



DRIVING BUSINESS SUCCESS

2026 Issue 1 Volume 22

PLUS:

## SPECIAL INTERVIEW

Interview with IESBA Chair  
Gabriela Figueiredo Dias

## MEMBERS FROM THE MAINLAND

Members from Chinese Mainland  
share their paths to career success

## SECOND OPINIONS

How significant is the skills gap  
or resistance to change when it  
comes to digital transformation?

As the new President,  
Stephen Law is determined  
to make the Institute more  
proactive while equipping  
members to navigate change

# EMBRACING DIVERSIFICATION



Hong Kong Institute of  
Certified Public Accountants  
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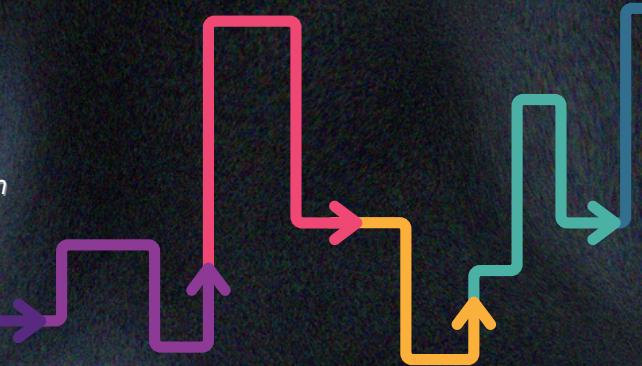
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## Digital Transformation Roadmap

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**“It is a privilege to serve our profession, and I am committed to upholding the integrity, trust and excellence that define Hong Kong CPAs.”**



## **DEAR MEMBERS**

As I begin my term as President of the Hong Kong Institute of CPAs, elected in November 2025, I would like to extend my warmest greetings to all of you. It is a privilege to serve our profession, and I am committed to upholding the integrity, trust and excellence that define Hong Kong CPAs.

The recent fire in Tai Po has affected many families and households, and it has also reminded us of the importance of strong community support. I would like to reaffirm the Institute's commitment to assisting members and the wider community. Through our communications, we set out the Institute's immediate actions, including a HK\$100,000 donation through the HKICPA Charitable Trust and outreach to members residing in Wang Fuk Court to provide emergency financial help, counselling and practical resources. At the request of the Agency for Volunteer Service, we also mobilized members to register as volunteers.

More than 700 members responded to the call and we're now planning to form a permanent volunteering platform for members. This impressive level of participation reflects the sense of civic responsibility within our community and our longstanding commitment to the public interest. The same commitment was evident during the recent Legislative Council election for the Accountancy Functional Constituency. Voter turnout reached 34.9 percent, which was more than four percentage points higher than in 2021. I would like to express my sincere appreciation to all members who exercised their right to vote. I also extend my warm congratulations to Webster Ng on his election to represent our constituency. My earnest thanks go to Edmund Wong for his dedicated service during his term and for his contributions to the profession.

The Institute also welcomed the Accounting and Financial Reporting Council's public consultation on the proposed regulatory framework for sustainability assurance in Hong Kong. This is an important milestone, and as I remarked in the Institute's statement, the consultation is timely and reinforces Hong Kong's position as an international financial centre that is aligned with global standards. The Institute stands ready to contribute our professional expertise to support the development of a robust and internationally consistent sustainability assurance framework.

Supporting members in new areas remains a key priority. In January, the Institute issued guidance on the application of HKFRS Accounting Standards to cryptocurrencies and stablecoins. This reflects our commitment to helping members

navigate the rapidly evolving digital asset landscape. We expect to release two further resources in the first half of 2026, and I encourage members to watch for updates.

We were also pleased to welcome the International Ethics Standards Board for Accountants (IESBA), led by Chair Gabriela Figueiredo Dias in January. The visit provided a valuable opportunity to discuss shared priorities and recent developments in sustainability reporting and assurance. We facilitated closed door sessions with firm practitioners, chief financial officers and senior professional accountants in business to gather feedback on the Non-Compliance with Laws and Regulations (NOCLAR) provisions and related matters. Maintaining close engagement with international bodies such as IESBA ensures that Hong Kong's perspectives continue to contribute meaningfully to global standard setting and the wider public interest.

We also hosted a delegation from the Guangzhou Municipal Commerce Bureau on 28 January. The meeting strengthened our connections within the Greater Bay Area and supported discussions on how regional cooperation can benefit our members.

On the same day, the Institute held a press conference to announce its proposals for the government's budget for the 2026-27 fiscal year. This annual submission highlights the profession's role in providing analysis and recommendations for effective public policy. We look forward to the budget address and will keep engaging with the government on matters important to Hong Kong and our members.

On 21 January, the Institute hosted a reception celebrating the 20th anniversary of our “Rich Kid, Poor Kid” financial education programme. We were honoured to welcome Joseph Chan, Under Secretary for Financial Services and the Treasury, as guest of honour. The event brought together about 100 partners from the education, social welfare and financial sectors, as well as many of our Accountant Ambassadors. Over the past two decades, the programme has reached more than 200,000 students, with over 460 ambassadors delivering more than 1,200 free seminars. I expressed my appreciation to all ambassadors and partners whose commitment has contributed to the programme's success.

As we look ahead, I remain committed to working closely with our members and stakeholders to strengthen our profession's relevance, uphold our public responsibilities and support Hong Kong's position as a global leader in accounting and assurance. I look forward to the year ahead and to the progress we will make together.

**Stephen Law, President**

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### About our name

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



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香港會計師公會

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

# NEWS

Institute news

Business news

## HKICPA hosts IESBA leadership visit for strategic dialogue on ethics and standards

The Institute hosted the International Ethics Standards Board for Accountants (IESBA), led by Chair Gabriela Figueiredo Dias, on 20 January. The visit provided a valuable platform for dialogue on shared priorities, including the Institute's strategic direction, IESBA's forward strategy and work plan, local developments in sustainability reporting and assurance, and continued collaboration. Closed door sessions with firm practitioners, chief financial officers and senior professional accountants in business were also held with IESBA to seek feedback on the Non-Compliance with Laws and Regulations (NOCLAR) provisions and beyond.

President Stephen Law stated, "Accountants in Hong Kong play an important role in contributing regional perspectives to the global ethics agenda, and maintaining close dialogue with IESBA enables the Institute to better support them as new standards continue to evolve. We appreciate IESBA's visit, which strengthens our partnership and highlights the value of Hong Kong's practical and globally relevant insights."

The strategic engagements continued on 21 January as the IESBA delegation met with the Institute's Ethics Committee, Small and Medium Practices Committee and firm representatives. The Institute also supported IESBA's broader engagement with Hong Kong's ecosystem during the visit, including meetings with regulators



The Institute hosted the International Ethics Standards Board for Accountants during its visit to Hong Kong in January.

such as the Securities and Futures Commission and the Independent Commission Against Corruption.

### New Institute leadership elected

Stephen Law was elected the Institute's President for the 2025/26 Council, following the 53rd annual general meeting (AGM) held on 13 November 2025, Jasmine Lee and Calvin Tse as Vice-Presidents. Find the full composition of the Council [here](#). The [minutes](#) from the AGM are now available.

### Institute welcomes AFRC consultation on sustainability assurance

On 30 December 2025, the Institute welcomed the Accounting and Financial Reporting Council's (AFRC) [public consultation](#) on the proposed regulatory framework for sustainability assurance in Hong Kong.

Institute President Stephen Law

said, "The consultation is timely and important in reinforcing Hong Kong's position as an international financial centre aligned with global standards. As Hong Kong's statutory accountancy body, the Institute stands ready to contribute its professional expertise to support the development of a robust, credible and internationally consistent sustainability assurance framework." Read the [press release](#) for details, and the consultation will close on 30 March.

### Institute members complete national high-level accounting talent programme

On 11 December 2025, Past President Roy Leung, and Council members Frank Lam, Michael Li, Charbon Lo and Parco Wu, alongside five other Institute members, completed the Ministry of Finance's High-level Finance and Accounting

## Talent Quality Improvement Project (Third cohort of Young and Middle-aged Talent Cultivation – CPA Class).

This three-year programme is jointly organized by the Chinese Institute of Certified Public Accountants and Shanghai National Accounting Institute. Since 2022, the Institute's participants have joined 35 peers from across Mainland China for intensive training in 10 cities – including Shanghai, Beijing, and Xiamen – combining classroom study with field visits, debates, presentations, and case competitions. Read the [press release](#) for details.

## Institute signs MoU with ACCA

The Institute signed a Memorandum of Understanding (MoU) with the Association of Chartered Certified Accountants (ACCA) on 10 November 2025, to reinforce shared values and contribute to the advancement of ethical standards within the accounting profession. The collaboration will focus on mutually promoting ethics-related learning and development, and launching joint initiatives to foster a culture of integrity, accountability, and responsible practice across the profession. Under the MoU,

both HKICPA and ACCA will also explore other areas of potential collaboration, including continued expansion of the range of continuing professional development course offerings available to members. Read the [press release](#) for details.

## Empowering GBA businesses: accounting bodies launch tripartite initiative

In a strategic move to deepen regional cooperation, the Institute, the Guangdong Institute of Certified Public Accountants, the Hong Kong Association of Registered Public Interest Entity Auditors, and the Union of Associations of Professional Accountants of Macau have established the “Alliance of CPA Firms Dedicated to Financial and Tax Guidance for Businesses” on 31 October 2025. This alliance is designed to significantly expand the impact of the Institute’s “List of accounting firms helping Mainland enterprises go global” by creating a powerful, collaborative network. The core mission of this tripartite initiative is to strengthen cross-border cooperation and provide a comprehensive suite of services to fuel enterprise growth and global expansion from the Greater Bay

Area (GBA). Learn more about the alliance’s initiatives [here](#).

## Best Corporate Governance and ESG Awards 2025

The winners of the Best Corporate Governance and ESG Awards 2025 were announced at a press briefing on 27 October 2025, with a record-breaking 39 awards presented to listed companies and public sector organizations, including nine first-time awardees and two new winners of the prestigious Most Sustainable Organization Awards, the highest accolades in the competition. The presentation luncheon ceremony took place later on 31 October 2025, marking the 25th anniversary of the competition. Visit the [dedicated webpage](#) for the full awardee list, the Judges’ Report, the press release and photos.

Alongside the awards, the Institute conducted a brief study on carbon emissions reporting by the 105 constituent companies of the Hang Seng Composite LargeCap Index, to understand about their preparedness for the new climate-related reporting requirements in the ESG Code under the listing rules. Read the [report](#) for insights into the findings.

## Annual report 2025 published

Themed “Sustainable impact, Enduring value,” the [Annual Report 2025](#) reflects the Institute’s long-standing commitment to the public interest and the profession’s meaningful contributions to society. Read the report to learn more about our initiatives and efforts for supporting sustainable development, as well as our key achievements in FY 2024/25.

## Council meeting minutes

The [abridged minutes](#) from the October, November and December (Strategy Day) 2025 Council meetings are now available.



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- A strategic checkpoint in your career journey
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Apply now

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Current HKICPA members are entitled to claim  
your CAB e-credentials until 30 June 2026



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## 3.2%

Hong Kong's economic growth rate in 2025, accelerating from 2.5 percent the previous year despite persistently weak retail consumption. Financial Secretary Paul Chan said growth was driven by strong exports and domestic demand, with merchandise exports rising 18.8 percent year-on-year in November 2025. The unemployment rate held at 3.8 percent, though pressure persisted in construction and food services.

## ¥200 billion

The expanded size of the Hong Kong Monetary Authority's RMB Business Facility following full utilization of its initial quota of ¥100 billion. Launched in October 2025 under a currency swap arrangement with the People's Bank of China, the facility provides banks with lower-cost renminbi (RMB) funding for trade finance and corporate lending, reinforcing Hong Kong's position as the leading offshore RMB business hub.

## US\$20 billion

The potential valuation of CK Hutchison's global telecommunications assets under a proposed dual listing in London and Hong Kong. The group is weighing the move as early as the third quarter of 2026 following spin-off preparations. The plan follows regulatory approvals being cleared for its Vodafone-Three UK merger, and is aimed at unlocking shareholder value through capital market separation.



Gold prices surged beyond US\$5,000 per ounce for the first time on 25 January, driving gains in mining stocks across Hong Kong and Chinese Mainland. Zijin Mining rose 7.1 percent in Hong Kong, while Zhongjin Gold surged 10 percent in Shanghai. Analysts attributed the rally to geopolitical tensions, United States shutdown risks and heightened safe-haven demand.

## 560

The number of overseas and Mainland companies InvestHK helped establish or expand operations in Hong Kong in 2025, up 4 percent year on year. The projects attracted an estimated HK\$69.4 billion in investment and created more than 10,700 jobs across finance, logistics, technology and tourism. Officials said the performance reflected sustained international investor confidence and Hong Kong's role as a regional business and financial hub.

## US\$395 million

The amount luxury conglomerate LVMH agreed to sell its DFS Greater China travel-retail business in Hong Kong and Macau to China Tourism Group Duty Free. The transaction highlights a strategic recalibration of the luxury group's regional exposure and reflects ongoing consolidation in the duty-free sector amid shifting travel patterns and consumer spending in Greater China.

## Dual headquarters

The model proposed under Shenzhen Qianhai's 2026 action plan to deepen cooperation with Hong Kong. Released in January, the blueprint positions Qianhai as a strategic partner rather than a competitor and aims to attract Hong Kong companies, including unicorns, by enabling cross-border deployment of capital, data and talent. Officials said the initiative supports closer integration with national development priorities while reinforcing Hong Kong's role as a global finance and innovation hub.

## 64.7%

The share of South-East Asian respondents who view taxation as a contribution to society, according to a December 2025 global survey by ACCA, IFAC, CA ANZ and the OECD. The study found public trust remains strongest in Asia, supported by digital public services and transparency, contrasting with wider confidence gaps across Europe and Latin America.

