

Speech

Speech by SFST at the Spring Cocktail Reception of the Hong Kong Institute of Certified Public Accountants (English only)

Tuesday, February 26, 2008

Following is the speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, at the Spring Cocktail Reception of the Hong Kong Institute of Certified Public Accountants today (February 26):

Albert (Au), distinguished guests, ladies and gentlemen,

Kung Hei Fat Choy. I am delighted to join you this evening to celebrate the Chinese New Year together.

The Year of the Pig has been a remarkable year for Hong Kong, with businesses growing and people feeling more upbeat. Although we have seen fluctuations in the stock market in the past few months, Hong Kong's position remains strong. Time magazine's January edition recognised our strengths in their "Nylonkong" cover story, showcasing Hong Kong's achievements alongside that of New York and London as exemplars of globalisation.

Indeed Hong Kong continued to set records in the past year. Our stock market was the third in Asia and seventh in the world in terms of market capitalisation at the end of 2007. We stood as one of the top-five fund-raising markets around the globe. In terms of IPO funds raised, we ranked second in Asia.

All these achievements would not have been possible without the efforts of many market intermediaries and financial service providers, including the accountancy profession.

To continue to build upon our strengths, we must keep abreast of the latest technical, professional and legislative developments in the global arena while defending the integrity of the accountancy profession.

As you are well aware, Hong Kong is the only jurisdiction among major financial centres where the registration and disciplinary functions of CPAs still

rest with a professional body and not an independent regulator. To ensure that the self-regulatory regime meets public expectations and is up to international standards, we rely on your unwavering support of the Financial Reporting Council as well as the efforts of the profession itself, especially the institute, in upholding the quality and timeliness of the standard-setting, quality assurance, complaint-handling, investigation and disciplinary functions entrusted to the institute by the Professional Accountants Ordinance.

Ladies and gentlemen, I am optimistic about the Year of the Rat. As the first sign of the Chinese zodiac, rats are leaders and pioneers. They are flexible and pragmatic. These are attributes shared by the Hong Kong people, enabling Hong Kong to ride through rough and tough times, break new ground and arrive where we are today.

Those born in the Year of the Rat are also known to be highly organised, meticulous, and systematic. In that sense, isn't it right to say that all accountants are like people from the Year of the Rat? I am confident that with your professionalism, and integrity and commitment, Hong Kong as an international financial centre will be able to meet the challenges ahead and continue to flourish.

Finally, let me close by wishing you all a very healthy and prosperous year ahead. Thank you.