

From: Albert Law [REDACTED]
Sent: Monday, April 07, 2008 2:54:46 PM
To: CVW
Subject: Combined Consultation Paper on Proposed Changes to the Listing Rules
Importance: High
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Dear Sir,

In regard to the captioned consultation, the Institute of Accountants in Management (IAM) comments on Issue 3: Qualified accountants as follows:

Response to the Hong Kong Exchanges and Clearing Limited Combined Consultation Paper on Proposed Changes to the Listing Rules – Qualified Accountants for Listed Companies

1. In response to the Hong Kong Exchanges and Clearing Limited's consultation paper on the proposed scrapping of the requirement for all listed companies to appoint qualified accountants, the Institute of Accountants in Management (IAM) is of the opinion that to address the concerns discussed in the consultation paper, Hong Kong should consider modifying the existing regulation and criteria for persons eligible to be appointed as qualified accountants of listed companies.
2. The Institute's proposal is as follows
 - 2.1. To retain the requirement for listed companies to appoint qualified accountants – A suitably qualified accountants with professional knowledge and experience in business can bring good value towards maintaining the growth of a company and help to enhance shareholder value.
 - 2.2. To expand the eligibility for appointment as qualified accountants of listed companies to cover members of all professional accountancy bodies under the International Federation of Accountants (IFAC), and therefore not restricting to the Hong Kong Institute of Certified Public Accountants (HKICPA) – This will help widening the qualified accountant base while ensuring a high quality standard.
 - 2.3. To require members of non-IFAC professional bodies who are desirous of being appointed accountants of listed companies to pass a competency test on Hong Kong company law, Hong Kong tax, international accounting standard, management accounting, enterprise governance and to possess a minimum of 5 years Hong Kong working experience. The proposed competency test should be conducted by HKICPA.
3. The Institute is of the view that the above modifications would address the concerns mentioned in the consultation paper and can also help Hong Kong to maintain its status as one of the leading global financial centers. It is a must for Hong Kong to secure global investors' confidence by ensuring quality financial reporting in line with international standards and maintaining a high standard of enterprise governance, for all of which the contribution of qualified accountants at the senior management level will be an immense asset.

For further clarification and or discussion of the Institute's submission if any, please contact Mr. Albert Law President of the Institute at telephone No. [REDACTED] or at email

 For information about the Institute please visit
www.iaccmgt.org.hk

Submitted By

Albert Law
President
The Institute of Accountants In Management