## 800 million users

The scale OpenAI says justifies testing advertising in the free version of ChatGPT, according to its Chief Financial Officer Sarah Friar. Speaking at the World Economic Forum in Davos, Friar defended ads as a "strong business model" needed to democratize access to artificial intelligence.



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# GETTING DOWN TO BUSINESS

New President Stephen Law is channelling his multifaceted experiences to supercharge member services, foster innovation, and position the Institute as a proactive force in Hong Kong's evolving economic landscape. He talks to **Jemelyn Yadao** about his plans for the Institute

Photography by Jocelyn Tam

**F**ollowing the devastating Tai Po fire incident, Stephen Law found himself deeply moved by the accounting profession. In addition to a HK\$100,000 donation through the HKICPA Charitable Trust and outreach to affected members, more than 700 members registered as volunteers within a week of the Hong Kong Institute of CPAs sending out a recruitment email. "It was so unexpected. We got so many members interested in helping those in need, and they signed up within days," says Law, the new Institute President, before revealing a fresh initiative. "We're going to turn this passion into something permanent."

This year, the Institute will launch the "HKICPA Volunteer Team" to deliver various forms of volunteering work, says Law. The idea is to not only do good for society, but also serve Institute members in a meaningful new way. "I believe each one of our members is kind-hearted and want to help others, but they are also busy. That's why the Institute has to take a lead, to remind people that you can do this outside your working hours and contribute to society," says Law.

Building on this commitment to member wellbeing, the Institute also launched the Member Assistance Programme, providing members and students with 24/7 telephone counselling among other resources.

As the first professional accountant in business to lead the Institute in over a decade – and its first president who serves as

a National Committee member of the Chinese People's Political Consultative Conference (CPPCC) – Law brings extensive experience from private equity deals, IPO negotiations, and leadership roles at several companies, to transform how the Institute serves its members. He plans to draw from these varied roles to make the Institute more responsive amid Hong Kong's evolving economic landscape. "We want to be more proactive to serve our members better, in terms of technical resources and support, like digital asset guidelines, and in terms of member services," he explains.

## Positioning Hong Kong for the future

Law's private equity background gives him fluency in emerging technologies. As Managing Director of ZhongYi Investment Managers Limited, his focus is on investing in "only the new things," including digital assets. He breaks down digital assets into five categories: cryptocurrencies led by Bitcoin, which he describes as "digital gold"; real world assets as tokenized securities; utility tokens currently without regulatory oversight; stablecoins as payment alternatives; and central bank digital currencies, such as China's digital RMB or e-CNY.

Following Hong Kong's stablecoin legislation having taken effect on 1 August 2025, Law expects that three to five licenses will be issued in the first half of 2026. "After the stablecoin there are only two things Hong Kong requires to complete the ecosystem: custodian services and over-the-counter exchanges for general

public. After issuing those two licenses, we will more or less have a complete picture. Hong Kong is on course to becoming a bona fide digital asset hub."

Members will need to navigate this complexity, he stresses. "A lot of our members are not sure how to do accounting for digital assets," he says. "Eventually there will be more companies using some type of stablecoins for transactions, and our members will need to know how to book those transactions and know the risks of those transactions."

In January, the Institute issued [guidance](#) on which HKFRS Accounting Standards apply to cryptocurrencies and stablecoins. There are also two upcoming resources: one for auditors' independent attestations on licensed stablecoin issuers, and another for auditors of digital asset-related businesses, addressing common challenges and incorporating relevant guidance from overseas accounting and auditing bodies.

A new flagship training programme on artificial intelligence (AI), data analytics, cybersecurity, ESG tech and emerging technologies will also be launched this year by the Institute, as well as the second phase of the Institute's Digital Transformation Roadmap, including a hub with case studies. Law emphasizes that digital transformation is no longer an option. "We are helping our members to do transformation, especially small and medium enterprises and practices (SMEs and SMPs). Everyone is using AI, so we will help guide them on this and introduce tools that they can use for transformation," he says.

#### Advancing sustainability

As the sustainability disclosure standard setter of Hong Kong, contributing to the development of the city's sustainability disclosure ecosystem is still a core mission. This year, the Institute will prioritize capacity building, and this includes promoting the HKICPA Certificate on Sustainability

Reporting to ESG practitioners. The certificate was designed to empower professionals and companies with essential knowledge and skills for implementing HKFRS S1 and S2.

"We are doing training courses for more professionals in this field so that Hong Kong can be at the top in terms of sustainability, ESG, and also sustainability assurance. Our Sustainability Disclosure Standards will be adopted first by listed companies, and then by other industry players in Hong Kong. So we will hopefully be at the top of the world ranking for green finance," says Law.

**"We are doing training courses for more professionals in this field so that Hong Kong can be at the top in terms of sustainability, ESG, and also sustainability assurance."**

This year, the Institute will issue HKFRS S2 amendments to reflect changes to greenhouse gas emissions disclosure requirements in IFRS S2 *Climate-related Disclosures*. These amendments respond to application challenges and will be released upon completion of the Institute's due process. "We recently reached out to more than 200 listed companies and industry associations to gather feedback on the International Sustainability Standards Board's proposed revisions to SASB Standards for high-emitting industries. Our aim is to ensure that industry-specific disclosures remain both practical and decision-useful," notes Law.

At the end of 2025, the Institute welcomed the Accounting and Financial Reporting Council's public consultation on the proposed regulatory framework for sustainability assurance in Hong Kong. In the press release, Law stated that the Institute

"stands ready to contribute its professional expertise to support the development of a robust, credible and internationally consistent sustainability assurance framework, supporting Hong Kong's transition towards a more sustainable and resilient economy."

#### Strengthening the talent pipeline

In the profession's ongoing fight to attract and retain talent, Law views the Qualification Programme (QP) as crucial. He says the Institute will continue focusing on promoting the QP as the best choice for students who seek to stand out in their future careers. "We will reach out to young people and attract them with a message: You don't have to be an accountant forever, but it is certainly a powerful foundation wherever your ambitions take you. If you want to go into business or finance, the QP really is the best qualification," he says.

Law highlights the Institute's Certificate in Accounting and Business (CAB) as an initiative designed to make the profession more attractive and accessible. Launched last year, CAB offers students with diverse backgrounds, including non-financial professionals and aspiring entrepreneurs, a flexible pathway towards becoming CPAs. After completing the CAB, students could continue through the QP.

It emphasizes competences that are highly valued across different sectors, he adds. "When running a business, you need financial knowledge. You need to understand what is behind financial statements," Law says. "This certificate can show employers that you have sufficient knowledge to run a business. And this is going to be a key focus for us to promote, the CAB in addition to our normal QP."

#### Building adaptive professionals

For the next generation of accountants, Law stresses versatility and global awareness.

"Of course, you need to understand the accounting basics. But beyond that, you must have an interest in your own industry, and in new developments around the world, including the United States and Chinese Mainland—the global superpowers. If they catch a cold, we will, at the very least, feel the fever rising. So we need to observe those two superpowers closely," says Law.

The Institute launched a Public Affairs Series last year to broaden members' perspectives. "We bring in regulators and well-known people to talk about what is happening in the world including in the Chinese Mainland," Law explains. "For example, how China's five-year plan will affect Hong Kong."

This global outlook serves the Institute's ambition to promote Hong Kong internationally. "We intend to organize more overseas trips for Council members, and we want to showcase two things: Hong Kong is an international financial centre, and accountants play a vital role in this. Whether you come here to set up a small business or large

business, or for tax advice, or for an IPO for fundraising, accountants play a major part," says Law.

A key focus this year is to promote the unique advantages of Hong Kong's accounting services to Mainland enterprises through its "List of accounting firms helping Mainland enterprises go global," a resource that aims to connect Chinese Mainland enterprises with the right accounting firms to support Chinese companies in their overseas expansion. As of end-2025, the list included 87 Hong Kong firms.

"It's not just accounting firms – all accountants play a major role in Mainland companies going overseas," Law says. "Whenever there's a transaction, a finance person is always involved. From calculating the investment return to fundraising, to understanding the overseas tax laws and regulations, all this work from start to finish is done by the accountant."

Law raised another example of a longer-term initiative focused on establishing professional support for valuation work.

"Valuation requires professional judgement and many accountants are already engaged in this work," he notes. "We want to study this specialization with the ultimate aim of fostering innovation and creating meaningful opportunities for members to lead and excel in valuation in the years ahead."

He is also keen on enhancing membership perks by leveraging the Institute's scale. "We have 48,000 members, which is sizable enough for us to attract commercial organizations to work with us, and to get discounts," he says.

### Reshaping business models

Law's journey began with a degree in civil engineering, but he was drawn to accounting and the idea of keeping doors open. "Something I always say is, if you're an engineer, you will always do engineering. If you're a lawyer, you will always do legal work. But as an accountant, you have a diversifying career ahead of you," says Law.

He emphasizes this versatility as a key selling point for the profession.

Stephen Law is the Institute's first president who is a professional accountant in business in over a decade, with a career spanning Big Four auditing, IPO orchestration, private equity deals, and executive leadership at MTR.



## PROFILE

Stephen Law



Law is the Managing Director of ZhongYi Investment Managers Limited with a focus on private equity investments. He is also an appointed member of the Chinese People's Political Consultative Conference National Committee.

"Even in CPA firms, you could do tax, consultancy, and outside CPA firms, you could do accounting, corporate finance, investment banking, be a CEO, or investing like me," he says.

His career path ended up representing the diversification he champions. After starting at a Big Four firm in the United Kingdom and Hong Kong, he sought more impactful roles. "I was looking for opportunities to apply my skills beyond auditing, and create impact in new areas," he explains.

A turning point came two years after he joined Hong Kong-based property group Wheelock and Company in 1995 to work in investment controls. "We started to partner up with international companies and formed joint ventures, then brought them to Hong Kong, the Mainland, and other Asian countries, so that we could diversify," says Law. "I went from back-end to front-end: negotiations, setting up new entities, and also adding value to the entities, so that the business could improve."

In 1997, Wheelock transferred Law to Wharf Cable (now i-cable), where he recognized untapped potential in its extensive but underutilized fibre network. "I conducted a business study to enhance the network so that it could become two-way interactive," he recalls, enabling the company to launch broadband internet and voice-over-IP services just as the early internet era accelerated in 1999. This resulted in a dual-listing on Nasdaq and the Hong Kong Stock Exchange.

Law notes that the experience taught him the full arc of corporate finance, "from a business model to the listing, and then post-listing, working with research analysts."

After this successful stint, Law became a director of Morningside Ventures, focusing on achieving attractive returns for investors in their venture capital investments. He then joined TPG, one of the world's largest private equity firms. As a managing director, he

## **“Whether you come here to set up a small business or large business, or for tax advice, or for an IPO for fundraising, accountants play a major part.”**

was responsible for private equity investments in Asia and led key deals across different industries, securing many IPOs and subsequent exits in Hong Kong, the U.S. and Vietnam.

Law likens the process of mergers and acquisitions to courtship, where a target may have multiple suitors at the same time. "The challenge," he says, "lies in convincing the company to choose you: demonstrating how serious you are, getting to know each other better, and showing why your partnership creates the strongest future."

He often recounts the "war stories" that shaped him as an investor: deals worth billions that looked doomed but somehow prevailed at the eleventh hour, and others that seemed like sure wins until they crumbled right at the buzzer – and everything in between. "Those situations teach you humility," Law says. "I always tell my juniors: don't get complacent when you think you're at the peak, but don't lose heart when things look tough."

He notes that navigating these ups and downs sharpened his instincts for solving problems under pressure, negotiating complex deals, and navigating the human dynamics that shape every deal. Law also credits his successful investment track record to his CPA training. "I lean on the full spectrum of my CPA background – from structured analysis to sound governance, strategic thinking, and a deep understanding of how businesses create value, all of it," he says. "CPAs have all the ingredients to add real strategic value."

Law's four years at MTR provided

perhaps his most valuable education in navigating complexity. At the time, MTR's High-Speed Rail project was met with budget overruns, with discussions centred on which party should bear the increased costs.

"This is how I came to understand the Hong Kong political environment," he explains. These experiences shaped his understanding of public expectations – perspectives that now inform his approach as President of the Institute, helping guide how the profession and the Institute contribute to broader trust and confidence in business and society.

Today, in addition to being a member of the National Committee of the CPPCC, Law is a Ministry of Finance-appointed Hong Kong accounting advisor. He was also appointed as a Justice of the Peace for Hong Kong on 27 July 2022.

### **Diverse interests**

Like his career, Law's interests are multifaceted. His board positions at Cyberport and XtalPi, a company using AI, quantum physics, and automation for drug discovery, are opportunities to stay current with technology. He is also a proud board member at the Hong Kong Dance Company. "Now that I'm older, I've become more interested in the arts."

Interacting with different groups of people, he notes, is something he both enjoys and finds professionally valuable. "You learn a lot from meeting and talking to different people. I have often found the people we meet in our personal lives can become valuable partners in our professional lives, and vice versa. For me, work and life are intertwined," he says.

Law now wants to execute plans that can help members be diverse in their knowledge, believing this to be the best approach for navigating the quick-changing environment, and reinforcing Hong Kong's role as a leading international financial centre. "I've got a lot of dreams," he laughs. "Life is not straightforward these days. So I think being diverse is going to be essential, more essential than ever before."



Talent attraction and retention is one of the Institute's key work focuses for this year. In 2025, the Institute reached over 60 faculties of universities, organized 60 QP talks (reaching around 4,300 students) and nine career workshops. In Chinese Mainland, it organized 26 QP talks across accredited or the Institute's New Partnership Scheme universities.



## PROFILE

Gabriela Figueiredo Dias

# Unshakeable values

**G**abriela Figueiredo Dias is clear-eyed about the challenge accounting professionals are facing. The Chair of the IESBA cautions that in a world increasingly prone to shocks, companies might be tempted by a narrower focus.

“There may be some perspectives or narratives saying that in these times of change and regulatory shifts, the focus should be on competitiveness and profitability, and that ethics matters less. But the facts say the opposite,” says Dias.

