

**Press Release**

31 May 2019

**Financial Reporting Council publishes consultation conclusions on  
Proposed Sanctions Guidelines**

(31 May 2019, Hong Kong) The Financial Reporting Council (FRC) published its consultation conclusions on the proposed Sanctions Guidelines today, which summarised the views and comments received in the Consultation on Sanctions Guidelines (Consultation) conducted from 13 March to 17 April this year and our responses thereto.

During the Consultation, the FRC had arranged 15 meetings with different stakeholders including audit firms that audit listed entities in Hong Kong and professional bodies to explain in details our proposed Sanction Guidelines and clarify on issues of concerns.

Dr Kelvin Wong, Chairman of the FRC remarked, “The FRC is pleased that our Consultation received an overwhelming response, a majority of which were highly supportive of and positive about our proposed Sanctions Guidelines. It is important to reiterate that the ultimate objective for the FRC to impose sanctions on identified misconducts is not to punish for the sake of punishing, but to help rectify and improve less than satisfactory behaviours of auditors, thereby upholding the quality of financial reporting of listed entities in Hong Kong, safeguarding the interest of the investing public and ultimately, reinforcing Hong Kong’s status as an acclaimed international financial centre.”

Ms Wincey Lam, Acting CEO of the FRC added, “We feel encouraged by the fruitful exchange of views during the Consultation and the many constructive comments received afterwards, which have been carefully considered. The FRC is thankful to those who have made their submissions and contributed their insights during the Consultation process.”

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## **Note to editors**

### **About the FRC**

When the Financial Reporting Council (Amendment) Ordinance takes effect, the FRC will become the independent listed entity auditor regulator for Hong Kong with the direct powers of inspection, investigation and discipline concerning auditors of listed entities and oversight of the performance of the Hong Kong Institute of Certified Public Accountants in respect of their functions for registration, standards on professional ethics and auditing and assurance; and continuing professional development requirements in relation to PIE auditors. The FRC is committed to achieving its mission of upholding the quality of financial reporting of listed entities in Hong Kong. For more information, please visit [www.frc.org.hk](http://www.frc.org.hk).

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