfare to government funding compliance. I have also developed stronger cross-cultural communication skills, which are critical in a diverse workplace. Most importantly, I have grown in resilience and flexibility, learning how to transfer core compliance skills into a new industry and



“I learned to quickly assess unfamiliar situations, ask the right questions, and build networks of support.”

Vivian Chan
(pictured front
right) in Australia

regulatory context.”

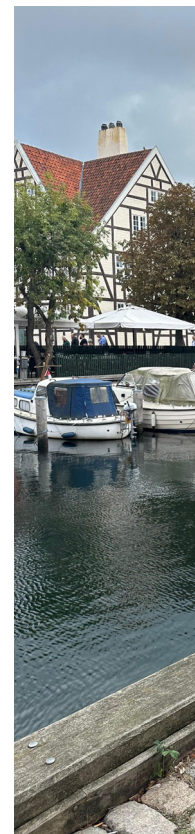
She adds that being in a new environment forced her out of her comfort zone. “It pushed me to become more resourceful and independent. I learned to quickly assess unfamiliar situations, ask the right questions, and build networks of support.”

Chan has also enhanced her emotional intelligence and cross-cultural awareness. “In Melbourne, I work with colleagues and stakeholders from very diverse backgrounds, so I’ve developed the ability to adapt my communication style, listen more actively, and build trust across different perspectives. These are skills that I might not have developed as deeply had I stayed in a familiar environment.”

Her HKICPA qualification has been central to her international success. “It gave me a strong technical foundation in accounting, auditing, and compliance, as well as a disciplined approach to professional ethics and integrity. These skills have been critical to succeeding in an international environment, where regulatory frameworks may differ but the principles of accountability and governance remain universal.”

Chan also leveraged the HKICPA’s Mutual Recognition Agreement (MRA) with CPA Australia to gain local membership. “This has been invaluable to my career, as it not only provided professional recognition in the Australian market but also strengthened my credibility when engaging with local regulators, auditors, and stakeholders. It has helped smooth my transition into the education sector here, and it reassures employers of my professional standing.”

A defining experience for Chan was transitioning from financial services in Hong Kong to the education sector in Australia. “At first, I was concerned whether my skill set would fully translate. However, through taking ownership of the Policies and Procedures Uplift Project, which is aimed at reviewing and updating existing policies and procedures, and supporting the implementation of compliance frameworks at Box Hill Institute, I proved to myself that core compliance and governance principles are highly transferable. This experience boosted my confidence, expanded my professional network, and reaffirmed my ability to grow beyond one sector.”



Denmark's start-up scene

When Keith Tam made the leap from Hong Kong to Denmark, it was more than a change of workplace – it was a transformation in leadership and perspective.

His journey began in the dynamic bustling corporate and tech scene of Hong Kong. “During my six years at Alibaba, I worked on the company’s U.S. IPO and was responsible for technical accounting, financial reporting, and investment/M&A across multiple business units, which gave me deep exposure to complex transactions and large-scale global operations,” says Tam, now CFO of ATLANT 3D in Copenhagen. “In my current role, the scope is broader and far more strategic. I lead the company’s financial strategy, fundraising, and cross-functional operations, while partnering closely with the CEO to shape the business narrative for global investors. The focus has shifted from execution to vision-setting, scaling, and long-term value creation.”

Before joining ATLANT 3D, Tam served as Director of Finance at Dreamdata, a Danish SaaS start-up. There, he built the finance function from scratch, led Series A

fundraising, and implemented SaaS metrics dashboards that gave investors and the board real-time visibility into growth metrics. “It was a very operational and entrepreneurial role,” he explains. “I learned how to translate financial data into insights that guide decisions and drive business growth.”

Tam recalls that the communication style was initially the most striking difference. “Danish business culture is far more direct and straightforward than in Hong Kong, where communication tends to be more nuanced. It took some time to adjust, but I came to value the clarity and efficiency of this approach and aligned my own leadership style accordingly.”

Motivating teams also required recalibration. “In Hong Kong, career progression and financial incentives drive performance. In Denmark, people value work-life balance, autonomy, and consensus. I had to rethink leadership, focusing more on empowering teams, fostering trust, and creating alignment around shared goals rather than top-down direction.” On the technical side, Tam also navigated new reporting standards, local compliance requirements, and different software and processes. “While IFRS and U.S. GAAP were familiar, adapting to local practices required flexibility and continuous learning. That process enhanced my appreciation for how business and culture intersect globally.”

Tam credits his international experience with broadening his

perspective beyond finance. “I’ve become a more strategic, globally minded leader, comfortable operating at the intersection of finance, technology, and business strategy,” he says. Exposure to both Eastern and Western business environments has given him unique insights: in Asia, speed and execution drive results; in Europe, consensus and sustainability guide long-term success. Combining these philosophies enables me to lead with agility and purpose.”

The HKICPA qualification has been a cornerstone of Tam’s international success. “It gave me a solid technical foundation in IFRS and auditing, which has been critical from IPOs to scaling technology start-ups in Europe,” he notes.

Balancing global accounting frameworks with local requirements is central to Tam’s work. “I start with IFRS and U.S. GAAP as a consistent base and adapt to local rules. I don’t see it as a clash – it’s an opportunity to blend global best practices with local realities,” he explains. Leveraging technology, particularly AI tools, helps him analyse differences in reporting efficiently, while collaboration with local auditors ensures filings meet all country-specific requirements. The result is stronger governance and trust with investors.

He reminds Institute members considering international work that technical expertise will always be a good foundation, “but success abroad depends on adaptability, communication, and cultural awareness,” he says. “Be proactive



“Don’t hesitate to bring your Hong Kong experience – your speed, discipline, and technical rigor.”

Keith Tam in Denmark

“Try to find a HKICPA member in the country you wish to move to, and see if they can provide you with some guidance.”



Pinky Law (pictured centre) in Vancouver, BC.

in building networks and learning the local context, but don't hesitate to bring your Hong Kong experience – your speed, discipline, and technical rigor. That combination of global standards with local adaptability is what makes you valuable internationally.”

Canadian culture

Since moving to Canada in 2012, Pinky Law has carved out a distinctive role in corporate restructuring. “I specialize in formal and informal restructuring and insolvency mandates, and have acted as advisor to corporate debtors, boards, lenders and other stakeholders facing financial difficulties,” says Law, Senior Director, North America Corporate Restructuring Group at Alvarez & Marsal Canada ULC in Vancouver, BC.

Her work continues the path she started in Hong Kong. She previously worked in turnaround and restructuring at KPMG Hong Kong. “The nature of the work is similar but insolvency and restructuring is subject to local statutes, so the processes are different,” she says.

While the fundamentals of advising distressed companies remain, the rules and procedures of the Canadian legal and regulatory environment required careful study. “The biggest professional challenge was having to learn the Canadian insolvency regime. While all of the Canadian provinces, except Quebec, follow the common law system (same as Hong Kong), the laws are

different. Having to learn the federal statutes including the Bankruptcy and Insolvency Act and the Companies’ Creditors Arrangement Act, as well as appreciating the differences in provincial statutes (e.g. each province has their own employment standards or tenancy acts, to name a few), took a bit of effort.”

Law also navigated the professional licensing requirements in Canada, where aspiring insolvency and restructuring professionals would need to obtain the Licensed Insolvency Trustee designation. “It is a license granted by the Office of the Superintendent of Bankruptcy, and to attain that, we are also required to obtain the Chartered Insolvency and Restructuring Professional designation,” she explains. “Going through the programme helped me with understanding the insolvency regime. The on-the-job training also played a big part.”