As IESBA Chair, Dias is an important player in the debate over setting ethics for accountants amid regulatory shifts and rapid market transformation. “It’s one of the topics that has been keeping us busy at the IESBA, to reflect upon the role of ethics in the context of uncertainty and change. And the conclusion has been, over the last months, that it’s even more important than ever, because ethics plays a foundational and stabilizing role,” she explains.

The reason also lies in the long-term nature of ethics, she says. “It does not change with the politics or with technology. It’s about principles and values, and it anchors the professional judgement of professionals, much beyond compliance. So when the rules are not anymore there, when the exigency of the rules and the regulation is lower, there is something which is common to all professionals globally, and secondly, stable, long term, and intrinsic, which is ethics.”

Dias, who was initially appointed chair in 2022 and reappointed in January 2025, says the start of her second term coincided with significant external challenges. “It was necessary to go back, step back and think, where are the risks and the opportunities for this board? What are we doing, and how, and why?” she recalls. “Without the learning that I did during my first three years, it would have been very difficult to navigate the changing landscape we are in.”

She describes IESBA as being in the business of hard ethics, drawing a crucial distinction. “Our role is not about setting



When markets are volatile, ethics does not move, says Gabriela Figueiredo Dias, Chair of the International Board for Accountants (IESBA). She tells Jemelyn Yiu the challenge of sustainability, and how the organization is approaching its approach to standard

Photography by Jocelyn Tam

**“The conclusion has been, over the last months, that it’s even more important than ever, because ethics plays a foundational and stabilizing role.”**

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moral rules. It's not about being nice with people. It's about professional ethics and the norms that guide the conduct of professionals when doing their job," says Dias. "Accountants produce, audit or assure financial and non-financial information. They provide tax services. And this has to be done with integrity, but integrity can be subject to many different threats – Conflicts of interest,

financial interests, excessive familiarity, lack of knowledge."

The role of IESBA, she adds, is to set norms that allow professionals to navigate these threats, and "solve ethical dilemmas in a way that is recognized globally as the right way to solve them, and on the other hand, is in the public interest and the interest of the profession."

IESBA's International Code of

Ethics for Professional Accountants (the Code), adopted or otherwise used in more than 130 jurisdictions, is crucial in preventing reporting failures and even worse problems, such as financial fraud, notes Dias. "If the integrity of financial information is affected and you are the accountant who has that in your hands, you need to make a decision, whether to accept or not accept it. There are a number of

## PROFILE

### Gabriela Figueiredo Dias

paths that you can take, and the Code guides you through these paths,” she explains, bringing up the framework *Responding to Non-Compliance with Laws and Regulations*, known as NOCLAR, as an example of how standards assist accountants facing difficult situations.

“If taken seriously, these standards can prevent many problems, because with a very light and simple action, you may stop something, which is still small from becoming a big problem.”

#### Bridge building

As Chair, Dias sees her role as fundamentally about connection. “My role is to set the strategic direction of the board, and to decide on the path to take amid many requests, concerns, and changes,” she says. “But I also see it as a role of bridging different interests, different people, different groups of stakeholders. That’s probably the most exciting and the most challenging role, making sure that these bridges are built and are working for everyone.”

The challenge stems from the ethics organization’s position at the intersection of multiple competing interests. “A global standard setter is surrounded by many people, many groups, many interests, not only because we are global, but also because we are in between the profession and its interests and the public interest,” she says.

Her approach involves active listening. “I need to listen to people, and make sure that the board is working and delivering its products based on what we hear,” Dias says. “That does not mean that we take on board everything and go in the direction of what we hear. It means that we need to be very attentive to everything around us to make sure that when we set standards, make a speech, produce some thought leadership, this is the result of a composition of interests, and of a strategic reflection of the board, based on these different interests,

Before taking on the position of Chair of the International Ethics Standards Board for Accountants (IESBA) in 2022, Gabriela Figueiredo Dias was the executive chair of the Portuguese Securities Market Commission.



perspectives, and facts.”

That attentiveness forced IESBA to revisit its Work Plan 2025-2026, eventually updating it in June 2025 to support ethical leadership in a time of uncertainty. “By the end of 2024 and early 2025, we realized we needed to stop and think about ourselves, about our role, our purpose, and the way we serve the public interest,” says Dias. “We had some deadlines, some milestones that we were planning to achieve. But suddenly, the world changed around us. At the same time, there was an element of standard setting fatigue. Professionals, professional organizations, even regulators were making efforts to

embed, implement, adopt all the standards that we had issued.”

After the pause, IESBA concluded that while its mission and objectives should remain unchanged, it was necessary to adjust how it was working. “We needed to make some refinements and improvements in terms of making sure that what we deliver has the greatest impact and effectiveness. And because of that, in June 2025, the board made some decisions.”

#### Refreshing the work plan

One element included in the updated work plan is the launch of the SMART framework – which stands

for simplification, mobilization, adoption, responsiveness, and targeted action – to guide IESBA's work. "This is a framework that we are implementing internally for all the projects. This means that, for every project, we need to confirm or check, if what we are doing is simple enough, or could be done in a simple way, if it helps and drives adoption, if it is responsive to what we hear," she explains.

The framework also emphasizes tailoring engagement to stakeholders. "It's not about having 100 meetings a year," says Dias. "We decided to take a more structured approach to outreach and stakeholder engagement, in terms of making sure that all the relevant stakeholders are listened, heard, included in the process, but also that we are close to the stakeholders who need us most."

Dias notes that the framework also increases accountability. "This means that we will be scrutinized by our stakeholders, against what we say that we are doing. We want to improve our transparency and our ability to explain, why we are doing things in a certain way, and not in another way," she says.

Another significant decision was to slow down new standard-setting and focus on supporting global adoption and implementation of recently issued standards. IESBA made a commitment not to issue any new major standards before 2027, with the last being the ethics standards for sustainability issued in January 2025.

"This means that we are giving stakeholders a very significant period of time to take care of all the standards that we issued over the last few years," says Dias. "To be honest, IESBA has issued a lot of standards over the last six years, most of them in the area of independence, which is a more difficult area for the professionals to implement, because they need to change the systems and change the policies. We are all aware of that. So the purpose of the

## **"The world was moving, and the worst result that we could have, and it's still a risk, is a fragmented world in terms of regulation and standards."**

IESBA is not to issue standards, just for the purpose of issuing standards. We need these standards to be properly adopted, implemented, and enforced."

The IESBA Adoption and Implementation Working Group, which was established in July 2024, plays a key role in the organization's shifted priorities. "The working group was something completely new for the IESBA," says Dias. "We are now very much focused on providing support to stakeholders in the adoption and implementation of the standards. We are not just issuing standards and waiting for someone else to take care of them, but taking care of it ourselves, taking care of the baby."

This introspection, she adds, does not prevent the IESBA from engaging with others. "It's not limiting us from getting closer to stakeholders, on the contrary, it helps us listen more, be more open, and engaging in a more meaningful way."

### **The sustainability challenge**

IESBA's sustainability standards represent what Dias calls "a unique situation and achievement in all of IESBA's history." Developing an ethics framework for sustainability reporting and assurance took two years of intense work.

"It's about conviction. It's about purpose, and it's about intense dialogue, bridging the profession and regulators, and being completely sure that we needed to deliver this product in a certain time frame," says Dias.

The urgency was driven by a call, around 2022, from the regulatory community, that on top of sustainability reporting, the world needed global rules for assurance of non-financial information as well as ethics rules to support both. That led to the development of the International Standard on Sustainability Assurance (ISSA) 5000 by the International Auditing and Assurance Standards Board, and of the International Ethics Standards for Sustainability Assurance (IESSA) and related revisions to the Code by IESBA. Both were concluded in 2024 – an important achievement for both boards. "The world was moving, and the worst result that we could have, and it's still a risk, is a fragmented world in terms of regulation and standards. Our stakeholders told us that we needed to be fast and bold in developing one ethics and independence framework for sustainability," says Dias.

For IESBA, the topic was largely unfamiliar territory, she says, and the process involved unprecedented stakeholder engagement. "The nature and profile of the stakeholders needed to be much more diverse than before, with the issuance of other standards. We needed to include the civil society, investors and specialists to have the peace of mind of having done everything that we could to make sure the standards are of the highest quality possible."

Now the focus is on making those standards work. Supporting materials for adoption and implementation range from short videos about the basics of sustainability reporting and sustainability issues, to sophisticated technical documents.

The Adoption and Implementation Working Group is also creating jurisdictional profiles to identify priority regions for focused support. "This can involve organizing joint initiatives, providing technical support, having one-on-one conversations.

It's different from jurisdiction to jurisdiction," Dias explains. "Hong Kong is part of the story. You are one of the top jurisdictions in our priorities."

Dias commends Hong Kong for being among the first jurisdictions to adopt the international ethics standards for sustainability. "Being an early mover shows the focus and leading performance of Hong Kong in terms of adopting ethics standards and creating a very strong and robust ethical landscape," she says.

The journey, Dias emphasizes, does not stop with adoption, and Hong Kong, with its institutional strengths, has a "very promising" approach to ethics. "It needs effective implementation, and I think that Hong Kong is well-equipped in that respect," she adds. "You have a sophisticated regulator but also the HKICPA plays a leading role in ethical education, which is fundamental for everything to work well for the benefit of the profession and the public interest."

### 2026 priorities

In response to the ever-evolving landscape of technology, IESBA issued technology-related revisions to the Code in 2023. "We believe that these standards are still fit for purpose and provide the necessary responses," says Dias.

The challenge, however, is maintaining what makes accountants valuable. "We know that the use of technology is critical for the accounting profession. But it's fundamental to keep the profession delivering its main product, which is trust," says Dias. "The integrity of the services professional accountants provide, and the human component of the work, and the professional judgement that they exercise, is where the value of accounting lies. This means that the profession needs to be very aware of the ethical risks that the use of technology and AI may trigger and be able to identify them."

Technology, particularly AI, is reshaping the chief financial

**"I really believe that this is one of the elements that should be intensively used to attract talent to the profession – ethics."**

officer role, Dias observes, alongside sustainability reporting responsibilities, and governance requirements. The evolving role of CFOs is being seen as an emerging ethical issue. "Even though the code of ethics already includes principles which apply to professional accountants in business, we are not sure that the code is still fit for purpose when the role of the CFO has been impacted so much by new trends and challenges. At the same time, it's more frequent that CFOs evolve into CEOs." This means, Dias adds, that CFOs are increasingly exposed to ethical dilemmas.

IESBA's new project aims to explore ethical considerations around the evolving role of CFOs, potentially leading to guidance for CFOs on how to handle ethical challenges.

Another area of concern is the reality that not all CFOs are professional accountants. "How do we solve this inconsistency for the benefit of the company and for the benefit of the public interest?" says Dias. "We have already started the job by a pulse survey, and will launch a wider survey to CFOs globally."

A third key project in 2026 is the development of a framework for Firm Culture and Governance. The global baseline is intended to support accounting firms implement key principles of ethical culture and governance that can systemically drive better individual behaviour, complementing the existing ethics requirements.

### A magnet for talent

A good understanding of the younger generation and their traits spurs Dias to describe ethics as critical when it comes to attracting the next

generation of CPAs. "I really believe that this is one of the elements that should be intensively used to attract talent to the profession – ethics," she says. "Even if some companies may seem to leave considerations such as integrity in the shadow, I'm sure that the near future will clarify and demonstrate that the winners are the ones who stick to integrity and ethics, and the new generation is very much part of this evolution."

Young professionals today, Dias points out, have advantages older generations lacked.

"Nowadays, there is no way you can hide something," she says. This transparency makes them less tolerant of ethical lapses. "Having access to all the information and being a very educated generation, allows them to connect the dots, and understand that reputationally, they wouldn't want to be involved in something that may be on the front page of the newspaper," she adds.

For Dias, this represents an opportunity. "Using ethics as a distinguishing element of the profession, namely, for the fact that professional accountants have a unique code of ethics that they need to abide by, is something that will make a difference when attracting and retaining talent."

Describing her visit to Hong Kong in January, Dias hopes to leave "wide open doors" for effective communication. "This visit to Hong Kong is part of this conviction that there is a very promising path ahead of us in terms of relationship, and there is a very promising landscape in terms of how Hong Kong sees and adopts ethical standards."

In a world of constant change, Dias sees stable partnerships, built on shared ethical principles, as needed for the profession's resilience. "The most important thing is that we leave Hong Kong with a sense of reinforced trust, between IESBA and Hong Kong stakeholders, and HKICPA, in particular, and the willingness to collaborate in pursuing common objectives."



In June 2025, the International Ethics Standards Board for Accountants approved updates to its 2025-2026

Work Plan to better support ethical behaviour and independent judgement in an increasingly volatile and uncertain environment. The revised work plan reflects three key decisions: A resequenced approach to the Firm Culture and Governance project; the introduction of the SMART Strategic Framework; and slowing the pace of standard-setting.

