

APERCU

AUGUST 2024

Microsoft Partner of the Year Awards 2024

We are proud to announce that BDO has won multiple 2024 Microsoft Partner of the Year Awards in the following categories: **SMC-SI Empowering Customer Innovation globally, Secure Productivity globally and Canada Country Winner**. The firm was honoured among a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology.

Pat Kramer, Global CEO of BDO, says: "We are thrilled to be recognised by Microsoft with 2024 Partner of the Year Awards. Across our global organisation our vision is to deliver global solutions to help our clients with increasingly complex business challenges and opportunities. Our relationship with Microsoft is integral to harness innovation and cutting-edge technology along with our diverse expertise to help our clients achieve positive and sustainable outcomes."

The Microsoft Partner of the Year Awards recognise Microsoft partners that have developed and delivered outstanding Microsoft Cloud applications, services, devices, and AI innovation during the past year. Awards were classified in various categories, with honourees chosen from more than 4,700 nominations from over 100 countries.

Overview of the Hong Kong listing regime

We are pleased to introduce our latest IPO publication - Listing in Hong Kong. This publication provides a holistic overview of the Hong Kong listing regime in flow chart, covering all listing routes available for companies as they embark on their journey to list on the Hong Kong market, and including key listing requirements under different Hong Kong listing routes. To view the publication, please visit [https://www.bdo.com.hk/getattachment/42f0faf0-3372-48a6-9760-235ad654ced1/\(Eng\)HK-listing-regime-chart_Aug.pdf](https://www.bdo.com.hk/getattachment/42f0faf0-3372-48a6-9760-235ad654ced1/(Eng)HK-listing-regime-chart_Aug.pdf).



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Hong Kong capital market updates

Temporary modifications to requirements for Specialist Technology Companies and De-SPAC Transactions

On 23 August 2024, the Securities and Futures Commission (SFC) and The Stock Exchange of Hong Kong Limited (HKEX) jointly announced temporary modifications to the minimum initial market capitalisation requirements for Specialist Technology Companies under Main Board Rule Chapter 18C and independent third-party investment requirements for De-SPAC Transactions conducted by Special Purpose Acquisition Companies (SPACs) under Main Board Rule Chapter 18B. The modifications will apply temporarily for a three-year period from 1 September 2024 to 31 August 2027 and will be subject to reassessment by HKEX during such three-year period if considered necessary.

We have published a newsletter summarising key modifications under the joint statement. For more details on this topic, please click [here](#).

HKEX allows listed companies to hold treasury shares

HKEX has introduced a new treasury share regime to the Listing Rules, which allows listed companies to hold their repurchased shares in treasury, subject to the laws of their places of incorporation and their constitutional documents. The regime has already come into effect on 11 June 2024.

We have published a newsletter summarising key changes to the Listing Rules under the new treasury share regime. For more details on this topic, please click [here](#).

Hong Kong stock market will remain open during severe weather conditions

Starting from 23 September 2024, Hong Kong's securities and derivatives markets will remain open during typhoon signal no 8 or above, black rainstorm warning or extreme conditions.

As a result of the change, requirements and obligations that reference 'business day'¹ and/or specify time periods (eg dispatch of corporate communications including results announcements, circulars for notifiable transactions etc) will no longer be interrupted by severe weather conditions. Also, automatic extension of time for severe weather conditions will no longer be available.

While HKEX will publish relevant guidance and FAQs on issues arising from severe weather trading in due course, listed companies should start their preparations in order to become severe-weather-trading-ready.

¹ 'business day' - Any day on which the HKEX is open for the business of dealing in securities

HKEX has included in the consultation conclusion certain recommendations to facilitate market participants to make preparations in order to operate under severe weather conditions. For more details on the recommendations and this topic, please read the full text of the [consultation paper](#) and [consultation conclusion](#).

HKEX consults market on further enhancement of corporate governance practices

HKEX published a consultation paper in June 2024 to seek market views on further enhancing corporate governance practices of Hong Kong listed companies, with focus on improving the board effectiveness, strengthening board independence and promoting board diversity etc.

It is important to note that some of the proposed changes under the consultation impose additional bright-line requirements to the existing corporate governance structure and also to the directors of listed companies. These include:

- ▶ Designation of one INED as 'lead INED' for listed companies without an independent board chair
- ▶ A hard cap of six listed issuer directorships simultaneously for INEDs
- ▶ A hard cap of nine years on the tenure of INEDs
- ▶ Board gender diversity on the nomination committee, with at least one director of a different gender
- ▶ Mandatory annual director training on areas such as Hong Kong law and listing rules compliance, corporate governance and ESG matters etc, with a minimum of 24 hours of training within 18 months of the appointment for the 'first-time directors'

Depending on the market feedback, these proposed changes are expected to be implemented on 1 January 2025, with a three-year transitional period on the proposed six-directorship cap and nine-year tenure cap on the INEDs.

For more details on this topic, please read the full text of the [consultation paper](#).

Speak to BDO professional

Let BDO be your trusted partner in navigating the evolving landscape of the Hong Kong capital markets. If you have any questions or need further assistance, please feel free to contact us for further discussion.