Working in Canada has also fostered personal growth and cultural awareness. “I learned to appreciate and respect cultural differences and practices. Canada is a multicultural country, and Vancouver especially is a gateway to Asia-Pacific where a lot of immigrants (myself included) decide to call it their home. When dealing

with clients, debtors, creditors, and even internally, we have to be mindful of any potential cultural differences, which would help us better navigate relationships with stakeholders.”

Law cites the HKICPA qualification as a key factor allowing her to seamlessly transfer from KPMG Hong Kong to KPMG Canada. “I also took advantage of the Reciprocal Membership Agreement (RMA) to obtain my CA (now CPA, CA),” she adds. The recognition of her professional credentials facilitated her entry into the Canadian market and reinforced her credibility with clients and colleagues.

While accounting is not the central focus of her role, Law highlights the value of technical knowledge. “Having general accounting knowledge is helpful, especially when reviewing financial statements for companies with cross-border operations.”

Law also credits Alvarez & Marsal with supporting her professional growth through coaching. “I had monthly sessions



with my coach for about six months. This was very helpful in learning about who I am, how to overcome imposter syndrome and be more confident at work. I would recommend mentorship to all professionals trying to further their career."

She urges members considering a big move to make use of any of the RMAs or MRAs the Institute shares with other organizations. "Try to find a HKICPA member in the country you wish to move to, and see if they can provide you with some guidance."

Overcoming obstacles in Italy

In Italy, Jacka Wong has found herself operating at the centre of decision-making. She has been working at Maschio Gaspardo S.p.A., an Italian company that manufactures and sells agricultural machinery, since 2022.

"As the Group Controller for an Italian

multinational company, I have the chance to work closely with the board of directors and shareholders," she says. "This was challenging but has pushed me to grow up a lot." The role demands both technical precision and the confidence to contribute at the highest level of the organization.

For her, working across jurisdictions means mastering not only accounting principles but also the complex links between business operations and tax legislation – an area that has demanded detailed research and persistence. "The biggest professional challenge I've faced is regarding the transfer pricing advance ruling," Wong explains. "That requires a thorough understanding of the business model, segmental analysis of the financial reporting and business and tax law."

Wong notes that working abroad has been a deeply personal learning experience. "It has helped me to grow independence and to have more responsibility for myself and for others," she says. "It may be frustrating and lonely sometimes, but the satisfaction of overcoming the obstacles, and staying faithful to my work duties, and finding supportive people, certainly makes it worth it."

That independence has become one of her defining strengths. The experience of solving problems far from home has reinforced her confidence and sense of purpose.

The CPA qualification, she says, has played a key part in her international career. "The HKICPA qualification is one of the important points that has

attracted the attention of my employers. It equipped me with the professional techniques and ethical standards to provide a qualified work."

The Institute's global recognition has also eased her professional mobility. "Its agreements with other countries benefited me as I quickly got recognized on a professional level when I worked with colleagues in other subsidiaries."

Wong's approach to balancing different accounting frameworks is simple and cooperative. "I like to listen and understand the local standards first, and try to integrate them with global standards in a way that ensures smooth and cohesive execution."

Her emphasis on listening reflects the adaptability required in cross-border work, acknowledging local expertise while maintaining consistency with international principles.

Beyond technical ability, Wong credits a personal practice with helping her maintain clarity in demanding situations. "I would say that Transcendental Meditation has made a significant impact on both my career and personal growth," she notes. "I find myself more focused and clear when making decisions."

Members thinking about moving overseas should give themselves time to think, Wong says. "Try living in that place for at least two months before you make your decision."

Her suggestion reflects her own thoughtful approach to career choices, recognizing that success abroad depends on personal readiness for a new environment.



Jacka Wong
(pictured left)
in Italy



"I like to listen and understand the local standards first, and try to integrate them with global standards in a way that ensures smooth and cohesive execution."

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

Ken Siong

The Programme and Senior Director at IESBA on the necessity of practitioners to be subject to clear ethical and independence requirements when preparing or assuring sustainability information



Leading the way: A value-creation ethics framework for sustainability reporting and assurance

Hong Kong has affirmed its regional and global leadership in sustainable finance, green innovation, and ESG services. Beyond its well-developed financial services sector and advanced capital markets infrastructure, one of Hong Kong's greatest strengths lies in the readiness of its accountancy profession to meet investors' and other stakeholders' needs for trustworthy information and advice, and its adherence to rigorous, internationally-aligned standards.

In this regard, the HKICPA's vision and leadership deserve recognition for placing sustainability at the core of its strategy – an approach that has recently translated into another major milestone: Hong Kong is among the first jurisdictions to adopt the international ethics standards for sustainability.

Despite the ongoing global debate on the benefits and costs of building sustainable economies, a focus on sustainability is becoming the new normal for business. It is therefore essential that trust in sustainability information keeps pace with this transition.

Building such trust is no easy task. We are still in the early years of a global, long-term effort towards building capabilities and capacity. With sustainability information being complex and forward-looking, and often based on subjective judgements, there is an increased risk of bias and manipulation, making ethical standards and guidance indispensable. Ethics helps professionals identify and address threats to their integrity, objectivity, professional competence, and independence, thereby enhancing the quality and reliability of the information they prepare or assure.

In January, the International Ethics Standards Board for Accountants (IESBA) issued a comprehensive set of global ethics standards for sustainability, encompassing: The International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA); enhanced ethical provisions for sustainability reporting; and a new standard on *Using the Work of an External Expert*.

These standards were developed in coordination, and jointly launched, with the International Auditing and Assurance Standards Board's (IAASB) International Standard on Sustainability Assurance (ISSA) 5000. By adopting the IESBA's standards in October, the HKICPA has taken an important step to ensure a consistent ethical foundation for sustainability reporting and assurance at a critical time.

Standards tailored to professionals' needs

Recognizing the public interest in trustworthy sustainability information, the IESBA holds that sustainability reporting and assurance must be underpinned by the same high standards of ethical behaviour and independence that apply to financial reporting and audit.

By building on the robust principles of the existing IESBA Code, the IESBA has delivered a framework that can be confidently

accepted and applied worldwide – while minimizing the learning curve for those already familiar with global ethics and independence standards for financial reporting and assurance.

At the same time, the standards reflect the distinctive nature of sustainability assurance engagements, ensuring their practical relevance. This is evident in the use of appropriate terminology and illustrative examples that make the standards easier to apply, as well as in provisions addressing real-world challenges practitioners may face, such as when determining to use the work of other practitioners and external experts in specialized sustainability fields (e.g. emissions measurement), or when assurance work needs to be performed on information drawn from the entity's value chain.

Scalability and proportionality are intrinsic to the ethics framework. In particular, the value-chain provisions take a less stringent approach to independence with respect to assurance of information from the client's value chain compared to information that lies within its operational boundary. Other examples of scalability and proportionality include differentiated provisions for public-interest entities compared with other entities, and limiting the application of the International Independence Standards in the IESSA to sustainability assurance engagements with the same level of public interest as audits of financial statements.

Unprecedented implementation support

The HKICPA's globally-aligned Sustainability Ethics Standards will become effective in December 2026, with the independence provisions applicable to assurance at a value-chain component taking effect in July 2028 – allowing more time for implementation with respect to the newer area of assurance of value-chain information.

Preparers and assurance practitioners will not be left to navigate implementation alone. The IESBA has made it a strategic priority to slow down new standard-setting and focus on supporting global adoption and implementation of recently issued standards, including the Sustainability Standards.