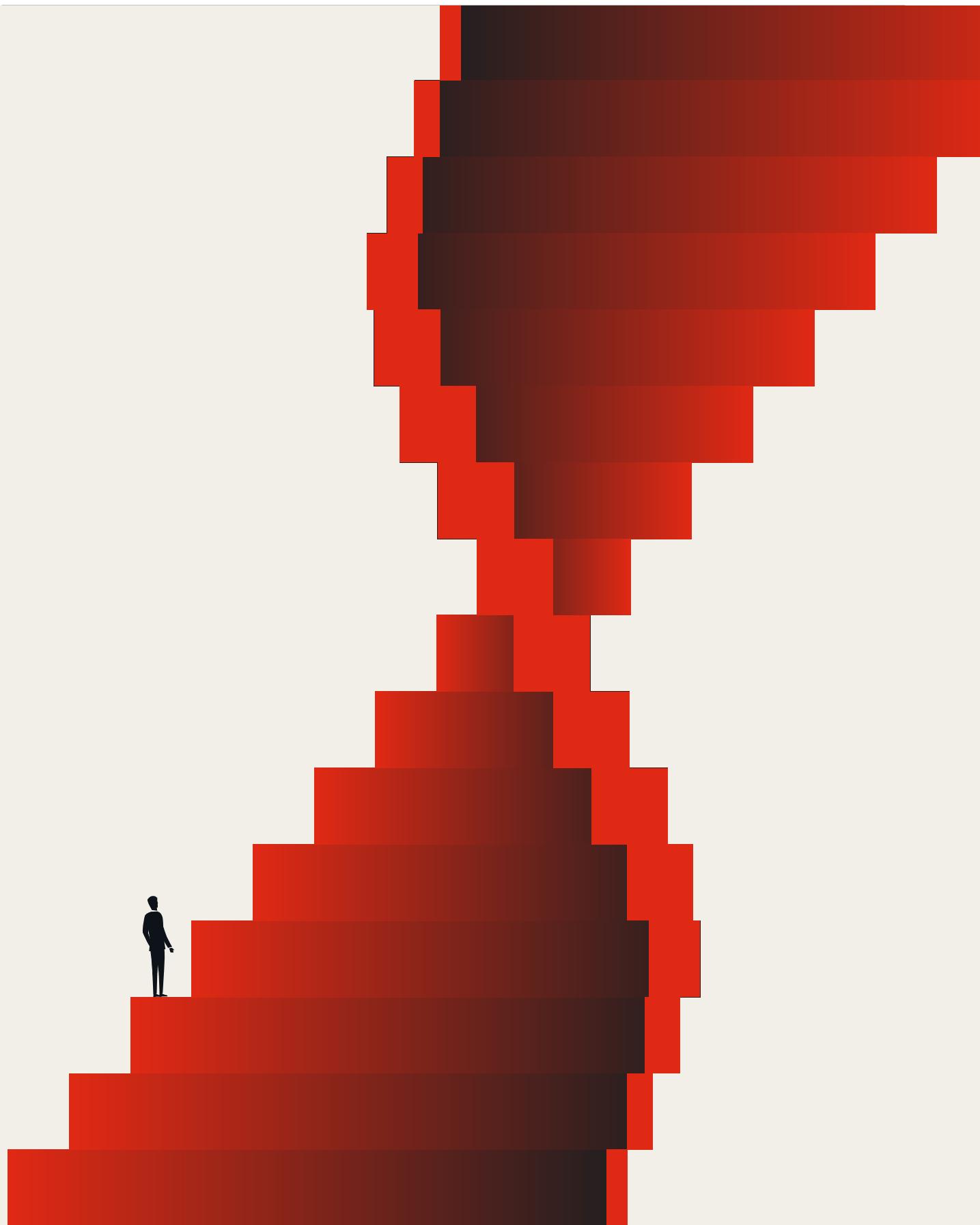




Dias intends to focus on stronger ethical cultures, better support for global adoption of IESBA's standards, and a smarter approach to the organization's work.

## CAREER DEVELOPMENT

Mainland CPAs



# Members from the Mainland: THEIR WAY TO THE TOP

Institute members from the Chinese Mainland tell *A Plus* how the CPA training transformed their careers, opening doors to Big Four partnership, specialized expertise, and opportunities bridging two dynamic markets

**O**n the streets of Hong Kong, it is not uncommon to see a unique form of self-expression – personalized licence plates on vehicles. But when Channing Song saw a parked car on a busy Tsim Sha Tsui street after dinner with friends, with the license plate “CPA”, that moment changed the direction of his career.

“We were talking about our career plans at dinner, and a friend suggested accounting. When we saw that car on the street, my friend said, ‘It’s your destiny. You really should consider pursuing a degree in accounting,’” he recalls. The random encounter led Song, now Senior Accountant, Strategy and Transactions at EY, to Hong Kong’s valuation profession.

Song’s journey to becoming an Institute member was unconventional from the start. After earning a Journalism degree from Hong Kong Baptist University and working at a securities firm, he had a clearer idea of what he wanted. “It came to me that I needed some professional technical knowledge in order to make my career path more sustainable,” he says.

Song, who was born and raised in Yunnan province, decided to pursue a master’s in professional accounting at City University of Hong Kong, and after he graduated, he joined EY in 2020 and enrolled in the Qualification Programme (QP) that same year. He found the QP “relatively manageable,” and completed the Capstone exam by December 2021, before becoming an Institute member in 2024.

Still, the achievement carried weight. “I spent many hours doing the revision, and as a result, I sacrificed time to travel and hang out with friends. But eventually the efforts paid off. I got the CPA qualification and it was a really rewarding experience for me,” Song says.

Today, as a senior associate on EY’s valuation team, Song credits the HKICPA qualification as foundational to his technical capabilities. “The CPA qualification helped me to understand the financial statements to a really in-depth degree. Without the accounting knowledge, I may not know linkage between all those line items,” he says. “When our team has new hires, I also need to teach them accounting knowledge, because some of them

are coming from non-accounting backgrounds."

He adds that the QP's coverage of valuation in corporate finance modules provided a theoretical framework for his tasks, essential for assessing fair value measurements and conducting portfolio valuations for private equity (PE) firms and investment banks.

His HKICPA credentials, combined with experience auditing a Chinese state-owned financial institution's PE portfolio, positioned him perfectly when the opportunity to transfer from audit to valuation arose. "We needed our internal valuation team to help us with the review. And it was that experience that got me familiar with valuation and the practical workflow of our valuation team," he explains.

**"When we saw that car on the street, my friend said, 'It's your destiny'."**

Given the differences between practices in Hong Kong and in the Mainland, Song urges fellow Mainland professionals looking to become Institute members to keep an open mind. They should also be versatile. "My colleagues in Hong Kong are very flexible. Even if preferred solutions may not work under certain circumstances, accounting practitioners would still exercise their professional judgement and explore alternative approaches that comply with accounting standards," he says. Finally, to prospective students, he stresses the importance of continuous learning. "They should really utilize the continuing professional development resources provided by the Institute and get themselves well-prepared for the changing environment," he says.

Indeed, Song himself is on a long-

term endeavour to improve himself. "These professional qualifications help me to become a better equipped finance professional in Hong Kong, so I can really cater to clients' needs," he says. "This gives me a huge sense of achievement – adding value for clients."

#### The tax specialist

Celine Gong's first memorable culture shock in Hong Kong happened in a local restaurant when she ordered "six treasure rice," a *cha chaan teng*-style dish featuring white rice topped with six roasted meats. "Coming from the Mainland, I expected a balanced meal with at least some vegetables," recalls Gong. "To my surprise and amusement, the dish arrived with not a single piece of greens. It was entirely topped with different kinds of meat."

For Gong, now Asia Pacific Tax Manager at German multinational company Knorr-Bremse, that moment captured the charming differences between her hometown of Shenyang in Liaoning province, and her adopted city.

Gong's path to becoming an Institute member began at Xiamen University, where she studied financial management before pursuing her master's in Accounting at The Chinese University of Hong Kong. After graduating, she stayed in the city and kick-started her career at PwC.

"Working in a Big Four environment made me realize how essential a CPA qualification is for long-term development," she says. "I chose the HKICPA qualification because it provides deep and systematic knowledge of Hong Kong's professional framework, including Hong Kong tax and local accounting standards, which is highly applicable in practice. This foundation allowed me to solve client issues more efficiently and strengthened my competitiveness in the Hong Kong market."

Balancing a full-time job while preparing for the QP was a challenge, she admits. "Even with study leave, having less than a month to prepare for two exam modules felt very intense. Balancing project work



during the day and studying in the evenings and weekends required discipline and strong time management.”

This high pressure period proved to be worth it, she says. “I often joke that the most immediate impact of becoming an Institute member was that my monthly salary increased right away. Jokes aside, the qualification does make a meaningful difference. It adds credibility and provides a clear signal of technical competence.”

In her current role, Gong oversees tax compliance and leads internal tax-related projects across different jurisdictions. The QP, she believes, played a key role in helping her become a well-rounded tax professional.

## “The QP trained me to break down problems in a structured, logical way.”

“The QP framework has been instrumental in shaping the way I analyse and resolve complex tax issues. The QP trained me to break down problems in a structured, logical way – something particularly important when handling tax authority queries or challenges,” she says.

Looking ahead, Gong sees Institute members as uniquely positioned for the Greater Bay Area’s (GBA) integration. “As businesses expand across Hong Kong, Mainland China, and other GBA cities, there is a growing need for professionals who understand both international standards and local regulatory frameworks,” she notes. “I see HKICPA professionals becoming even more influential in facilitating cross-border business,

enhancing financial transparency, and supporting sustainable economic growth within the region.”

### Path to partner

Felix Guo, who grew up in the history-steeped city of Kaifeng in Henan, sees himself as a steward of the profession. As Audit Partner at KPMG in Hong Kong, a key part of his role is mentoring the next generation of auditors. “Passing on not just technical skills, but the right judgement and ethical compass,” he says. “When the time comes for me to retire, it would mean a great deal to me if I could look back and see that I’ve left the profession better than I found it.”

The 2008 financial crisis shaped Guo’s career choice when he was a second-year undergraduate at The Chinese University of Hong Kong. “In that atmosphere of uncertainty, the accounting profession stood out to me,” he recalls. “It offered a clear framework for understanding how businesses work, and a stable, respected career path built on integrity.” That clarity led him to professional accountancy and, upon graduation in 2011, to KPMG.

Pursuing the HKICPA qualification was essential, he notes. “First, it’s the language of business here – the vast majority of Hong Kong listed companies report their financials under Hong Kong Financial Reporting Standards (HKFRS),” he says. “Second, its global recognition offered incredible flexibility. The mutual recognition with bodies like the Chinese Institute

Felix Guo



of Certified Public Accountants (CICPA) and others worldwide meant this qualification was a passport, not just for my career in Hong Kong, but for a truly international future if that path ever opened up.”

Guo says the qualification was “absolutely foundational” in the path to becoming partner. It gave him the confidence and the technical authority to lead complex audits, as well as connected him with peers and industry leaders through Institute events, broadening his perspective. “That blend of technical credibility and cultivated professional insight is, I believe, an essential part of the journey to partnership,” he says.

He became an Institute member in October 2014, and through mutual paper exemption arrangements, he later secured CICPA membership in 2016, building, he says, “a comprehensive, cross-boundary professional credential in a coherent and efficient way, improving my ability to serve clients operating in both markets.”

His advice to fellow Mainland professionals considering the QP is to leverage their Mainland background. “Your Mainland background is more than just where you come from, it’s a

# “The mutual recognition with bodies like the CICPA and others worldwide meant this qualification was a passport.”

significant asset.” As he sees it, professionals who understand both markets are vital connectors. “As Hong Kong serves as a stage for China’s global engagement, accounting professionals have a unique opportunity – and I see it as a meaningful responsibility – to help tell China’s story accurately and clearly to the world through the universal language of finance and audit. The HKICPA route equips you perfectly to be that bridge.”

He sees Institute members having a critical role to play in the GBA, where differences in regulatory systems and technical standards remain. “We should work together with our peers in the Mainland and Macau to align practices, to build understanding,” he says. “And, more importantly, to ensure that the integrated market of the future is built on a foundation of transparency and trust that benefits everyone.”

### Gaining an edge

For Diana Dai, the path to becoming a CPA began with a childhood tradition. Growing up in Qingdao, she eagerly anticipated her grandfather’s New Year red envelope whose size fluctuated based on her academic performance. “The size of the envelope wasn’t fixed; it depended on my annual academic ranking, the awards I’d won, and the competitions I’d participated in,” says Dai, Manager, Assurance at PwC in Hong Kong. “What made it even more special was that I got to manage and spend that money all on my own.” Those early decisions – “saving for

a book vs. splurging on snacks” – planted the seeds for a career managing far larger budgets. “It taught me accountability before I even knew the word,” she says.

With a growing interest in finance and business, Dai went on to study at The Hong Kong Polytechnic University’s School of Business. “I initially enrolled in the Management and Marketing programme, but shortly after starting classes, I realized accounting is the backbone of all business fields,” she says. After graduating, Dai decided to stay in Hong Kong to build her career.

Dai’s path of pursuing the HKICPA qualification first, then converting to CICPA, demonstrates the power of the mutual recognition between both qualifications. “This decision was a natural and strategic choice, closely tied to my academic background, work experience, and practical needs,” she explains. The HKICPA’s “Early Bird” examination pathway, designed for university students in Hong Kong, allowed her to start her QP journey while still studying at university.

After joining PwC, she gradually realized the necessity of obtaining the CICPA qualification to better serve Mainland clients. “What made this transition even more appealing was the exemption policy: since I had already passed the QP exams, I was eligible for exemptions from four CICPA papers,” she says. “This saved me hours of repetitive preparation, allowing me to concentrate on understanding the differences between HKFRSs and Chinese accounting standards.”

Dai believes that her qualifications now give her a unique edge, allowing her to manage issues in her job. “My CPA training has instilled in me a rigorous auditing mindset and a



keen awareness of risk. For example, when I was responsible for the annual audit of a cross-border company, I discovered a control deficiency in the cut-off of revenue recognition within its internal control process,” she says. “Leveraging my understanding of the standards in both jurisdictions, I assisted the client in sorting out their system and manual management processes.”

Outside of work, Dai says that actively joining social events has helped her expand her network and integrate deeply into local life. “I also made a conscious effort to learn Cantonese. While English and Mandarin are widely used in professional settings, being able to communicate in Cantonese made it easier to connect with local colleagues and clients on a more personal level,” she says. “What I love most about this city is its orderliness and commitment to fairness – in the workplace, your efforts and capabilities truly take

## “What I love most about this city is its orderliness and commitment to fairness.”

precedence, creating a level playing field for every professional. On top of that, its prime location makes travelling incredibly convenient, letting us strike a nice balance between work and leisure.”

Dai says that becoming an Institute member has been a “career game-changer” for her. “As a globally recognized qualification aligned with International Financial Reporting Standards (IFRS), it unlocked core opportunities at PwC – from leading cross-border audit engagements for Hong Kong-listed clients to accessing exclusive professional networks of HKICPA peers and industry leaders.”