Betsy Pon

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Unlocking business success with our Oracle NetSuite services

The right business-management software is crucial for your company's success. That's why the BDO Digital Advisory Services team offers a comprehensive suite of services to help you integrate Oracle NetSuite, a leading cloud-based ERP solution, into your business operations.

Introducing the BDO Digital Advisory Services team

Leveraging our extensive expertise in accounting, consulting, data analytics and artificial intelligence (AI), coupled with our history of successfully implementing financial and HR tech solutions, we are now offering you a wider range of services through a new alliance with Oracle NetSuite. Our proven record in hospitality and construction, among other sectors, positions us as a trusted partner who can meet your needs. With our diverse capabilities, we are uniquely equipped to provide customised solutions that drive value for your business.

Alliance Partnership with Oracle NetSuite

On 27 September 2023, BDO Risk Advisory Services officially signed an Alliance Partnership with Oracle NetSuite. This collaboration encapsulates our commitment to lead the transformation in how businesses adapt to the digital age, especially in the virtual asset licensed corporation and e-commerce sectors.



Why Oracle NetSuite?

Oracle NetSuite is a leading cloud-based enterprise resource planning (ERP) solution, trusted by over 38,000 customers in 219 countries. It's designed to optimise mission-critical processes, including accounting and financial management, customer relationship management, inventory management, human capital management, payroll, procurement, project management, and e-commerce.

The ERP solutions provided by Oracle NetSuite empower businesses to focus on their core competencies and respond swiftly to market opportunities. Its robust cloud solutions are seamlessly aligned with our own commitment to delivering exceptional client service and unwavering quality. By partnering with Oracle NetSuite, we can provide you with access to industry-leading technology and resources that significantly enhance your digital transformation initiatives, empowering you to strengthen and streamline your financial reporting processes and overall business operations for greater efficiency and agility.

Why use our Oracle NetSuite implementation services?

1. Strategic planning: We'll work closely with your team to understand your business needs and objectives, ensuring that your Oracle NetSuite implementation aligns with your strategic goals.
2. Customisation and configuration: We'll tailor Oracle NetSuite to fit your unique business requirements, from customising workflows and reports to configuring roles and permissions.
3. Data migration: Our experts will transfer your existing data to Oracle NetSuite securely and accurately, minimising disruption to your operations.
4. Integration: We'll seamlessly integrate Oracle NetSuite into your existing systems and applications, enhancing data flow and operational efficiency.
5. Training and support: We'll provide comprehensive training to your team to ensure that they can use Oracle NetSuite effectively. Our support doesn't end with implementation – we'll be there to assist you as you navigate your new system.
6. Post-implementation review: Once your system is up and running, we'll conduct a thorough review to ensure Oracle NetSuite is performing optimally and delivering the expected benefits to your business.

The road ahead

We are your partners in success. Our prestigious advisory team is dedicated to delivering practical, down-to-earth solutions that drive real business results. Let us help you unlock the full potential of Oracle NetSuite for your business. We are honoured and thrilled to be collaborating with Oracle NetSuite. By leveraging each other's strengths, we're committed to delivering unmatched value to our clients, pushing boundaries and continuously innovating. Join us on this exciting journey!



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BDO Global Risk Landscape 2024

Is adopting an 'antifragile' approach to risk the key to thriving through disruption and volatility? Does your organisation have an 'antifragile' mindset?

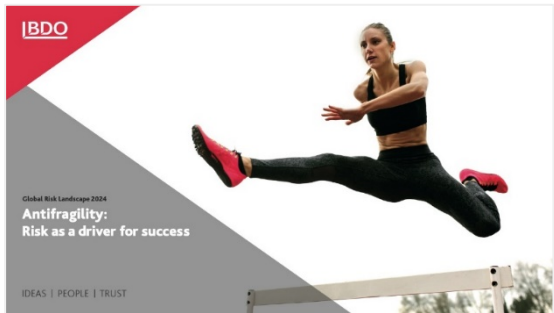
The 2024 Global Risk Landscape shows that almost half of global business leaders believe their organisations have an antifragile approach to risk. But only 7% said their organisations were 'risk welcoming' and only 19% said they were very proactive when dealing with risk. Is there a gap between the antifragile aspiration and reality?

Antifragile organisations are not only resilient, they actually improve and prosper when stressed and exposed to risk. They look for opportunity in disruption and seek to turn risk into competitive advantage. When economic, geopolitical and political landscapes seem almost continually volatile, this proactive mindset may be the key to sustainable long-term success.

The Global Risk Landscape Report also examines the attitudes of risk leaders to a range of evolving risks such as artificial intelligence (AI), geopolitical tensions and supply chains. This year, the report highlights how quickly risk priorities are shifting in response to the shifting business landscape:

- ▶ Regulatory risk climbed 14 places to the No 1 – a major concern for 37% of respondents compared to just 7% last year
- ▶ Geopolitical tensions rose three places to third, cited by at 26% of respondents
- ▶ Cyber risk dropped to fifth, cited by 24% of respondents
- ▶ Environmental risk has fallen to ninth place despite being the risk business leaders said they were least prepared for in 2023

Download this year's Global Risk Landscape to find out more: <https://www.bdo.com.hk/en-gb/insights/publications/global-risk-landscape/global-risk-landscape-2024>.