This unprecedented support programme includes, among others:

- Practical tools such as Q&As, technical overviews, and other explanatory materials to promote consistent application.
- Close coordination with the IAASB, IFAC, ISSB, IOSCO, UNCTAD, and others to strengthen capacity across jurisdictions.
- Enhanced stakeholder engagement to identify implementation challenges and provide timely support, including through an advisory group of experts called IESSA Implementation Monitoring Advisory Group.

The IESBA remains determined to contribute to the development of sustainable and resilient financial markets and economies – foundations that can only thrive when underpinned by clear, consistent, and effective ethical conduct.

SECOND OPINIONS: HOW CAN ACCOUNTANTS LEAD IN HONG KONG'S EMERGING STABLECOIN ECONOMY?

“Study and analyse the financial and operational implications to businesses and consumers on the use of stablecoins as a medium of exchange, especially the long-term sustainability and viability of the stablecoin economy.”



WILLIAM GEE

MEMBER OF THE INSTITUTE'S VIRTUAL ASSETS (VA)
REPORTING ADVISORY PANEL

Earlier this year, Hong Kong joined a growing number of jurisdictions that have enacted laws and regulations on stablecoins, a new form of digital medium of exchange that provides a stable alternative to volatile cryptocurrencies that can be used for payments, trading, and value storage.

The “Guideline on Supervision of Licensed Stablecoin Issuers” published by the Hong Kong Monetary Authority (HKMA) in August required licensed stablecoin issuers to commission regular independent attestation and audit of reserve assets, providing opportunities for accountants to participate in, and contribute to, the development of this emerging digital ecosystem.

Since the issuance of BitUSD, the world's first stablecoin in 2014 (which lost its 1-to-1 parity with the US dollar in 2018 and was unable to recover), the global stablecoin economy has grown to over US\$300 trillion, with the top two stablecoins making up more than 60 percent of total market share.

In the *2025 Annual Economic Report*, published by the Bank for International Settlements, concerns were raised on the potential for stablecoins to undermine monetary sovereignty, and the risk of capital flight from emerging economies, among other issues such as lack of transparency.

Against this background, for accountants to lead in Hong Kong's emerging stablecoin economy, it is important to gain proficiency in three areas:

First, while the Hong Kong Stablecoins Ordinance refers to “specified stablecoin”, being one that is pegged to one or more official currencies, there exist other forms of stablecoins and given the global nature of this new ecosystem, it is important to develop a comprehensive understanding of the nature and mechanics of stablecoins.

Second, understanding the potential impact of stablecoins on the traditional economy, such as the impact on the value of reserve assets in the event of new issuance and redemption of stablecoins.

Third, study and analyse the financial and operational implications to businesses and consumers on the use of stablecoins as a medium of exchange, especially the long-term sustainability and viability of the stablecoin economy.

Many stablecoins have seen substantial deviations from par value, even collapse, such as in the case of TerraUSD in May 2022. The global nature of stablecoins and the diverse regulatory approach between legal jurisdictions also present challenges to regulators and ecosystem participants. It is therefore important for accountants to learn from the past and provide advice on the practices that can best safeguard the interest of ecosystem participants in Hong Kong against a much larger global stablecoin economy that may not be regulated to the same extent.



PAUL MCSHEAFFREY

SENIOR BANKING PARTNER, HONG KONG, KPMG CHINA, AND VA REPORTING ADVISORY PANEL MEMBER

Stablecoins need trust – and accountants can deliver it. Following the launch of the new stablecoin framework in August, the HKMA has already received licence applications from 36 institutions as of September. This strong interest signals a real opportunity for accountants to step up and lead. At the core of our profession is one simple, enduring concept: trust. And in the context of stablecoins, trust is exactly what the market needs most.

A stablecoin, at its simplest, is a digital token that represents traditional money – often the Hong Kong dollar or US dollar – that can be used to make payments. The concept isn't new. Finance has evolved over centuries from requiring physical currency to make payments, to using paper money and now commonly electronic payments. What's new with stablecoins is the use of blockchain technology to make those transactions faster, more transparent, and borderless. But as with any new technology, there's always an initial hesitation. People want to know: is this safe? Is it genuine? Will I really get my money back when I need it?

That's where accountants come in. Our role is to give that assurance – to verify that the stablecoins have reserves behind them, that they're properly managed, and that the systems behind them are sound. Through independent audits, attestations, and clear disclosures, we can give both users and regulators confidence that the stablecoin truly holds the value it promises. We can provide the trust that the public needs to use stablecoins more widely.

The potential impacts of stablecoins on Hong Kong's economy and position as an international financial centre are significant. However, this potential can only be realized if users, businesses, and regulators have confidence in the system. That confidence depends on all stakeholders having trust in stablecoins – something which accountants are well placed to provide.

Looking ahead, there's a further role for accountants to play. As Hong Kong builds out its regulatory regime for digital assets, accountants can bring experience in designing controls, reporting standards, and governance frameworks. We've long been trusted to uphold transparency, manage risk, and ensure compliance – and those same skills apply equally well in this new digital context. We can help ensure that Hong Kong's stablecoin ecosystem grows on a foundation of credibility and integrity.

It's a leadership role that suits the profession perfectly – and one that's very much ours to take.

“We've long been trusted to uphold transparency, manage risk, and ensure compliance – and those same skills apply equally well in this new digital context.”



RAY WONG

CHAIRMAN, ASIA WEB3 ASSOCIATION, AND PARTNER, ASYMMETRY CAPITAL

The rapid evolution of digital finance is transforming the way we think about money, transactions, and financial systems. I believe that accountants play a vital role in shaping Hong Kong's emerging stablecoin economy. With the rapid growth of digital assets and blockchain technology, Hong Kong is poised to become a hub for stablecoin innovation.

According to a report by Citi, the stablecoin market could reach US\$1.9 trillion by 2030. This growth potential presents a significant opportunity for accountants to play a leading role in the stablecoin economy.

“Accountants can future-proof their skills and stay ahead of the curve in the rapidly evolving stablecoin economy.”

Stablecoins require robust financial integrity, compliance, and risk management frameworks. Accountants can provide expertise in:

- **Regulatory compliance:** ensuring that stablecoin issuers and users comply with anti-money laundering and know-your-customer regulations, mitigating the risk of non-compliance and reputational damage.
- **Audit and assurance:** auditing stablecoin issuers, ensuring the accuracy of financial statements, and verifying the stability of the pegged currency.
- **Financial reporting:** developing new financial reporting frameworks to accommodate digital assets, providing guidance on accounting treatments, financial statement presentation, and disclosure requirements.
- **Risk management:** helping organizations assess and manage risks associated with stablecoins, including market risk, credit risk, and operational risk.

The convergence of stablecoins and real world asset (RWA) tokenization presents an opportunity for accountants to lead. RWA tokenization involves representing traditional assets as digital tokens on a blockchain, backed by stablecoins. Accountants can ensure that these combinations are accurately accounted for and reported.

At the Asia Web3 Association, we are committed to promoting education and awareness about blockchain technology and digital assets. We publish regular newsletters and research reports to help accountants and other stakeholders stay informed about the latest developments in the stablecoin economy. Through education and training, accountants can future-proof their skills and stay ahead of the curve in the rapidly evolving stablecoin economy.

By providing expertise in financial integrity, compliance, risk management, and future-proofing with education, accountants can help ensure that Hong Kong remains a leader in financial innovation while maintaining the integrity and stability of the financial system.