### Real-world success

When Beryl Chen was working on a high-stakes Hong Kong IPO in Shanghai, three new major accounting standards – IFRS 15 *Revenue from Contracts with Customers*, IFRS 9 *Financial Instruments*, and IFRS 16 *Leases* – were being rolled out simultaneously. Her client needed to adopt or early-

adopt these complex frameworks within a tight reporting window.

At the time, she was studying for the QP, which worked in her and her client’s favour. “My preparation for the QP gave me a solid grasp of these standards and, more critically, the ability to apply them in real-world contexts,” explains Chen, Senior Audit and Assurance Manager of Deloitte China in Shanghai. “This enabled me to identify key audit risks, design effective testing approaches, and provide timely, accurate guidance to the team and client. As a result, we contributed to a smoother IPO process.”

Born and raised in Shanghai, Chen graduated from Shanghai University of Finance and Economics with a Business Administration degree, with ambitions toward working at one of the Big Four and a long-term career in audit and assurance. After joining the audit and assurance department at Deloitte focused on Hong Kong-listed companies and multinational corporations, and several Hong

Kong IPO engagements, she quickly recognized the value of obtaining the HKICPA credential alongside her existing CICPA qualification.

“I frequently dealt with financial statements prepared under IFRSs, which deepened my exposure to Hong Kong’s regulatory and accounting environment. This naturally motivated me to pursue the HKICPA qualification to strengthen my technical expertise and professional credibility in daily audit work,” says Chen. Leveraging exemptions for three modules – Financial Reporting, Corporate Financing, and Business Assurance – Chen completed the remaining requirements and became a member in 2019 (since the launch of the new QP, exemptions are now granted for Professional Modules 11-13, namely Financial

**“Leverage the exemptions available to CICPA members, but don’t underestimate the QP.”**

Reporting, Business Finance, and Business Assurance).

The transition wasn’t without challenges. “Unlike many exams in the Chinese Mainland, which emphasize rote memorization and theoretical accuracy, the QP focuses heavily on practical application and case-based analysis,” Chen recalls. “I had to train myself to connect concepts across disciplines, analyse complex situations, and communicate well-reasoned judgement, rather than simply recalling correct answers.”

Her advice to other Mainland professionals considering the HKICPA route is practical: “Leverage the exemptions available to CICPA members, but don’t underestimate the QP,” she says. “Start early, practice writing structured, professional answers, and focus on how to apply standards, not just what they say.” She also emphasizes aligning studies with real work whenever possible.

Today, Chen leads audit engagements for Hong Kong-listed companies and multinational corporations, with her sights set on advancing into leadership roles. “The qualification not only strengthened my technical foundation but also enhanced my credibility and effectiveness on high-profile, cross-border engagements,” she reflects. “Becoming a HKICPA member opens doors not just in Hong Kong, but across China’s increasingly globalized financial landscape.”



Beryl Chen



## THOUGHT LEADERSHIP

Herbert Yung

The Director of Sustainability at the Hong Kong Institute of CPAs on key lessons from the first phase of the Institute's carbon reduction journey



# HKICPA's sustainability journey: What we learned from our first phase of carbon reduction

**A**s Hong Kong progresses toward a more sustainable economy, organizations are recognizing the importance of reducing carbon emissions and strengthening climate resilience. For the Hong Kong Institute of CPAs (HKICPA), this journey began in 2022, when the Institute first measured its carbon footprint and set a five-year roadmap anchored on the FY2019/20 baseline. In FY 2024/25, the Institute has achieved a meaningful 43 percent reduction in absolute emissions through a combination of operational enhancements, staff engagement and governance improvements.

While each organization's carbon reduction pathway is unique, the themes emerging from the Institute's experience illustrate common success factors that can help others navigate their own transition. The following are five key lessons from our journey so far.

### Cross-functional collaboration is the backbone of effective decarbonization

Carbon reduction is an organization-wide effort. At the start of our journey, it became clear that meaningful results required deep involvement from functions. To encourage alignment, the Institute formed a cross-functional task force to coordinate initiatives, monitor progress and facilitate knowledge sharing. This structure ensured that operational insights, such as energy consumption patterns, event logistics, procurement practices and digitalization opportunities, could be integrated into a coherent decarbonization strategy.

The collaborative approach also helped identify practical improvements which collectively contributed to the Institute's steady emissions reduction over the past few years.

### Upskilling is essential for both data quality and organizational impact

Many of our 150 staff members were new to sustainability when our journey began. While collecting activity data may appear to be straightforward, the significance lies in understanding how individual actions shape the organization's environmental footprint.

Early investment in staff training made a notable difference. Upskilling sessions were designed to build foundational literacy on carbon accounting, emissions sources, reporting protocols and the purpose behind the work. By helping colleagues recognize the link between data accuracy, organizational integrity and external trust, we fostered a deeper sense of ownership across teams.

Upskilling helped create consistency across departments as a common understanding of sustainability concepts ensured that data collection and operational decisions were applied in a coordinated manner, supporting more effective implementation over time.

### Strong internal controls and a clear roadmap

As expectations rise for reliable, decision-useful climate information, strong execution discipline has become central to the Institute's

carbon reduction journey. On the reporting side, the Institute established structured internal control mechanisms, including clear accountability, defined review procedures and traceable documentation. Disciplined reporting cycles and validation steps helped ensure accuracy and consistency, enabling more meaningful year-on-year benchmarking and providing a sound foundation for future assurance.

At the same time, the Institute embedded sustainability-related initiatives into its annual strategic planning process to guide operational execution.

### Transparency strengthens accountability and trust

Instead of presenting figures in isolation, we provide clear explanations of the methodology, assumptions, progress, and areas for future enhancement. This promoted trust among stakeholders and reinforced our commitment to continuous improvement.

Equally important, transparency cultivated internal accountability. When colleagues can see progress and recognize the organization's ambition, they are more engaged in contributing to the transformation. Including sustainability in key meetings and reports also ensures that sustainability remains visible at the leadership level, supporting sound decision-making and resourcing.

The Institute has developed a disclosure enhancement roadmap allowing the Institute to gradually expand the scope, depth and integration of sustainability information in alignment with HKFRS S1 and S2 as internal capability and systems evolve.

### Embedding sustainability into organizational strategy creates lasting value

Perhaps the most important lesson is that sustainability must extend beyond operational efficiency and become part of the organization's long-term identity and direction. For HKICPA, this means integrating climate and sustainability considerations into governance, risk management, standard-setting and capacity-building functions.

Internally, sustainability is increasingly embedded into planning, resource allocation, staff engagement, and technology enhancement. Externally, the Institute is driving the profession's transition by issuing standards, delivering extensive training, engaging with regulators and global partners, and supporting the broader ecosystem's development.

Most importantly, the Institute's sustainability efforts reflect its public-interest mandate: to uphold the integrity of financial and sustainability reporting while equipping Hong Kong's accounting profession with future-ready skills.

The first phase of the Institute's journey laid a strong foundation for deeper sustainability integration. While carbon reduction is a long-term commitment, the Institute's experience demonstrates that meaningful change is achievable when sustainability becomes part of how an organization thinks, decides and operates.

The Council member of the Hong Kong Institute of CPAs on the outcomes of his three-year experience participating in a national accounting talent programme



## Reflections from the Ministry of Finance's high-level finance and accounting talent programme

**W**hen I first stepped into the Ministry of Finance's (MoF) "High-level Finance and Accounting Talent Quality Improvement Project (Young and Middle-aged Talent Cultivation – CPA Class)" (國家財政部「高層次財會人才素質提升工程（中青年人才培養 - 註冊會計師班）」) three years ago, I knew I was entering an elite programme. What I did not anticipate was how profoundly it would reshape my understanding of the accounting profession – its role in national development, its mission in supporting Chinese enterprises to go global, and trajectory for the future.

As the Third Cohort of the Young and Middle-aged Class came to an end at the graduation ceremony in early December 2025, I felt privileged to stand alongside our counterparts from across the Chinese Mainland and reflected on what this journey means for Hong Kong, for our profession, and for the next generation of accountants.

### A milestone for Hong Kong's accounting profession

A group of 10 Hong Kong representatives, including Past President Roy Leung, fellow Council members Frank Lam, Michael Li, Parco Wu, and myself, alongside five dedicated HKICPA members, joined 35 accountants from across the Chinese Mainland in an intensive multi-year programme that integrated theoretical learning, practical exposure, innovation exercises, and national development insights.

This was a landmark demonstrating the nation's recognition of Hong Kong's accounting profession as an essential partner in its long-term vision for high-level talent development.

Our participation also reflected Hong Kong's unique strength, as we stand at the intersection of international standards, global markets and national development. This programme further strengthened our ability to serve the nation's high-standard opening-up (高水平對外開放) and its "Going Global" strategy.

### Learning across cities, sectors, and perspectives

From Shanghai to Beijing, Xiamen to other Mainland cities, we engaged with policymakers, academics, industry leaders, and innovators. Each city revealed a different facet of China's economic transformation and the evolving role of accountants in enabling high-quality, sustainable growth. We debated emerging accounting issues, presented policy analyses, and engaged in rigorous case competitions. These experiences sharpened not only our professional judgement but also our strategic thinking. These skills are increasingly vital in a complex, rapidly digitizing economy.

### Strengthening our national identity and global responsibility as accounting professionals

One of the most valuable outcomes for me was developing a richer understanding of the nation's financial governance philosophy and how accounting standards serve broader strategic aims. The

programme emphasized not only technical excellence but also the importance of contributing to the improvement of the international accounting governance system while serving national development goals. As Hong Kong CPAs, we often act as interpreters between global practice and local innovation. This journey reinforced that our role is proactive. We are not only contributors, connectors, and catalysts but also pioneers in helping Chinese professional services "go global" and in introducing international experience into the nation's development.

### Deep integration, two-way exchange

While we learned much from our Chinese Mainland peers, the programme was equally a platform to share Hong Kong's strengths, which include our internationally recognized financial reporting system, robust capital market ecosystem, commitment to ethics and professional independence, and long-standing experience in cross-border operations.

Many classmates from across Chinese Mainland expressed interest in how Hong Kong integrates international frameworks, including sustainability reporting and governance standards. These exchanges revealed strong appetite for jointly enhancing international service capabilities and collaborating to support the global expansion of Chinese enterprises.

The programme has, in effect, seeded a cross-boundary professional network that will continue to grow and continue to strengthen engagement between Hong Kong and Mainland accounting professionals.

### A personal reflection

As this year marks the 20th anniversary of the MoF's talent initiative, it is evident why the programme has become such a critical pillar in cultivating leaders with technical depth, strategic vision and international competitiveness.

For Hong Kong's profession, our involvement signals our continued integration into national development, our commitment to elevating the quality of talent, and our readiness to contribute to the nation's high-quality economic development.

As a Council member of the Institute, I hope more Hong Kong CPAs will join future cohorts. Beyond being a learning opportunity, it is a platform to broaden perspectives, deepen national understanding, and shape the profession's future. Completing this three-year journey has strengthened my conviction that the future of Hong Kong's accounting profession lies in greater openness, stronger collaboration between the Mainland and the international community, and an active role in national advancement.

We stand at a pivotal moment. Our profession must transform into a professional force that connects domestic and international spheres, and promotes two-way openness within the narrative of national development.

# SECOND OPINIONS: HOW SIGNIFICANT IS THE SKILLS GAP OR RESISTANCE TO CHANGE WHEN IT COMES TO DIGITAL TRANSFORM- ATION?

**“The most significant capability gap may not be technical competence, but awareness.”**

**JIMMY YIP**

CHAIRMAN OF THE INSTITUTE'S SMALL AND MEDIUM PRACTICES COMMITTEE, AND MANAGING DIRECTOR AT FORVIS MAZARS

Digital transformation is no longer optional – it has become a strategic imperative for accounting firms of all sizes, including small and medium practices (SMPs). However, in Hong Kong, many SMPs continue to face two persistent obstacles: skills gaps and resistance to change. These challenges can slow adoption and prevent firms from realizing the full value that technology offers.

Surprisingly, the most significant capability gap may not be technical competence, but awareness. Many SMPs are simply not familiar with the range of digital tools available in the market or how these solutions can enhance efficiency, accuracy, client experience, and regulatory compliance. Without an understanding of what is possible, firms often struggle to begin planning their digital transformation roadmap.

Raising awareness must therefore be the first step. Forums, peer sharing sessions, case studies, and vendor-led demonstrations all play a crucial role. The more SMPs see real, practical examples of how others have benefited, the easier it becomes for them to practically design and plan their own digital roadmap.

Resistance to digital transformation does not come from unwillingness, it often stems from practical concerns. For example, SMPs operate with limited financial resources, and technology investment decisions must be justified by measurable returns. There could also be resource constraints. Implementation requires time, planning, data migration, and training, and SMPs lack dedicated staff to lead such projects. In smaller practices, frequent staff turnover creates a constant need for retraining, making firms hesitant to commit to new systems that require ongoing user education.

These challenges create hesitation, even when the long-term advantages of digital tools such as automation, improved client experience and enhanced compliance are well recognized. It is recommended that firms adopt a pragmatic and phased approach to capability building:

- Develop “Super users”: Identify a small group of staff to explore tools in depth and act as internal champions. These individuals help maintain continuity, provide training, and support colleagues by addressing day-to-day questions as they arise.
- Pilot before full rollout: Testing with a small, representative group helps surface challenges early and refine processes before firm-wide implementation. This can also enhance confidence to the whole team when the tool is fully rolled out.
- Adopt gradually and strategically: Incremental steps help reduce disruption, allowing staff to adapt at a comfortable pace and build confidence along the way.

Ultimately, digital transformation is a people project. Institute members are encouraged to share their experiences, challenges, and best practices in capability building. By learning from one another, SMPs can collectively overcome resistance, bridge skills gaps, and ensure that digital transformation becomes an opportunity for growth rather than an obstacle.



## JASON YAU

PARTNER AND HEAD OF TECHNOLOGY, RSM HONG KONG, AND AN INSTITUTE MEMBER

As someone involved in both IT advisory and internal IT management, I've found that people-related barriers often matter more than the specific technology firms choose.

