



Accountancy and Statutory Auditing in Hong Kong

1 Hong Kong Accountancy

Every company registered in Hong Kong must maintain proper accounting records and these records can be kept outside Hong Kong. However, records sufficient to enable a profit and loss account and balance sheet to be prepared should be sent and kept in Hong Kong. The accounting records with all supporting vouchers and supporting document must be kept for at least seven years from the end of the financial year in which the transactions or operations to which they relate are completed.

All Hong Kong companies incorporated under the Companies Act must keep books of accounts that sufficiently explain the transactions and financial position of the company. The records must also enable true and fair financial statements to be prepared from time to time. Companies can choose their financial year end.

The books may be kept either at the company's registered office or at another place that is considered by the directors to be appropriate. If the books are kept outside Hong Kong, sufficient records must be maintained in Hong Kong to facilitate the preparation and/or audit of financial statements that accurately reflect the company's financial position.

Applying to all local companies, Accounting Standards and Interpretations are developed and issued in the public interest by the Hong Kong Society of Accountants (HKSA) as being authoritative statements on accounting practice. Interpretations are authoritative guidance on the application of Accounting Standards and have the same status as the background material and implementation guidance contained in Accounting Standards. Their primary aim is to narrow the areas of difference and variety in the accounting treatment of the matters with which they deal. financial position.

The Hong Kong company may apply the Hong Kong Financial Reporting Standards which are closely modeled on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board if subject to specific criteria. Alternative, International Financial Reporting Standards (IFRS) will be employ for financial reporting purpose. financial position.

2 Hong Kong Statutory Audit

The Hong Kong limited companies, including private and public companies and branches of foreign companies, are required to perform statutory audited by independent certified public accountants of Hong Kong.

Public-listed companies are subject to financial statement and disclosure requirements as prescribed by the Hong Kong Stock Exchange (HKSE).

Hong Kong Auditor

The Companies Act requires every company, including branches of foreign companies, to appoint one or more auditors qualified for appointment under the Accountants Act to report on the company's financial statements.

This requirement does not apply to those exempted in accordance with the provisions in the Companies Act (see Audit Exemption below)

The auditor(s) has to be appointed within three months of the company's incorporation and is responsible for ascertaining whether proper books of accounts have been kept and whether the financial statements agree with the company's records. Following this, the auditor(s) will report to shareholders at the AGM on the trueness and fairness of the financial statements.





Hong Kong Useful Links

Hong Kong Useful Links

The links below include websites of the Hong Kong SAR Government and external websites. We are not responsible for the contents of these websites.

Trade and Investment Links

- **Commerce & Economic Development Bureau** <http://www.cedb.gov.hk/>
- **Trade and Industry Department** <http://www.tid.gov.hk/>
- **InvestHK** <http://www.investhk.gov.hk/index.html>
- **Trade Development Council** <http://www.hktdc.com/tc-buyer/>
- **Other Economic and Trade Offices** <http://www.gov.hk/en/about/govdirectory/oohk.htm>
- **Hong Kong Monetary Authority** <http://www.hkma.gov.hk/eng/index.shtml>
- **HK Stock Exchanges & Clearing Ltd** <http://www.hkex.com.hk/eng/index.htm>
- **Tradelink** <http://www.tradelink.com.hk/eng/index.html>
- **CEPA** <http://www.tid.gov.hk/english/cepa/>

General Information on HK Government Department

- **HKSAR Government Information Centre** <http://www.gov.hk/tc/residents/>
- **Chief Executive's Office** <http://www.ceo.gov.hk/>
- **Legislative Council** <http://www.legco.gov.hk/>
- **Basic Law** <http://www.basiclaw.gov.hk/tc/index/index.html>
- **Laws of Hong Kong** <http://www.legislation.gov.hk/index.htm>

Discovering Hong Kong

- **Hong Kong Tourism Board** <http://www.discoverhongkong.com/us/index.jsp>

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