FIVE QUESTIONS

PAIB & PAIP

What are the biggest lessons in your career so far? The biggest or a lasting sense of achievement does not come from a big promotion. It's not about a bonus or fame. To me, the biggest sense of achievement comes from making an impact that matters – when one's hard work, or contributing idea or expertise makes positive changes to an organization or for clients. My time working at a value-driven company like Deloitte really planted the seed of such value-based growth at an early stage of my career, and I feel very lucky to have had that experience.

What do you see as the challenges and opportunities of working in the wealth management industry today?

Looking at it, there are two sides of the same coin. The wealth management industry in Mainland China has come a long way in the past decade. Opportunities arise because of the relatively “young” industry and therefore clients' need for wealth management, as well as the recognition of value from professional firms, are still growing. At the same time, although clients have become much more sophisticated than the beginning of the century, we are still working with high expectations of returns on products rather than a holistic view of overall wealth management need. It will take time. As the largest independent wealth manager that has focused on serving Chinese high-net-worth individuals for the past 20 years, we anticipate a generational shift in views towards wealth management in the next few years when the next generation take a more central role within businesses and family wealth decision-making.

You have been the CFO of the company since 2019. How have you seen the role of CFO change or expand over the



FIVE QUESTIONS FOR PAIB Grant Pan

Grant Pan, CEO of Noah Hong Kong and CFO of Noah Group, eyes China's wealth management evolution amid generational shifts, and shares how the CFO role is bigger than ever before

years? With the help of a very solid Deputy CFO (who is also ex-Deloitte), my role has gone from Chief Accountant to Chief Results Driver, then to a member of the Strategists, and now I am also a champion of a critical new market. All of these additional responsibilities obviously have to do with the trust gained from the Board and the CEO through my performance as the CFO.

How has your time as an audit and assurance professional at Deloitte prepared you for your current role?

It has helped me a great deal, particularly in two areas. It highlighted the key combination of problem solving plus finding a solution that makes commercial sense, which is a critical capability in day-to-day management roles. Another important aspect of my role is the principle-based mindset – we all need to be very aware of the bottom line and boundaries but at the same time we should be able to “interpret” rather than simply “recite” the rules. Being exposed to these two ways of thinking and working continues to help me in my decision making.

How has your CPA training or qualification helped you in your career? I held CPA qualifications in the U.S., Mainland China, and Hong Kong at one point, and I continue to gain industry knowledge through the CPA network especially as the HKICPA not only shares information and knowledge but also gives me access to a supportive and active community. In the business world, a profound understanding of how finance works is a must, and supports one to obtain a full picture of businesses. My experience in financial audits is also beneficial in other ways – I wrote a book on how to quickly dissect lengthy financial information that has been welcomed by many colleagues and clients.

What are the biggest lessons in your career so far? When I started my career, I thought technical excellence was the most important thing. But I soon realized that tax is a team sport, and opportunities, growth, and breakthroughs often come through people who believe in you. No one knows everything in the world. Teamwork brings diverse expertise, insight and experience and good teammates can lift each other up. Being the Head of Tax, I always remind myself that people are the most important asset in an organization. The best team doesn't just have smart people; but has smart people who work brilliantly together, absorb pressure and support each other.

How did you come to specialize in tax? Taxation was my favourite subject at university. After graduating, I was glad to join the tax department of a firm where I met good mentors who gave me lots of guidance and training with regards to tax assignments. Tax is a blend of laws, numbers and strategies, and this, to me, makes tax a highly interesting area to work in. Tax influences everyone – from individuals, small business to multinationals. Whether we are assisting an individual in tax compliance, helping a small business owner in saving money or advising a multinational on cross-border tax strategy, our work and advice go beyond theory and has real impact.

What is your advice for young CPAs eyeing careers in tax? Young CPAs should build a quality-first mindset as quality is the backbone of being a successful tax professional. In tax, quality doesn't only mean good technical skills, but also good analytical skills and communication skills, with integrity. Both global tax practice and local tax laws keep changing, so it's important to stay sharp.



FIVE QUESTIONS FOR PAIP Karen Lau

Like most tax professionals, Karen Lau, Head of Tax at Forvis Mazars, is helping clients navigate the challenges of Base Erosion and Profit Shifting 2.0 (BEPS 2.0). She shares insights from her career, emphasizing teamwork, quality, and integrity, and the value of her CPA training

In the business world, we must understand that clients want a tax advisor, not a technician. Therefore, a well-rounded tax professional should be able to think critically and translate complexity into clear and actionable advice. Finally, we should always keep ethics and integrity in mind, even when the pressure is high. High quality work enables us to build trust and long-term relationship with people and will also bring new opportunities.

What tax issues are currently taking up most of your time as you help clients navigate them? BEPS 2.0 is no doubt the most significant one. Not only are the new regulations complex, but each jurisdiction has its own pace of implementation and local nuances, so we must understand and interpret the local laws and regulations while ensuring global consistency. The evolving nature of BEPS 2.0 means we, as professionals, must stay updated on ongoing discussions, commentary and technical guidance issued or announced by the OECD and local tax authorities, resulting in additional workload. Apart from BEPS 2.0, Hong Kong has had several significant changes in its taxation framework in recent years, for example, patent box tax incentive, and family office tax concessions.

How has your CPA qualification helped you in your career? It allows me to be recognized by my clients and employers as a reliable and ethical professional, and provides me with expanded career opportunities. The CPA training enhances my analytical and communication skills, which are core parts of quality. Also, the Institute has successfully created a great community of professionals, which I have access to through the events and conferences it organizes.

A new chapter – Ethics in sustainability assurance

Highlight features of the Sustainability Ethics Standards

In October, the Institute issued the [*Ethics Standards for Sustainability Assurance and Other Revisions to the Code Relating to Sustainability Assurance and Reporting*](#) (Sustainability Ethics Standards) to address critical risks impacting the integrity, quality and effectiveness of sustainability reporting and assurance. These risks include bias, conflicts of interest, pressure to act unethically, fraud such as greenwashing, non-compliance with laws and regulations (NOCLAR), and threats to practitioner independence. The Sustainability Ethics Standards establish fundamental ethical principles to be adhered to throughout sustainability reporting and assurance engagements.

Ethics Standards for Sustainability Reporting

Parts 1 to 3 in Chapter A of the *Code of Ethics for Professional Accountants* (Code) have been enhanced with specific ethical provisions for preparers of sustainability information. These provisions apply to professional accountants (PAs) and also offer useful guidance for non-PAs involved in preparing sustainability information.

Ethics Standards for Sustainability Assurance (ESSA)

Incorporated as Part 5 in Chapter A of the Code, ESSA is designed to uphold public confidence in sustainability assurance reports by strengthening the ethical conduct and independence of sustainability assurance practitioners (SAP). ESSA establishes the same high standards of ethics and independence for sustainability assurance engagements (SAEs) as those that apply to audits of financial statements.

Key features of ESSA

Independence standards

The independence standards under ESSA apply to assurance services in which a practitioner expresses an opinion on

sustainability information that:

- Is reported in accordance with a general purpose framework designed to meet the common information needs of a wide range of users. The framework may be a fair presentation or compliance framework. Examples include the HKFRS Sustainability Disclosure Standards and the ESG Reporting Code issued by The Hong Kong Stock Exchange (HKEX); and
- Is required to be provided in accordance with law or regulation (e.g. HKEX Listing Rules); or is publicly disclosed to support decision-making by investors or other users.