Global surveys across the accounting profession point to a clear capability gap rather than a lack of awareness. In one ACCA study, 63 percent of respondents felt they had sufficient digital skills to perform their role, but a sizeable minority either lack confidence or were unsure about their capabilities. IFAC's Global SMP Survey also found that hybrid talent remains a major concern with 54 percent of SMPs struggling to attract next-generation talent and 66 percent of those pointing to a lack of candidates with the right mix of technology and technical accounting skills.

Across different jurisdictions, including Hong Kong, similar themes emerge: staff training requires non-billable investments, high turnover increases the cost of upskilling, and underestimation of the change management efforts. This combination of perceived skills gaps, limited formal training, and difficulty of securing digitally savvy talent contributes to a persistent implementation gap between digital vision and actual return on investments.

Human factors like resistance to change are just as critical. Change is uncomfortable, and hesitation to change can reduce competitiveness or squeeze margins when other firms move faster. Cultural resistance, fear of job loss, and organizational inertia remain key obstacles, especially in firms with long-established workflows.

As much as most cloud-based technology are already affordable and proven, the real risk is under-utilization of the technology. Without the right mindset and skills, firms end up with "shelfware" systems, inconsistent adoption, and manual workarounds (aka Excel spreadsheet) that quietly erode the expected returns.

The HKICPA's new [Digital Transformation Roadmap](#) offers a structured, step-by-step framework tailored for Hong Kong SMPs and SMEs. It provides a practical way to assess digital maturity, plan initiatives, and benchmark progress against fellow peers. The [Digital Transformation Hub](#) also serves as an ongoing resource base – packed with tools, case studies, and events – helping SMPs stay connected and supported as they proceed on their digital journey.

Hiring digital experts alone rarely solves the capability problem, especially for SMPs with tight budgets and limited local talent pools. Leadership commitment, clear communication, and a supportive culture are often bigger success drivers than the specific technology selected. Long-term digital capability building requires vision and strong leadership as digital upskilling at a firm level should be embedded in the three to five years plan.

## ANDREW YUNG

DIRECTOR OF IT AND BUSINESS ADVISORY SERVICES, APEC GROUP AT HATCHER GROUP, AND AN INSTITUTE MEMBER

Strategy without talent is merely a hallucination – a lesson hard-won across decades in the accounting profession, and one that rings true across every industry today. The traditional accountant's role as a retrospective recorder of financial history is becoming obsolete. To survive in modern business, accountants must evolve into something far more ambitious: prospective architects of digital strategy.

The significance of the skills gap and resistance to change touches upon the central nervous system of the modern firm. The answer is not a binary choice between technical skills or culture; rather, it is a dual crisis where the shortage of capability fuels anxiety, and cultural rigidity prevents the acquisition of those very capabilities. Research indicates that 70 percent of digital transformation initiatives fail, with cultural resistance consistently cited as the leading factor. For Hong Kong's accounting profession, acting as a superconnector in the

Greater Bay Area, the failure to address this will not merely result in operational inefficiency but in obsolescence.

The significance of the skills gap is often misunderstood. It is a qualitative experience gap and not simply a shortage of bodies.

As automation handles the entry-level work that traditionally trained juniors, we face a missing middle in the workforce demographic. Simultaneously, resistance manifests through competency anxiety, where senior leaders fear their hard-earned expertise is being devalued by "black box" algorithms they do not fully trust.

The best approach to addressing these twin challenges is to democratize technology through the "citizen developer" model. Rather than relying solely on overwhelmed IT departments, firms must empower their accountants to build their own business workflow using Low-Code/No-Code (vibe-coding) platforms. When an accountant creates a workflow to automate a task they despise, the psychological dynamic shifts from resistance to agency. This ownership neutralizes the feeling that technology is a burden imposed from above, effectively solving the resistance problem by making the accountant the architect of their own efficiency.

Regarding training and capability building, we must pivot toward experiential learning. This includes internal "hackathons" where cross-functional teams solve specific business problems in real-time, gamifying the learning process and breaking down silos. Furthermore, firms should implement reverse mentoring, where digital-native juniors mentor senior partners on technological trends, bridging the generational divide. The goal is to cultivate "T-shaped" professionals who combine deep technical accounting knowledge with the horizontal skills of data visualization and technological fluency.

## FIVE QUESTIONS

PAIB & PAIP

**What are the biggest lessons in your career so far?** One of my biggest lessons learned is to “let go”. Early in my career, I thought every decision had to be perfect before moving forwards. I realized over time that waiting for more information before making decisions in this fast-moving era often means missing the best or better opportunities. Letting go of perfectionism and focusing on “timely and well-governed” decisions are more powerful. Letting go of the need to control every detail also allows me to embrace uncertainties, move outside my comfort zone and explore emerging areas like virtual assets where no one has all the answers.

**How did you come to join the virtual asset space?** My move into the virtual asset space began with a growing interest in how emerging technology could transform traditional finance. Then, I started attending relevant industry events, speaking with relevant stakeholders and taking relevant courses in blockchain, data analytics and virtual assets. Currently, my role in a regulated virtual asset trading platform as second-line risk function focuses on strengthening the company’s control environment, helping the business operations run reliably and ensuring people, processes and systems do not create any unexpected risk and compliance issues. It’s like being a guardian, closely partnering with various business and support units (e.g. product, finance, operations and technology teams), over the end-to-end processes.

### How do you view stablecoins and their future development?

While USD-pegged stablecoins overwhelmingly dominate the market (with USDT and USDC together holding majority of the market share), growth of EUR, HKD, SGD and other currency-pegged stablecoins is expected



## FIVE QUESTIONS FOR PAIB Louise Tsang

After years working in traditional finance, Louise Tsang is now Vice President at a Hong Kong-listed digital asset company. She talks about her role and the benefits of incorporating virtual assets into corporate treasuries

to serve regional markets and provide forex hedging in DeFi. I think stablecoins becoming the “banknotes on blockchains”, integrated with tokenized real-world assets (bonds, equities and commodities), enable faster treasury operations and reduce friction in global trades. However, stablecoins will not replace but more likely complement the traditional financial system as a programmable, 24/7 settlement layer that connects banks, fintechs, payment firms and DeFi applications. Having said that, there are still challenges such as regulatory convergence, operational resilience of stablecoins issuers, transparency of reserve assets, and interoperability between chains and with local payment systems.

**What are the most compelling advantages for CFOs who include digital assets in their corporate treasury mix?** A risk-managed allocation to digital assets (including stablecoins) could offer several benefits, including faster and cheaper cross-border payments; enhanced liquidity and improved working capital management; better data transparency; and access to new markets and ecosystems. These benefits have to be balanced with a robust risk management and governance framework that matches the company’s overall risk appetite, as well as clear policies.

**How has your CPA qualification helped you in your current role?** It equipped me with a principal-based mindset, deeper understanding of professional integrity, rigorous analytical and problem-solving skills, which are all essential in any complex environment including the virtual asset space. The CPA training sharpens my ability to analyse financial information, identify risks and apply judgement that help navigating challenges at work.

**What are the biggest lessons in your career so far?** The most important lesson is that people are the most important part of any successful accounting firm. High-quality audits and excellent client service depend on skilled, motivated individuals who feel supported and valued. People perform at their best when they have clear paths to grow, receive honest feedback, and work in an inclusive environment. Today, with technology like artificial intelligence (AI) changing the way we work, it's even more important to help younger professionals develop confidence and adaptability. They need help, practice, and support to deal with these changes, and honestly, so do all of us.

**What are key challenges of your role?** My biggest challenge centres on talent development. Today's young professionals have well-defined career goals and priorities, with a strong focus on self-actualization, flexible work arrangements, and tangible growth opportunities. As their mentor and partner, I am committed to helping new hires succeed in cross-border audit roles. I pair new recruits with qualified mentors, immersing them in hands-on IPO and compliance projects tailored to their professional interests. I also prioritize flexible work policies that support work-life balance, alongside clear, structured growth ladders to keep them motivated. While this approach may mean we take on fewer projects at any given time, fostering a sustainable workload is essential for building a resilient, high-performing team.

**What are key factors enabling you to grow your career outside of Hong Kong?** My experience in Hong Kong's capital market is valuable, especially this year as more Chinese Mainland businesses are looking to raise funds in



## FIVE QUESTIONS FOR PAIP

### Jimmy Zhou

Jimmy Zhou, Partner, Audit and Assurance at Deloitte, based in Shanghai, on his role helping Mainland businesses, and how he is tackling the talent development challenge

Hong Kong. I can help them meet the regulatory requirements and reporting standards demanded by local investors and regulators. My on-the-ground experience in Shanghai has given me a deep understanding of local business practices. I know how local firms prioritize speed-to-market for new product lines, which often impacts their financial reporting and internal control process. I also know how state-owned enterprises navigate dual reporting requirements for both government oversight and investor disclosures.

**How have you seen emerging technologies transform auditing?** AI lets auditors look at all the data, not just some of it. This helps them spot risks better and makes audits better too. Tools like AI-driven analytics and machine learning help detect problems faster and uncover deeper business insights. I believe that technology won't replace auditors. It will give them more power to provide greater value, strengthen trust, and shape the future of audit through meaningful human and machine collaboration. But it is very important that we prepare to invest in teaching our people to work alongside these emerging technologies confidently. This is an area where I think we need to do a lot more work.

**How has your CPA training helped you for your current role?** My CPA training, which includes both the HKICPA and CICPA qualifications, has been essential. The education and exams provided a solid foundation in accounting, auditing, and ethics, which are skills that I utilize daily. I can handle complex financial reporting issues, particularly in contexts involving Hong Kong and the Chinese Mainland. This empowers me to confidently support cross-border work, IPOs, and audits.



# HKICPA

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# What's new with CPD requirements?

## An overview of the latest updates to the continuing professional development journey for Institute members

The Institute is responsible for setting and regularly reviewing Continuing Professional Development (CPD) requirements for all members. Its recent CPD requirements review identified several areas relating to ethics, structured learning and technical subjects requiring further enhancements.

### A quick refresher on the basics

Let's start with a quick recap on CPD requirements. Under Statement 1.500 *Continuing Professional Development* in the Members' Handbook, members are required to maintain and develop professional competence relevant to their role as a professional accountant. It's all about keeping your professional skills and knowledge current and relevant. Here are the basics:

- **120 hours** of CPD in a rolling three-year period, with **60 hours** verifiable.
- **20 hours** minimum each year.
- Track and measure your learning activities to make sure they fit the requirements.
- Keep proper records of all your CPD for each three-year period for at least five years and produce them when you are selected for an audit conducted by the Institute.
- A Responsible Persons (RP) of a registered Public Interest Entity (PIE) auditor is required to undertake at least five verifiable CPD hours\* each year related to PIE engagement.
- Institute awarded Specialist Designation holders need to complete at least five verifiable CPD hours\* each year in the subject of the Specialist Designation.

\* As part of the total requirement for 60 verifiable hours in each rolling three-year period.

CPD is about keeping your edge in today's fast-evolving business environment and should not be a box-ticking exercise.

### The latest CPD updates

#### 1. Ethics takes centre stage

In light of the critical role of ethics in today's dynamic business environment, it is essential that professional accountants maintain ethical competence and uphold professional integrity. To help reinforce that, all members now need to complete **at least two verifiable hours each year** on ethics-related CPD. Think of it as an annual refresher to help us stay aligned with the ethical standards that define our profession.

#### 2. Extra focus for PC holders and RPs

As gatekeepers of public trust, Practising Certificate (PC) holders and RPs of registered PIE auditors must uphold strong technical competence to navigate the increasingly complex business environment and meet the rising stakeholders' expectations. Targeted CPD in accounting or auditing aspects is therefore essential to help them remain well-equipped to uphold audit quality and deliver high-quality professional services. If you're a **PC holder** or an **RP of a registered PIE auditor**, there's a new requirement: **at least five verifiable hours every year** on accounting or auditing-related CPD. The extra focus on these areas helps you stay on top of the professional standards and practices.

#### 3. More focus on structured learning

At least **half of your 60 verifiable CPD hours (i.e. 30 hours)** in each rolling three-year period should come from **structured learning activities** – such as webinars, workshops, e-learning or conferences. Structured learning provides clear learning objectives and defines learning syllabus. It also enhances accountability, effectiveness, and measurable progress in professional development.

#### 4. No more caps on non-verifiable activities

Here's some flexibility you'll appreciate: **all caps on non-verifiable CPD activities are removed**. That means you don't have to worry about any limits to CPD hours claimed on activities like self-study, reading, or informal learning. At the same time, caps on certain verifiable activities were retained in order to keep your learning balanced and diverse.

All these updates still fit within the existing total requirement of 120 CPD hours and are on top of any specific CPD obligations for Specialist Designation holders and RPs of registered PIE auditors.

### When does this all kick in?

- Ethics CPD for RPs and PC Holders: Effective 1 December 2025
- All other changes: Effective 1 December 2026

### Why these changes matter

Simply put, CPD keeps us future-ready. The business and regulatory environment never stands still, and neither should we. These updates strengthen our commitment to professionalism and uphold public trust in the accountancy profession and Hong Kong's reputation as a trusted international financial hub.

By investing in your CPD, you're sharpening your skills and knowledge, expanding your perspective, and building confidence to navigate whatever challenges that come your way in the profession.

We hope this update helps you stay informed and inspired about your CPD journey. Keep an eye out for our upcoming courses and events, your next valuable learning opportunity could be just around the corner!

*This article was contributed by the Institute's Membership and Admission Department.*

# Succession and legacy of CPAs in Hong Kong

Exploring key factors for small and medium-sized CPA firms to consider in different succession approaches, and the main challenges they face in succession planning

In recent years, discussions about succession planning have intensified in many industries including the accounting profession, particularly among small and medium-sized CPA firms in Hong Kong. Whether practitioners decide to entrust the next generation to take care of the firms, merge with other firms, or sell the firms outright, foresight, structured approach, and deep understanding of regulatory must drive this process and market realities.