(Ref.: paragraph 5400.3b and the Glossary in ESSA; [HKICPA Key Impacts-ESSA](#))

NOCLAR

The Code already includes a framework that guides PAs in acting in the public interest when they become aware of an actual or suspected illegal act (i.e. NOCLAR), committed by a client or employer. For SAEs, and unless prohibited by law or regulation, ESSA requires the SAP to communicate any identified or suspected NOCLAR to the client's auditor if the auditor is from the same firm. Taking into account the factors specified in ESSA, the SAP should consider communicating the NOCLAR to the client's auditor if the auditor is from the same network or to a different firm or network (ref.: paragraph 5360.18b A1 in ESSA).

Group sustainability assurance engagements

ESSA defines "group sustainability information" as sustainability information covering more than one entity or business unit, with specific provisions for group SAEs detailed in Section 5405 of the Code. ESSA establishes independence requirements for the SAP in relation to entities within the reporting entity's value chain, when such an entity is a value chain component (VCC) and assurance work is determined to be performed for

the purposes of the group SAE. In these circumstances, SAP must comply with the requirements set out in paragraphs R5405.30A to 5405.34 A2 of ESSA. The IESBA's [Staff Questions & Answers](#) (i.e. Questions 18 & 19) further clarify what constitutes "performing assurance work at a VCC" and outline the related independence implications.

Fee disclosures

To enhance transparency of SAP's independence with the clients, ESSA requires public interest entity (PIE) clients to publicly disclose sustainability assurance fees, fees for other services paid or payable to the firm and its network firms, and fee dependency information. Where a PIE client does not make such fee-related disclosures publicly (and is not required to do so by law and regulation), the SAP should encourage the client to provide this information. Section 5410 of ESSA requires the SAP to discuss with those charged with governance the benefits of such disclosures for the client's stakeholders and the information that would help users better understand the fees and their implications for the SAP's independence (ref.: paragraphs R5410.30 and 5410.30 A1). If the client continues to withhold the relevant disclosures, the SAP is required, subject to certain exceptions, to publicly disclose the fee-related information of the client, for example through the SAP's website or in the SAP's transparency report, etc. These disclosure requirements do not apply to non-PIEs.

Effective date

Except for the specific provisions relating to VCCs (Sections 5405 and 5406 which take effect on 1 July 2028), the standards apply to SAEs for periods beginning on or after 15 December 2026; or as at a specific date on or after 15 December 2026. Other revisions will take effect from 15 December 2026.

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

A review of lessee accounting

A summary of the Institute's response to the IASB Request for Information on the lessee accounting of IFRS 16

IFRS 16 *Leases* sets out principles for the recognition, measurement, presentation and disclosure of leases, aiming to enhance information provided for investors and other users of financial statements regarding lease arrangements. To achieve this, it introduces a single lessee accounting model that treats leases as providing finance. Lessees are required to recognize both lease assets (right-of-use assets) and lease liabilities on their statements of financial position for almost all leases.

The International Accounting Standards Board (IASB) is currently undertaking a Post-implementation Review (PIR) of IFRS 16. As part of this review, the IASB has published a [Request for Information](#) (RFI) to gather stakeholder feedback and assess whether IFRS 16 is functioning as intended. In October, the Institute's Standard Setting Department responded to the RFI. This article highlights the key comments from our submission, with the full response available on our [website](#).

Overall, we consider that IFRS 16 has achieved its objectives and has improved the transparency and comparability of financial information regarding leases. We also believe that the core principles of IFRS 16 are clear. Nevertheless, we have identified the following application issues relating to certain aspects of the requirements that warrant the IASB's further consideration.

Rent concessions

There have been ongoing concerns regarding the lack of clarity in how a lessee distinguishes between a lease modification under IFRS 16 and an extinguishment (or partial extinguishment) of a lease liability under IFRS 9 *Financial Instruments* when accounting for rent concessions. These challenges were particularly evident during the COVID-19 pandemic and have re-emerged with the recent economic slowdown and uncertainty as entities negotiate rent concessions.

While the IASB addressed part of this issue in the 2024 *Annual Improvements to IFRS Accounting Standards* – clarifying through a narrow-scope amendment to

IFRS 9 that a lessee is required to apply IFRS 9.3.3.3 when it has determined that a lease liability has been extinguished in accordance with IFRS 9 – the broader issue of how IFRS 9 and IFRS 16 interact remains unresolved. We believe that this PIR presents an appropriate and timely opportunity for the IASB to address this broader issue.

In light of the above, we recommend that the IASB undertake a narrow-scope standard-setting project to clarify the interaction between IFRS 16 and IFRS 9 in the context of rent concessions. To support this recommendation, we have included potential approaches, along with their rationale, in our submission for the IASB's consideration. We also suggest that the IASB provide illustrative examples to enhance consistent application of the requirements.

Sale and leaseback transactions

We noted several application questions regarding the assessment of whether a transfer of an asset in a sale and leaseback transaction qualifies as a sale under IFRS 15 *Revenue from Contracts with Customers*. These application questions are frequently encountered in practice, particularly in the real estate industry, and divergent views exist due to a lack of guidance in IFRS 16. Accordingly, we recommend that the IASB provide clarification on how the relevant requirements should be applied. These application questions include:

- (i) Whether a seller-lessee's renewal option in a sale and leaseback transaction, which permits the seller-lessee to extend the lease for substantially all the remaining economic life of the underlying asset and places them in a similar position to a lessee that has an option to purchase the underlying asset, precludes accounting for the asset transfer as a sale;
- (ii) How to determine the unit of account when an entire building is sold but only part of the building is leased back;

- (iii) Whether the asset transfer may still constitute a sale if the buyer-lessor classifies the leaseback as a finance lease; and
- (iv) Whether a reassessment of the transfer of asset as a sale is required when the seller-lessee's repurchase option lapses.

Corporate wrappers

There is a lack of guidance on how to account for a transaction in which an entity sells its equity interest in a subsidiary that holds one asset to a third party and leases that asset back. Specifically, it is unclear whether such transactions should be accounted for by (i) first applying the loss of control requirements in IFRS 10 *Consolidated Financial Statements* and then overlaying the sale and leaseback requirements in IFRS 16 to recognize partial gain or loss, or (ii) applying IFRS 10 only and recognizing a full gain or loss for the disposal of the subsidiary. Similar questions have also been raised regarding the accounting considerations for other fact patterns, such as the disposal of a corporate wrapper with one or more assets that constitute a business.

Transactions involving corporate wrappers are prevalent in the real estate industry and accounting issues often arise, such as in the sale of properties through a corporate wrapper. We believe that the underlying question for these issues is the same, i.e. whether the form of the transaction should result in a different accounting outcome.

Given the cross-cutting nature of the corporate wrapper issues across several IFRS Accounting Standards and consistent with our comments provided in our submission on the PIR of IFRS 10, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*, we recommend that the IASB undertake a broader project to address these issues holistically.

*This article was contributed by **Carrie Lau** and **Katherine Leung**, Associate Directors of the Institute's Standard Setting Department.*

Navigating tax deductions for intellectual property-related expenditures in Hong Kong

Current rules and recommendations for enhancing deductibility

In an era where innovation drives economic growth, the government has made concerted efforts to bolster the development of innovation and technology in Hong Kong.

With regard to tax incentives, in addition to enhancing the tax deductions for research and development (R&D) expenditures in 2018 and introducing the patent box regime (which offers a 5 percent concessionary tax rate on certain types of intellectual property (IP) income) in 2024, the Financial Secretary indicated in the 2025/26 budget that the government will review the deduction rules for IP-related expenditures. This includes lump-sum licensing fees and expenses incurred on the purchase of IP rights or the rights to use IP from associates, which we have long advocated for.

This article discusses some common issues currently faced by businesses in claiming tax deductions for IP-related expenditures, together with our recommendations for enhancing the deduction rules.

Overview of existing tax deductions for IP-related expenditures

The tax deductions for IP-related expenditures are governed by the general deduction rules and certain specific provisions under the Inland Revenue Ordinance, which are summarised below:

- Recurring royalties or licence fees are deductible under the general deduction rules to the extent that they are incurred in the production of the taxpayer's assessable profits. On the other hand, upfront fees for obtaining licences are considered capital in nature and not deductible under both the general

deduction rules and the specific deduction rules explained below.

- Capital expenditures relating to the registration or grant of IP rights, including trademarks, designs, patents and plant variety rights, are deductible to the extent that the rights are used in the production of the taxpayer's assessable profits.
- Capital expenditures incurred on the purchase of patent rights and rights to know-how are fully deductible in the year of purchase, while those on the purchase of specified IP rights (i.e. copyrights, registered trademarks, registered designs, performer's economic rights, protected layout-design (topography) rights and protected plant variety rights) are deductible over five years, provided that the relevant conditions are met and the specific restrictions in point 4 below do not apply.
- No deduction is allowed for capital expenditures mentioned in point 3 above if any of the prescribed circumstances apply. Notably, two of the prescribed circumstances are:
 - (i) The rights are purchased wholly or partly from an associate (such as the taxpayer's group company).
 - (ii) The rights are used wholly or principally outside Hong Kong by other persons.

Common issues faced by taxpayers and our recommendations

The existing tax deductions for IP-related expenditures are subject to stringent rules. Below are some common practical issues faced by businesses and our corresponding recommendations.

Upfront licence fees

Paying an upfront fee for the right to use an IP under a licence agreement is a common industry practice. In substance, upfront licence fees and annual royalties are similar, as both constitute payments for the right to use IP rather than for ownership. The main difference is that upfront fees are prepaid royalties, providing the licensor with immediate compensation and shifting risk to the licensee.

Nevertheless, these upfront fees are often regarded as capital in nature and disallowed as tax deductions on the basis that they are one-off, non-recurring payments. The government has traditionally considered the disallowance of such fees to be equitable, as the recipient of the fees should likewise not be subject to tax in respect thereof. However, a recent Court of Appeal decision indicates that licensors may be taxed on these fees, since each party's tax treatment depends on its own circumstances rather than mirroring that of the payer. This can result in mismatched outcomes when both parties are Hong Kong taxpayers.

In cross-border transactions, further complexity arises. If the fee is for the use of or the right to use an IP in Hong Kong, the Hong Kong payer not only cannot deduct the fee but must also withhold tax for the non-resident recipient. Depending on the parties' bargaining power, the Hong Kong payer may bear the withholding tax cost, creating an additional financial burden.

In light of the above, we fully support allowing deductions for upfront fees incurred in acquiring licences of IP rights to facilitate various types of IP transactions in Hong Kong.



IP rights purchased from an associate

Companies conducting R&D activities in Hong Kong may acquire existing IP rights from their group companies for further development. However, under current rules, no deduction is allowed for capital expenditures incurred on the purchase of IP rights from associates.

While this anti-avoidance measure is intended to prevent abuse of tax deductions by associated companies, a blanket denial may be excessive. In our view, the concern can be addressed more proportionately, for example, by capping the transferee's deduction at the transferor's original cost where both parties are Hong Kong taxpayers. If the transferor is a non-Hong Kong taxpayer, the Commissioner of Inland Revenue is already empowered, under existing provisions, to adjust the consideration to reflect market value. Moreover, existing general anti-avoidance provisions provide sufficient safeguards against aggressive tax planning, making a blanket restriction unnecessary.

With these safeguards in place, we believe that the blanket restriction on the purchase of IP rights from associates could be lifted, thereby facilitating the intra-group transfer of IP rights and enabling Hong Kong businesses to harness global IP rights for local innovation.

IP rights used outside Hong Kong by other persons

It is common for Hong Kong taxpayers to have production bases outside Hong Kong and license their acquired IP rights to manufacturers for use abroad. Additionally, some Hong Kong taxpayers acquire film or programme rights and license them for broadcasting outside Hong Kong. If the IP rights are used wholly or principally

outside Hong Kong by other persons, no deduction is allowed for the capital expenditures incurred on the purchase of such rights.

The policy intent of this restriction was to state beyond doubt that the acquisition costs of such IP rights are not eligible for tax deductions as they are not used for producing the taxpayer's assessable profits, given Hong Kong's source-based profits tax regime. This was based on the presumption that profits generated from the use of such IP outside Hong Kong were offshore sourced and non-taxable. However, with the introduction of the foreign-sourced income exemption regime in 2023, it is no longer possible for Hong Kong entities of multinational enterprise groups to make a non-taxable offshore claim in respect of royalty income derived from licences of acquired IP rights granted for use outside Hong Kong (unless the income is not received in Hong Kong). As a result, such taxpayers will face an unreasonably high effective tax rate since the IP acquisition costs remain non-deductible while the royalty income is taxable.

Although this issue was not specifically addressed in the 2025/26 budget proposal, we believe it is opportune time for the government to revisit this restriction to avoid undermining the economic viability of cross-border IP licensing arrangements.

Looking ahead

Modernizing deduction arrangements for IP-related expenditures would complement existing incentives and strengthen Hong Kong's position as a global innovation hub. In comparison, Singapore's IP acquisition deduction rules are less restrictive. Its Enterprise

Innovation Scheme offers qualifying companies a 400 percent tax deduction on the first SGD400,000 of eligible IP costs, with an option for a cash payout. To maintain Hong Kong's competitive edge, it is important to enhance our tax deduction framework for IP-related expenditures.

To ensure that these enhanced deductions are effective, it is important that conditions are not overly restrictive. We look forward to the government releasing further details and engaging with stakeholders to ensure the proposed measures are practical and aligned with industry needs.

*This article was contributed by **Charles Chan**, Partner, Tax Services and National Tax Policy Services Leader, and **Kathy Kun**, Partner, National Tax Policy Services, PwC Hong Kong.*

TECHNICAL NEWS

The latest standards and technical development highlights

Members' handbook

Invitations to comment

Handbook [Update No. 332](#) relates to the (i) following local adoption of the International Ethics Standards Board for Accountants (IESBA)'s amendments in Volume I of the Members' Handbook, and (ii) the accompanying "Key Impacts" documents:

- *Ethics Standards for Sustainability Assurance and Other Revisions to the Code Relating to Sustainability Assurance and Reporting* (Sustainability Ethics Standards); and
- *Revisions to the Code Addressing Using the Work of an External Expert* (External Expert Revisions).

Financial reporting

Supporting your professional work on virtual assets

As the standard setter for the accounting profession, the Institute is committed to supporting members in navigating the evolving digital asset landscape. We are currently formulating appropriate guidance for the accounting and auditing of virtual assets and related matters. This initiative complements the Hong Kong government's policy direction to further develop Hong Kong's digital asset market, as announced in the Chief Executive's 2025 Policy Address.

To keep members informed, we have issued [Alert 51](#), which outlines the accounting and auditing initiatives currently underway.

IFRS for SMEs Accounting Standard: new educational materials

The IFRS Foundation has published a package of new educational resources to support the implementation of the third edition of the *IFRS for SMEs Accounting Standard*. These materials are also relevant for 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* issued by the International Accounting Standards Board (IASB).