This article will explore the characteristics of the Hong Kong CPA practice structure, the main challenges practitioners face in the succession planning process, and the key factors to consider in different succession approaches.

## Overview of CPA practising structure in Hong Kong

The practice landscape in Hong Kong is diverse but predominantly composed of small and medium-sized CPA firms. According to market data, most CPA practices in Hong Kong are either sole proprietorships or partnerships, while a smaller number operate as corporate practices, which are becoming increasingly common.

**Sole proprietorships and partnerships**  
Traditionally, many local CPA firms began as sole practices. This structure offers simplicity, autonomy, and a direct client relationship – but it also concentrates ownership, client relationship, and professional responsibilities in a single individual. Partnerships expand capacity, resources, knowledge base and facilitate diversification and specialization. At the same time, shared ownership and management may nonetheless call for more trust, governance and internal regulations that can complicate the management of the firm.

## Corporate practices

A growing number of CPA firms have chosen to incorporate. Corporate structures provide limited liability to a certain extent, more formalized governance frameworks, and better continuity mechanisms in cases of retirement, withdrawal or new arrivals. Nevertheless, statutory requirements impose restrictions on the shareholding structure of corporate practices.

## Challenges faced by Hong Kong CPAs in succession

When the founders are approaching retirement age, passing on the business successfully becomes a challenging issue. The main difficulties include:

### (1) Broader opportunities complicate successor selection

Small and medium-sized CPA firms often struggle to identify suitable successors. With a wider array of career paths now open to them, the younger CPAs in the firm and even the next generation of the founder's family often pursue opportunities in finance, consulting, or multinational firms, which means taking up ownership and management of small practice may not be their immediate priority. As a result, CPA firms may need to invest additional time and effort to identify and persuade suitable successors with the right experience and trustworthiness to step into leadership roles.

This makes the process more prolonged and considered, but may sometimes result in handing over the firms to less experienced or less trusted successors.

### (2) Client concentration and relationship dependency

In many small and medium-sized CPA firms, client relationships are highly personal – built on years of trust with

individual partners, and the brand and reputation of the firms are often intricately linked to the partners' personal fame. When these partners retire, clients may hesitate to continue to do business to successors they do not know well personally.

### (3) Valuation complexity

Determining the fair value of a CPA firm is difficult. Unlike firms with tangible assets, the value of a CPA firm depends on the values of its intangible asset such as its brand reputation, the expertise of its work force, attractiveness of its client portfolio, and the professional network of its owners. These factors may lead to valuation differences between buyers and sellers that may not be able to bridge.

### (4) Complex compliance and regulatory requirements

Any changes to a CPA firm (such as addition of partners, restructuring, or transfer) require reporting to and approval from the regulator. The approval procedures and statutory disclosure requirements increase the uncertainty and time frame to achieve a smooth and timely succession.

### (5) Cultural and psychological barriers

For many founders, a CPA firm is more than just a business; it is a symbol of their professional identity and achievement. Emotional attachment and anxieties and the fear of losing influence make them unwilling to relinquish authority and can slow down the succession process. Similarly, partners may be reluctant to engage in discussions about retirement, not to mention equity reallocation or shift in the firm's strategy and direction.

## Key considerations for different succession approaches

Common succession models for Hong Kong practising accountants include:

(1) entrusting the next generation to

take up and develop the CPA business; and (2) disposal or merger with other practitioners. Each model has its advantages and disadvantages, requiring comprehensive consideration of the nature of the business, the prospective successor's background, and long-term strategy.

#### **Entrusting the next generation to take up and develop the CPA business**

Many founders of CPA firms prefer to nurture suitable family members or the firm's high-flyer executives as successors to press on the firm's brand and philosophy. While this approach can preserve legacy, it entails several important considerations:

- a. The founder should ensure the next generation or firm's executives possess both the professional qualifications, passion, motivation and ability to advance the firm's standards, quality and reputation.
- b. Coaching, mentoring and a systematic action plan need to be in place as early as practicable to ensure a seamless knowledge transfer and avoid business interruption due to unforeseen events such as a sudden deterioration in the health of the existing key person. It is essential to introduce the successors to the key clients early on to facilitate familiarity and establish trust well before the current key persons retire.
- c. This succession model is most suited for smaller CPA firms, which leverage on personal branding, trust and relationship.

#### **Disposal to or merger with other practitioners**

If the family or internal succession model is not feasible, many firms turn to mergers or practice sales succession model. The key considerations here involve:

- a. Strategic alignment and cultural compatibility – Successful mergers depend not only on financial alignment but also on sharing common values, service philosophies, and client orientation. Having similar fee

structures, work methodology and quality control measures help to ensure operational integration.

- b. Due diligence – Both parties must conduct comprehensive due diligence, covering the client base, financial position, human resources, litigation risks, business review, and regulatory compliance history. The client portfolio of the CPA firm may form a significant basis for valuation and consideration if disposal approach is adopted. Transparency at this stage protects the interests of all parties.
- c. Client communication – Maintaining open and timely communication with clients is crucial. Explaining how the merger or disposal will benefit clients (e.g., expanded service scope, increased resources, better quality client services) helps to ensure business continuity and client retention.
- d. Regulatory approval – Regulators require timely notification of changes in firm name, ownership structure, contact details etc. Timely communication with regulators ensures a smooth transition and continued compliance.
- e. Post-merger/disposal integration – Many mergers or disposals fail not because of the legal or financial aspects of the transaction, but because of the failure to overcome integration challenges, such as resolving the differences in the firm culture, workflows, technologies, staff expectations, and unwillingness to make changes to accommodate each other. Developing a clear and an agreed integration plan in advance, with the leadership of both sides committed to implementing it will avoid confusion and loss of morale.

#### **Early planning, strong communication, and continuing professional succession**

Regardless of which succession approach is chosen, early planning and commitment to accept changes are key to success. It is essential that the CPA begin to develop

the succession strategies at least five to eight years before exiting. It is necessary to implement the plan in stages, including successor identification, financial arrangements, management coaching, mentoring, and empowerment to prepare the successor as the future leader.

Simultaneously, maintaining transparent communication with clients, employees, and the regulator is also crucial. Succession is not more than a legal and financial transaction; it is also a gradual transmission process of values, relationship and trust. Hong Kong's professional services market is facing challenges from generational change and technological transformation. CPA firms need to update their business models to cope with these changes. This will ensure their business is more sustainable and attractive to prospective successors whether they are family members, high-flyer executives of the firm, third party CPA firms or investors. The CPA firm needs to watch out for, and position itself to take advantage of succession opportunities to ensure it can continue to thrive in the new era.

#### **Conclusion**

Succession planning is not simply an exit strategy. It is a strategy to ensure the continued development of the business. It reflects the practitioners' commitment to clients, employees, and the accounting profession itself. CPA firms built over decades deserve a thoughtful, organized transition that ensures their values and service legacy continue into the future. In Hong Kong's rapidly changing professional landscape, the most successful CPA firms will be those that look beyond the present – investing now to secure their tomorrow.

*This article was contributed by **Frank Lam**, Institute Council member, and Assurance Services Director and Leader of Family Office at BDO in Hong Kong.*

# ESG integration in business valuation: an overview

The latest developments and drivers of the integration of ESG factors in valuation frameworks

Incorporating environmental, social and governance (ESG) factors into business valuation is no longer a niche consideration but a fundamental expectation of modern financial analysis. This shift is propelled by global regulatory developments, such as the new Hong Kong Financial Reporting Standards S1 and S2 (HKFRS S1 and S2), and explicit direction from professional valuation standards to consider material ESG factors.

This article summarizes these developments to facilitate CPAs' understanding and navigation of this evolving landscape.

## Updated valuation standards and resources

Global valuation standards have been formally updated to require the consideration of ESG factors.

The International Valuation Standards (IVS) published by the International Valuation Standards Council (IVSC), effective from 31 January 2025, explicitly define ESG and state that "the impact of **significant** ESG factors should be considered in determining the value of a company, asset or liability". The IVS further elaborates that "ESG factors may impact valuations both from a qualitative and quantitative perspective and may pose risks or opportunities that should be considered".

In addition, IVS states that "ESG factors and the ESG regulatory environment

should be considered in valuations to the extent that they are measurable and would be considered reasonable by the valuer applying professional judgement." In practice, this means ESG criteria must now be considered alongside traditional factors like profitability, cash flow, risk, size and quality in valuation.

## ESG information request list for valuation

These principles are reinforced by major professional bodies which are Valuation Professional Organizations. The American Society of Appraisers, Chartered Business Valuators Institute, Royal Institution of Chartered Surveyors, and the Institute of Valuers and Appraisers, Singapore have jointly released a publication to support valuation professionals in gathering and assessing ESG information. This guidance, developed with the IVSC, provides practical tools to integrate ESG insights, supporting consistency and alignment with the IVS.

For effective integration of ESG, the following structured information request list is essential for a robust valuation engagement to obtain relevant and decision-useful information for risk and opportunity assessment in next step.

## Governance and strategy

- Board-level oversight of ESG risks and opportunities.
- ESG-related policies, targets (e.g. net-

zero), and management incentives.

- Materiality assessment process for identifying key ESG factors.

## Risk and opportunity analysis

- Identified physical and transition climate risks per HKFRS S2/ Task Force on Climate-Related Financial Disclosures (TCFD).
- Scenario analysis assessing business resilience under different climate pathways.
- Analysis of ESG-driven market opportunities (e.g. green products).

## Performance metrics and data

- Historical and projected Greenhouse Gas (GHG) emissions (Scope 1, 2, and 3 where material).
- Key performance indicators for other material "E", "S", and "G" factors.
- Data collection methodology and any third-party assurance reports.

## Financial integration

- Capital allocation to ESG initiatives (research and development, capital expenditure).
- Identification of ESG-related assets/liabilities, contingencies, or impairments.
- Analysis of ESG performance on cost of capital, revenue, or operating expenses.

## Compliance and reporting

- Adopted reporting frameworks (e.g. HKFRS S1/S2, TCFD).
- Timeline and plan for meeting upcoming



mandatory disclosure requirements. • Past ESG reports and communication to investors.

### The regulatory imperative: HKFRS S1 and S2

Hong Kong's adoption of HKFRS S1 and S2 as set out in the *Roadmap on Sustainability Disclosure in Hong Kong* published by the Hong Kong government marks a pivotal step in standardizing sustainability and climate-related disclosures, directly affecting the information available for valuation.

This regulatory shift moves ESG data from voluntary, inconsistent disclosures toward assured, comparable metrics. For valuers, it enhances the reliability of data for cash flow projections, risk assessment, and comparable company analysis, while also raising the professional expectation to utilize this newly standardized information.

### ESG factors integration into valuation models

With standardized information in hand, the valuer's critical task is to adjust the valuation model appropriately. The Accounting for Sustainability, an organization that aims to drive financial leaders to adopt sustainable business models, introduced a five-step valuation framework to integrate related risks and opportunities into valuations: Identify, Assess, Filter, Integration and Triangulate.

These five steps can be integrated into the three generally adopted valuation approaches as follows:

- **Income approach:** ESG factors can be integrated by adjusting future cash flows or the discount rate. Quantifiable impacts, such as higher compliance costs or revenue from green products, should directly affect cash flow projections. Broader, unquantified risks that affect a company's overall risk profile may warrant an adjustment to the discount rate.
- **Market approach:** Under the updated IVS, ESG is a specific factor in the market approach. Relative ESG performance can be considered in evaluation of valuation multiples derived from comparable companies to the extent relevant to the specific industry before application to the valuation subject. The enhanced disclosures under HKFRS S1 and S2 will make these comparisons more reliable over time.
- **Cost approach:** ESG factors may affect the replacement cost or induce obsolescence in assets. This includes estimating costs for environmental remediation, retrofitting for energy efficiency, or accounting for regulatory penalties.

### Conclusion

The integration of ESG into business

valuation is being structurally reinforced from two sides: **regulated corporate disclosure** and **professional valuation standards**. HKFRS S1 and S2 are transforming ESG data from a patchwork of voluntary claims into a stream of auditable, comparable financial information. In tandem, the IVS and joint professional guidance mandate valuers to actively seek and incorporate this material information. For valuation professionals, developing expertise in interpreting this data and applying it within rigorous valuation frameworks is no longer optional but essential to delivering credible, future-relevant valuations.

A [webinar](#) will be held by the Institute on 10 February this year, featuring the author as a speaker to further explore how ESG performance may interact with long-term company value.

*This article was contributed by Wiley Pun, member of the Institute's Sustainability Committee, Course Director of the Institute's Business Valuation Programme, and Advisory Partner of Grant Thornton Hong Kong Limited.*

# TECHNICAL NEWS

## The latest standards and technical development highlights

### Members' Handbook highlights

Handbook [Update No. 337](#) contains revisions to the Institute's *Code of Ethics for Professional Accountants*, and COE Chapter A, *Ethics Standards for Sustainability Assurance and Other Revisions to the Code Relating to Sustainability Assurance and Reporting* to align with the 2025 Handbook of International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants.

Handbook [Update No. 338](#) relates to the issuance of *Narrow Scope Amendments to the HKSQMs, HKSAs and HKSRE 2400 (Revised) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code*.

Handbook [Update No. 335](#) relates to the revised Statement 1.500 *Continuing Professional Development* (CPD), prescribing the following additional CPD requirements:

- All members to undertake a minimum of two verifiable hours annually on ethics-related CPD activities.
- Practising Certificate holders and Responsible Persons of registered Public Interest Entity (PIE) auditors to undertake a minimum of five verifiable hours annually on accounting or auditing-related CPD activities.
- All members to undertake a minimum of 50 percent of the required 60 verifiable CPD hours on structured learning activities in each rolling three-year period.

These changes will take effect in the CPD cycle starting on 1 December 2026, except for the ethics CPD requirement for Responsible Persons of registered PIE auditors and Practising Certificate holders, which will take effect on 1 December 2025.

### Financial reporting

#### List of new and amended HKFRS

The Institute has published the [list of](#)

amended Hong Kong Financial Reporting Standards (HKFRS) that are applicable to December 2025 year-end.