Webcasts

- [Overview of the new Section 2 Concepts and Pervasive Principles](#)
- [Overview of amendments to Section 7 Statement of Cash Flows](#)

Educational modules

- [Module 19 Business Combinations and Goodwill](#)
- [Module 35 Transition to the IFRS for SMEs Accounting Standard](#)

Auditing and assurance

Narrow scope amendments

The International Auditing and Assurance Standards Board (IAASB) has released [narrow scope amendments](#) to its standards, revising the definition of a listed entity to align with the definition in the IESBA's *Code of Ethics for Professional Accountants (including International Independence Standards)*. The new definition will amend the International Standards on Quality Management (ISQMs) and International Standards on Auditing (ISAs). In addition, amendments to International Standard on Review Engagement (ISRE) 2400 (Revised) *Engagements to Review Historical Financial Statements*, aim to align with the IESBA Code of Ethics regarding certain public disclosures about the application of independence requirements.

The narrow scope amendments:

- Adopt the same definition of publicly traded entity (PTE) in the ISQMs and ISAs as adopted in the IESBA Code of Ethics, while recognizing the role of local standard setters and regulators in defining PTEs for their jurisdictions.
- Incorporate an overarching objective for differential requirements for PTEs in the ISQMs and ISAs and a framework

for when it may be appropriate to apply such requirements to other entities.

- Amend the applicability of the existing requirements for audits of listed entities to apply to audits of PTEs.
- Add a new requirement in ISRE 2400 (Revised) for public disclosure in the practitioner's review report when the practitioner applied independence requirements specific to reviews of financial statements of certain entities, such as public interest entities.

Throughout the development of these amendments, the IAASB maintained close collaboration and coordination with IESBA, striving to align key concepts in the IAASB's and IESBA's standards, to the greatest extent possible. The IAASB has published a [Basis for Conclusions](#) to assist its stakeholder understanding and implementing the narrow scope amendments.

The narrow scope amendments will take effect for engagements for periods beginning on or after 15 December 2026.

In addition, the IAASB [approved](#) targeted amendments to its standards arising from revisions to the IESBA Code of Ethics regarding the use of the work of an external expert.

IAASB video series: What auditors need to know about the new fraud standard: ISA 240 (Revised)

The IAASB has released [videos](#) introducing ISA 240 (Revised) *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, issued in response to recent corporate failures and high-profile fraud cases. Julie Corden, former IAASB member and chair of its Fraud Task Force, introduces the standard and the revisions in four videos:

- Introducing the Revised Fraud Standard;
- A Sharper Focus on Fraud Risk Assessment;
- A More Robust Response to Identified or Suspected Fraud; and

- Enhanced Transparency in the Auditor's Report.

Audit focus for 2025 year-end audits

The Accounting and Financial Reporting Council (AFRC) has released the following publications for 2025 year-end audits:

[Audit Focus for 2025 Year-End Audits](#) – This publication highlights engagement-specific focus areas for 2025 year-end audits and outlines firm-level key considerations to ensure the delivery of high-quality audits in a complex and evolving landscape.

[Audit Focus for 2025 Year-End Audits – Financial Services Sector](#) – Drawing on the AFRC's inspection experience, this publication highlights sector-specific risks and audit considerations relevant to the 2025 environment. Since auditing financial institutions present unique challenges, it also outlines considerations for firms to gauge their readiness to undertake financial services audit and assurance engagements and provides guidance on meeting the high expectations of this sector.

Rethinking auditor skills and education

As artificial intelligence (AI) redefines the audit profession, the skills required to excel are undergoing a significant change. This was the resounding message from a landmark roundtable in June 2025, co-hosted by the IAASB, which brought together audit professionals, educators, and regulators to examine how accountancy education must evolve in the face of accelerating technological change.

This [article](#) summarizes key insights from the roundtable on AI implications for auditor skills and competencies and initial professional education and development. A previously published article titled [Embracing the AI Frontier: The Transformative Impact of AI on Audit Firms & Methodologies](#) shares insights and tips for audit firms as they consider evolving their methodologies.

Ethics

What are the key impacts of the newly adopted IESBA amendments in the Code?

The following "Key Impacts" documents have been issued to support the [local adoption](#) of the IESBA's amendments to the HKICPA *Code of Ethics for Professional Accountants*. The documents aim to provide an overview of the standards and highlight how feedback from major local stakeholders gathered during the IESBA's consultations was addressed:

- [Key Impacts of Sustainability Ethics Standards](#); and
- [Key Impacts of External Expert Revisions](#).

Sustainability

Institute implementation support for HKSSA 5000

The Institute is committed to equipping stakeholders with the professional knowledge required to navigate the evolving sustainability landscape. To support the implementation of Hong Kong Standard on Sustainability Assurance (HKSSA) 5000 *General Requirements for Sustainability Assurance Engagements*, we have developed the following multi-faceted resources:

- Staff publication: [Q&As on HKSSA 5000](#) – These Q&As should be read in conjunction with the Institute's HKSSA 5000 and are intended for general guidance only. They do not necessarily reflect the views of the Standard Setting Department, the Institute, the Council, or any of its committees.
- E-learning: [Overview of HKSSA 5000](#) – This session provides a comprehensive overview of the new assurance standard, covering fundamental principles and concepts, engagement acceptance and continuance, group sustainability assurance engagements and the use of the work of others.

IESBA new guidance to support implementation of standards on external experts and sustainability assurance

The IESBA has released [two new staff publications](#) to enhance understanding and support global adoption and implementation of its ethics standard on *Using the Work of an External Expert*, as well as the International Ethics Standards for Sustainability Assurance, both of which are effective from December 2026.

Corporate finance

Invitation to comment

The Hong Kong Exchanges and Clearing Limited (HKEX) has published a Consultation Paper on [Review of Chapter 15A – Structured Products](#). The paper contains proposals and draft changes to the Listing Rules for the continuing development of the structured products market and balancing of investor protection and product choice. Key focuses include enhancing market competitiveness, market quality and investment protection, and market efficiency and transparency. Members of the public are invited to respond to the consultation by completing an [online questionnaire](#) by 11 November.

HKEX's guide on carbon credits

The HKEX has published [Carbon Credits: A Buyer's Guide](#) which provides an overview of the nature of carbon credits and how the carbon market operates. This market is gaining momentum as more corporations turn to buying carbon credits as an interim measure of offsetting emissions on their journey to reaching net zero.

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

YOUNG MEMBER OF THE MONTH

Ian Lee

IAN LEE

Group Opportunities and Risks
Manager at Cathay Pacific



Ian Lee, Group Opportunities and Risks Manager at Cathay Pacific, gets to adopt a high-level, strategic perspective as part of his work, adding value by helping to protect the organization from risks. He shares the challenges he faces and his aspirations for shaping strategic risk management in aviation.

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

As Cathay's Opportunities and Risks Manager, my core responsibility is to facilitate the implementation of the group risk management policy and provide independent oversight on its effectiveness. My team identifies the top risks facing the Cathay Group, assesses their impact and our vulnerability, and ensures mitigation measures are in place so that our exposure is within an acceptable level. We also monitor the risk profiles across business units, subsidiaries, and regions, and we report quarterly to the Board Risk Committee. I've always been passionate about the hospitality and tourism industry, and spent the past decade in two hotel groups. Transitioning into aviation felt like a natural next step to broaden my perspective within the sector. The aviation industry is highly technical, filled with jargon and complex processes, which makes the learning curve steep – but incredibly rewarding. I'm enjoying the challenge, and many things I've observed during my travels now make sense. It's exciting to connect the dots between theory and real-world operations.