### Accounting guidance on virtual assets

The Institute has issued [guidance](#) on which HKFRS Accounting Standards apply to cryptocurrencies and stablecoins. This publication underscores our commitment to supporting you as you navigate the rapidly evolving digital asset landscape.

### Educational resources for the IFRS for SMEs Accounting Standard

To support small and medium-sized entities (SMEs) in applying the third edition of the *IFRS for SMEs Accounting Standard*, the IFRS Foundation has published a [suite of educational resources](#) designed to help stakeholders learn, implement and apply the standard.

These resources are also relevant for entities applying the revised *HKFRS for Private Entities Accounting Standard*, issued by the Institute in April 2025, which aligns with the third edition of the *IFRS for SMEs Accounting Standard* published by the International Accounting Standards Board (IASB).

### IASB issues illustrative examples on reporting uncertainties in financial statements

The IASB has [issued](#) the final version of illustrative examples to assist companies in applying IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The final version only differs from the near-final draft published in July 2025 in minor editorial details.

While the examples use climate-related scenarios for practical illustrations, the underlying principles apply more broadly to all uncertainties. As accompanying materials to IFRS Accounting Standards, the illustrative examples do not have an effective date. However, companies are expected to implement any change in their reporting on a timely basis.

### Auditing and assurance

#### Updates: auditing and assurance on virtual assets-related matters

The Institute is pleased to provide an update following [Alert 51](#):

- *Virtual Asset Trading Platforms (VATPs)*: Following careful consideration and discussions with relevant parties, it has been determined that there is no immediate need to develop guidance for auditor pre-licensing assessments of VATPs. The Institute will continue to monitor market and regulatory developments to ensure that auditors are adequately supported.
- *Upcoming guidance (1H 2026)*: Work is currently in progress on two key resources: (i) Guidance for auditors' independent attestations on licensed stablecoin issuers; and (ii) A guide for auditors of virtual asset-related businesses, designed to highlight common challenges and incorporate relevant guidance from overseas accounting and auditing bodies.

### Checkpoint – Information Produced by the Entity for Use as Audit Evidence

The Accounting and Financial Reporting Council has released [Checkpoint – Information Produced by the Entity for Use as Audit Evidence](#). It provides an overview of the types of information produced by the entity (IPE) commonly encountered in audits, highlights key considerations for auditors when using IPEs, and provides guidance on how to evaluate the reliability of IPEs before using them as audit evidence.

### Q&A related to PN 810.2

#### (Revised) The Duties of the Auditor of an Insurer authorized under the Insurance Ordinance

The Insurance Authority prepared a [Q&A](#) on the specific requirements regarding how the "Specified Annual Forms" should be attached to the independent auditor's assurance report under Rule 5 of the Insurance (Submission

of Statements, Reports and Information) Rules.

## Ethics

### HKICPA ethics video: auditor independence

Access the Institute's latest [video](#) for an overview of auditor's independence principles and real-life cases for practical takeaways on auditor independence.

### Test your knowledge of ethical considerations in tax planning

The International Ethics Standards Board for Accountants staff has developed a set of 12 myth-busting questions on the ethical standards for tax planning and related services. Click [here](#) to test your knowledge of ethical considerations in tax planning.

## Sustainability

### Institute submission

The Institute has submitted its comment letters on the following International Sustainability Standards Board (ISSB) exposure drafts:

- [Proposed Amendments to the SASB Standards](#); and
- [Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2](#).

### HKICPA releases HKFRS S1 and S2 Guidance – Part 2

The Institute has released [HKFRS S1 and S2 Guidance – Part 2](#) (the guidance), building on [Part 1](#) released in August 2025, which addresses key foundational topics.

Part 2 continues this effort by offering clear, actionable steps to overcome implementation challenges on hot issues, complemented by practical examples and insights informed by prevailing market practices. It features:

- A step-by-step approach to addressing implementation challenges;
- Practical examples and insights from market practices; and
- Coverage of key areas, including climate-related scenario analysis, anticipated financial effects, greenhouse gas emissions, transition plans and connected information.

This latest release reinforces the Institute's commitment to supporting both sustainability and non-sustainability professionals in applying [HKFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#) and [HKFRS S2 Climate-related Disclosures](#).

### ISSB issues targeted amendments to IFRS S2 to support implementation

The ISSB has [issued](#) targeted amendments to greenhouse gas emissions disclosure requirements in IFRS S2 *Climate-related Disclosures* in response to specific application challenges that were identified as companies started to apply the Standard.

The amendments are based on feedback from the ISSB's consultation earlier in 2025. These changes provide relief and clarification to support companies in applying the Standard, while keeping investor information needs in focus and minimizing disruption to jurisdictions that are in the process of adopting or otherwise using ISSB Standards.

The amendments are effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

### IAASB publishes new illustrative reports to support ISSA 5000 implementation

The International Auditing and Assurance Standards Board (IAASB) has [published](#) a new set of illustrative practitioner's assurance reports to further support the implementation of International Standard on Sustainability Assurance (ISSA) 5000 *General Requirements for Sustainability Assurance Engagements*. Developed through a joint initiative with a group of jurisdictional auditing and assurance standard setters, this guidance has benefited from their collaboration and support.

While ISSA 5000 includes illustrative reports that reflect the baseline requirements of the standard, this new publication provides three examples of assurance reports with modified conclusions, along with specific examples to help practitioners apply the standard across a range of engagements:

- Assurance on sustainability disclosures aligned with IFRS S1 and S2, for both

limited and reasonable assurance engagements

- Assurance on selected sustainability disclosures in an entity's sustainability report
- Assurance on sustainability disclosures prepared using multiple reporting frameworks
- Assurance engagements combining limited and reasonable assurance

Together, these illustrative reports aim to bring ISSA 5000 to a practical level, demonstrating how to address technical issues in real-world applications.

## Corporate finance

### SFC issued the No.75 Takeovers Bulletin

On 31 December 2025, the Securities and Future Commission (SFC) issued a [Takeovers Bulletin](#) to provide a quarterly update on the activities of Takeovers Team and amendments on Practice Note 9 to summarize the practice regarding securities held by connected exempt principal traders as simple custodians for non-discretionary clients.

### FSTB and SFC publish consultation conclusions on legislative proposals for regulating virtual asset dealing and custodian services

The Financial Services and the Treasury Bureau (FSTB) and the SFC jointly published the [consultation conclusions](#) on the legislative proposals for establishing licensing regimes for virtual asset (VA) dealing and custodian service providers on 24 December 2025. They also launched a further public consultation for one month on establishing separate licensing regimes for VA advisory and management service providers.

The majority of respondents expressed strong support for expanding the regulatory scope to cover VA dealing and custodian services, following the introduction of the licensing regime for the VA trading platform in June 2023.

The Institute's submissions on the consultation proposals can be viewed [here](#).

Please refer to the full versions of *Technical News* on the Institute's website: [www.hkicpa.org.hk](http://www.hkicpa.org.hk)

**YOUNG MEMBER OF THE MONTH**

Andrew Lau

# ANDREW LAU

Audit Principal at  
Zhonghui CPA Limited



Andrew Lau, Audit Principal at Zhonghui CPA Limited, talks to *A Plus* about his people-focused approach to challenges at work, and how he builds strong teams during complex initial public offering projects.

**Please explain your current role and responsibilities. What drew you to the role?**

As an Audit Principal at Zhonghui CPA Limited, I lead audit work for medium-sized listed companies in Hong Kong and initial public offering (IPO) projects. This involves planning audits, reviewing financial statements and working papers, discussing issues with teams and clients, and working with company management, chief financial officers, audit committees, and directors. Internally, I coordinate with audit partners and the technical team, review work from other auditors, and keep projects on schedule. I manage teams of 15 to 20 people, including managers and juniors. I also handle business development, such as meeting new clients, preparing proposals, and bidding for work. In addition, I run training sessions for our audit teams and share knowledge with universities. I chose this role because it allows me to use my skills in a firm focused on Hong Kong's stock market, leading teams on important audits and IPOs. So far, I have completed key projects, strengthened client ties, and seen my teams improve, which keeps me motivated in this changing field.

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

The most rewarding parts come from building relationships and sharing knowledge with different people. I enjoy working with team members from various backgrounds, exchanging ideas, and using my experience to solve audit and accounting problems. Listening to staff, giving advice, and watching them develop feels very satisfying. It is also rewarding to add value to the firm and clients by keeping high standards and building long-term connections across the audit world. The challenging parts involve meeting the needs of many people within short time limits and limited resources. For example, during busy periods, I have to assign people carefully to maintain good audit quality. Handling complex rules in IPOs or listed company audits requires quick thinking and flexibility. These challenges, however, help me improve my leadership and build stronger teams.

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

One key lesson is that working with people is complex and requires understanding how to balance meeting different needs with time and resource limits. From my IPO experiences, I learned to quickly understand what clients and teams need, communicate clearly, and align everyone to the same goal. Managers showed me that it is important to quickly spot requirements fast – for example, in audits, shifting team members during busy times keeps quality high and people happy. Business development teaches how to match services to client needs in meetings. Regular audits highlight the value of listening to feedback from everyone and adapting. By stepping out of my comfort zone, accepting comments, and encouraging teamwork, I create better working environments that support growth and success for the firm and the people in it.

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

I am positive about the future of auditing in Hong Kong, especially with new areas like sustainability reporting and digital changes. In the next five to 10 years, I expect to stay in auditing, possibly moving to a bigger role at Zhonghui CPA Limited or taking higher leadership positions. I look forward to new challenges, such as leading bigger IPOs in fields like technology. I will work on growing my teams, improving my management skills through training and guidance, and helping the profession through HKICPA work and university links. I am committed to exploring new ideas, maintaining high standards, and following rules from bodies like the Accounting and Financial Reporting Council, while supporting Hong Kong as a major financial centre.

**In what ways has your CPA qualification helped you in your career so far?**

The Qualification Programme training has been very important to my career as an Audit Principal. The modules on financial reporting, business assurance, corporate financing, and taxation improved my logical thinking and taught me how to use the right standards in real situations. As a junior auditor, this knowledge helped me handle daily work, such as checking statements and answering client questions. Now, as a member of the HKICPA, the qualification brings respect from the firm, clients, and others, helping me lead major audits and IPOs. It gave me a broad view of finance, which means I can combine knowledge from different areas and work with experts when needed. This has made me more credible and more capable to give useful advice on Hong Kong's rules.

# Elevate your career with HKICPA and CIMA's strategic partnership

A close look at the HKICPA and CIMA collaboration, the benefits for members and the broader profession, and how members can leverage the strengths of both organizations

**T**he accounting profession is evolving rapidly, with global connectivity and cross-border expertise becoming essential for success. To help members stay ahead in this competitive landscape, the Hong Kong Institute of CPAs and the Chartered Institute of Management Accountants (CIMA) have joined forces in a milestone collaboration.

This partnership, launched in celebration of CIMA Hong Kong's 60th anniversary, offers HKICPA and CIMA members exclusive incentives to strengthen their credentials and gain access to a worldwide network of management accounting professionals.

## The agreement

Under the partnership, HKICPA members can enrol in CIMA's programme under the Mutual Examination Paper Exemption (MEPE) arrangement and enjoy a £150 discount on the HKICPA-CGMA Programme package fee. This package covers the registration fee, subscription fee, Strategic Case Study (SCS) exam preparatory workshop and SCS exam fee (Retake fees not included).

Meanwhile, CIMA members registering for the HKICPA's Qualification Programme (QP) will receive a waiver of the assessment fee, valued at HK\$1,650. This special offer is valid until 31 March 2026.

**“Our collaboration with CIMA is designed to open doors, linking HKICPA members to a global management accounting community and the CGMA designation.”**

To qualify for the incentives, HKICPA members must hold HKICPA membership and meet the eligibility criteria under the MEPE arrangement. They must also enrol in CIMA's programme under the MEPE arrangement.

## Why you should take advantage

This collaboration offers HKICPA members the opportunity to earn the globally recognized Chartered Global Management Accountant (CGMA) designation, complementing their existing CPA credentials. By joining CIMA, members gain access to an international network of management accounting professionals and resources that support career growth across borders.

For CIMA members, joining HKICPA enhances professional recognition in Hong Kong and provides access to technical updates, practical guidance, and training resources. HKICPA membership also permits the use of the "CPA" designation locally, opening doors to new opportunities in one of Asia's most dynamic markets.

## Establishing an international network of professionals

This partnership between the HKICPA and CIMA reflects a shared commitment to fostering professional excellence and creating a more interconnected accounting community. By leveraging the strengths of both organizations, members can expand their credentials, networks, and career prospects in an increasingly competitive global landscape.

Stephen Law, President of the HKICPA, says this partnership offers our members an important pathway to complement their HKICPA credentials with the globally recognized CGMA designation under the MEPE arrangement.

“Our collaboration with CIMA is designed to open doors, linking HKICPA members to a global management accounting community and the CGMA designation. It complements the strengths of our profession in Hong Kong while creating new pathways for growth and mobility. As the environment evolves with sustainability reporting, data-driven decision-making, and artificial intelligence, partnerships like this ensure our members have the skills and networks to stay ahead. We are proud to work with CIMA to empower our community to seize opportunities today and shape the profession of tomorrow.”

**“We are proud that this collaboration enables us to support finance professionals to realize their potential and achieve their career goals.”**

Guru Balasubramaniam, Chairman of the CIMA Hong Kong SAR Area Committee, says this partnership reaffirms CIMA's commitment to developing highly skilled finance talent and advancing the profession in Hong Kong.

“We are proud that this collaboration enables us to support finance professionals to realize their potential and achieve their career goals. It represents an important step in driving professional excellence, developing future talent, and strengthening global connectivity in Hong Kong.”

Don't miss out on this opportunity to elevate your professional standing. Apply now and take advantage of these exclusive incentives before 31 March 2026.

For details on the MEPE arrangement and application instructions, visit the [CIMA webpage](#).

# A world of communications

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