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

The most rewarding, at the same time most challenging, aspect of my role is gaining a deep understanding of how the company manages its top risks. This involves engaging with various departments to understand their key processes, which is almost like learning how the entire company operates. It's challenging because each meeting requires thorough preparation, active listening, and the ability to digest and organize complex information. Presenting insights to leadership also demands clarity, confidence, and open-mindedness. Yet, it's incredibly rewarding. You get to view the company through a CEO's lens – seeing the big picture across functions, breaking down silos, and adding value by helping protect the organization from risks. This cross-functional exposure not only sharpens strategic thinking but also reinforces the importance of collaboration and resilience in risk management. It's a unique vantage point that blends technical depth with broad business insight.

What inspired you to pursue a career in accounting?

As an INFJ (a personality type with the introverted, intuitive, feeling, and judging traits), I'm naturally drawn to roles that offer purpose and the opportunity to make a meaningful impact. Accounting appealed to me because I knew from the beginning that it's not just about numbers. It's about uncovering insights, supporting sound decisions, and helping organizations thrive. I've always valued clarity and logic, and accounting provides a framework to understand how businesses operate beneath the surface. It also satisfies my need for precision and organization, while allowing me to contribute in a way that protects and empowers others. The ability to analyse financial data, connect across departments, and support long-term strategy aligns perfectly with my strengths. I find fulfillment in using my analytical mindset to bring order to complexity and my intuitive nature to see the bigger picture.

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

One of the biggest lessons I've learned is the importance of being brave enough to challenge ideas – even when they come from senior management. If an argument doesn't persuade me, I've learned to respectfully question it, offer alternative perspectives, and back my stance with data. This isn't about being confrontational; it's about being constructive and committed to sound decision-making. It takes courage, but it also earns trust and fosters better outcomes. The second lesson is to embrace lifelong learning. No matter how experienced you are, there's always more to discover – new industries, evolving risks, emerging technologies. I've found that staying curious and open to learning not only keeps me relevant but also deepens my ability to connect the dots across disciplines. Whether it's technical knowledge or interpersonal skills, continuous growth is essential. These two lessons have shaped how I approach challenges, contribute to teams, and grow as a professional.

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

My CPA qualification has been instrumental in shaping both the technical and strategic aspects of my role. On the hard skills front, it equipped me with a solid foundation in accounting and finance – critical for evaluating risks and opportunities, which ultimately tie back to financial impact. I'm able to interpret and analyse financial data, assess investment decisions, and contribute to budgeting and forecasting with confidence and precision. Equally important are the soft skills I developed. It taught me to be analytical and organized, and to support my recommendations with data-driven insights. These skills are essential in risk management, where clarity and credibility are key. Whether I'm reviewing risk mitigation strategies or presenting to senior leadership, my CPA background helps me approach challenges with structure and rigor. It's a qualification that continues to add value across all dimensions of my career.

Navigating trust and technology: Highlights from the HKICPA Ethics Conference 2025

Challenges and opportunities that arise when ethics intersect with technology, trust, and professional integrity

The inaugural HKICPA Ethics Conference 2025, held on Global Ethics Day, marked a milestone for Hong Kong's accounting profession. The Institute's first ethics-focused event brought together professionals, regulators, and thought leaders to explore how ethics intersects with technology, trust, and professional integrity.

Opening the conference, Gabriela Figueiredo Dias, Chair of the International Ethics Standards Board for Accountants (IESBA), brought into focus the global dimension of ethics through a video message. She framed ethics as, beyond compliance requirements that need to be met, a value-creating tool for firms, operations and society at large. Dias stressed that ethics is a shared purpose and a common language across borders and sectors. She commended the conference for spotlighting pressing issues central to the global agenda such as artificial intelligence (AI) ethics, fraud risk management, and professional integrity.

Maria Xuereb, Chair of the HKICPA Ethics Committee, welcomed attendees by reaffirming ethics as the foundation of trust and transparency in the profession. She reminded attendees that accountants, as stewards of financial transparency, must uphold high ethical standards to maintain stakeholder confidence and ensure regulatory compliance. Xuereb highlighted the Institute's ongoing support for members, including updates to the *HKICPA Code of Ethics for Professional Accountants* (the Code) to reflect evolving standards, bi-weekly technical news, and educational video clips for understanding and applying the Code.

Technology's impact on ethics was a recurring theme. In a compelling session, technology expert William Gee explored the ethical implications of AI for the profession. He outlined key concerns about data bias, transparency, privacy, and security, noting that AI's probabilistic nature poses challenges for deterministic

tasks like audits. He warned of risks such as data poisoning, shadow AI, and fabricated outputs, and emphasized the importance of professional skepticism and governance frameworks. Accountants must ensure that AI tools are transparent, explainable, properly disclosed and their use aligned with ethical standards.

A panel discussion moderated by Xuereb examined practical challenges of managing fraud and navigating ethical dilemmas in professional settings. The panel featured Kenneth Lam (Partner Advisory at Grant Thornton), Horace Ma (CFO at S. Culture and Deputy Chair of the Ethics Committee), and Guy Norman (Forensic Partner at Deloitte China). Drawing from real-world examples, Ma discussed the dilemmas faced by Professional Accountants in Business (PAIBs), such as questionable invoices and undisclosed dealings. He pointed to the Code as a guide for PAIBs in managing threats and underscored the importance of building an ethical organizational culture supported by leadership and clear policies. PAIBs must maintain an inquiring mind and document their decisions to protect themselves from personal and professional risks. In cases of serious misconduct, confidential reporting may be necessary to uphold integrity.

Norman described forensic accountants as both watchdogs and bloodhounds – professionals who deter fraud and conduct deep investigations. He noted that forensic accounting is built on logic, ethical judgement, objectivity, and increasingly uses electronic data and analytics tools to review documentation, transactions and conduct interviews. Norman also introduced a concept within forensic accounting – “shadow investigation” – when auditors suspect issues or irregularities from clients, they may engage an independent forensic team to deploy specific techniques to conduct a deeper, independent investigation. Norman stressed that ethical duties take precedence, and practitioners should seek further

review if concerns remain.

Complementing this perspective, Lam discussed digital forensics in fraud detection, explaining how forensic teams examine electronic data such as emails and cloud storage to uncover inconsistencies. Lam highlighted that forensic accountants and digital forensic investigators share common goals: fraud detection, evidence integrity, and skeptical judgement. He also noted the emerging use of AI tools in predictive fraud detection, though its applications is still evolving.

The final presentation of the conference was delivered by Winnie Leung, Chief Corruption Prevention Officer at the Independent Commission Against Corruption (ICAC). Leung introduced the ICAC's three-pronged approach – law enforcement, corruption prevention, and community education – and emphasized that professional ethics is the first line of defence against corruption. She outlined the Prevention of Bribery Ordinance and its implications for both public and private sectors. Leung also presented the Integrity Compliance Management System, a structured framework designed to enhance transparency and governance through policies, training, risk management, reporting mechanisms, and audits. She reinforced the relevance of the “Three A Model” (Awareness, Assessment, Action) in guiding ethical compliance and leadership.

The conference concluded with a Q&A session, where attendees engaged with speakers on topics ranging from AI governance and ethical leadership to fraud detection and regulatory compliance.

The HKICPA Ethics Conference 2025 successfully launched a new chapter in the Institute's commitment to ethical leadership. By addressing emerging technologies, fraud risks, and professional dilemmas, the event empowered accountants to navigate ethical complexities with confidence and integrity. If you missed the event, stay tuned to the Institute's communications for access to the archived e-learning session.



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SMP Conference

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Date: Saturday, 1 November 2025 | Venue: Grand Hyatt Hong Kong

Time: Morning session: 9:00 a.m. – 12:00 noon; Afternoon session: 1:30 p.m. – 4:30 p.m.

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