Recent BDO publications

Tax publications

Hong Kong Tax
May 2024 – Bill
on patent box
tax incentive
gazetted



Corporate Tax News
Issue 71 - August 2024



Indirect Tax News
Issue 03/2024



Transfer Pricing News
Issue 47 - June 2024



Risk Advisory publications

ESG updates
- Issue 2/2024



Financial services sector
updates - Issue 2/2024



Green and sustainable
finance updates
- Issue 2/2024



Technology updates
- Issue 2/2024



HKFRS/IFRS Updates

HKFRS Update 2024/04
HKFRS/IFRS 18 –
Presentation
and Disclosure in
Financial Statements



HKFRS Update 2024/05
30 June 2024 Period-end
HKFRS/IFRS Accounting
Standards Update



Hong Kong Capital Market Updates

Issue August 2024

Temporary modifications to
requirements for Specialist
Technology Companies and
De-SPAC Transactions



BDO event highlights



BDO and LSEG joint physical seminar: AML regulatory update and fintech application on AML



According to the circular issued by the Hong Kong Monetary Authority (HKMA) on 7 February 2024 regarding AML/CFT Surveillance Capability Enhancement Project (AMLS project), HKMA has made significant progress by leveraging data and supervisory technology (suptech) to enhance AML/CFT supervision. This initiative, aligned with the HKMA's 'Fintech 2025' strategy, aims to modernise AML/CFT supervision in response to evolving risks from new technologies and the dynamic nature of financial crime.

To offer valuable perspectives on the latest AML/CFT regulatory development in Hong Kong, Manager of Risk Advisory of BDO **Ivan So** and Assistant Manager of Risk Advisory of BDO **Nicky Kwok** discussed the proposed AML/CFT requirements for VA OTC service providers, AML/CFT criteria for Category B registrants of DPMS, and the recent digitalisation process of AML/CFT supervision. They also shared their insights on the latest updates from the Financial Action Task Force (FATF) recommendations. Solution Sales Specialist, Digital Identity of LSEG Risk Intelligence Robert Choi also shared insights on fintech applications related to AML and know-your-client processes.



(From left to right) Ivan So, Robert Choi and Nicky Kwok



BDO and Union Registrars joint seminar: Listing rules updates and deep dive into internal control



It is essential for listed companies to keep track of the updates on Hong Kong capital market and listing rules. Good internal control and governance are also critical to the success of an organisation. Internal control ensures that processes and procedures are in place to minimise risks and prevent fraud.

In this seminar, Principal of Technical and Training of BDO **Betsy Pon** shared the Hong Kong listing rules updates regarding the listings of Specialist Technology Companies and GEM listing reforms, while Principal of Risk Advisory of BDO **Herman Tsui** offered comprehensive insights into best practices for governance, risk management, and internal control in a progressive manner. We were also honoured to have Managing Director of Union Registrars Limited Roger LC Leung served as the moderator who greatly assisted the smooth flow of the seminar.



(From left to right) Herman Tsui, Roger LC Leung and Betsy Pon



BDO event - Panel discussion: AI adoption, impact, and opportunities



The rapid advancement of artificial intelligence (AI) has transformed industries, reshaping how organisations operate and make decisions. The understanding of AI adoption, impact, and opportunities is therefore essential.

Experts from diverse backgrounds were invited to the panel discussion, including Department Head of Government and Public Administration of The Chinese University of Hong Kong Professor Carlos Wing-Hung Lo, Co-Founder and Director of Blue Pin (HK) Ltd, Chairman of UWCISA Professor Frank Yam, Of Counsel of Eversheds Sutherland Philip Chow, Senior Vice President, Identity Management of Tradelink Electronic Commerce Limited Kenny To and Project Director of COMEDI Health Technology Limited Raymond Ng. With Principal of Risk Advisory of BDO **Pokit Lok** served as moderator, they explored various topic of AI, including AI adoption trends and challenges, ethical considerations and bias, business opportunities and ROI, industry-specific insights as well as collaboration and ecosystem building.



(From left to right) Kenny To, Pokit Lok, Raymond Ng, Professor Frank Yam, Ricky Cheng (Director and Head of Risk Advisory of BDO), Professor Carlos Lo and Philip Chow



BDO physical seminar: Best practices for money lenders in MCRA membership applications

MAY
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On 17 November 2023, MCRA model was officially named as 'Credit Data Smart' and a pilot programme was launched three days later. Over one thousand employees from nearly 20 institutions including banks, licensed money lenders, platform operator, the Industry Associations and governmental institution participated in the programme, indicating that the data accuracy of the credit reports and overall service performance of the three CRAs met the requirements set by the Industry Associations. Independent third-party consultants also provided assessment reports confirming that the three CRAs complied with relevant predetermined standards on information security, system and data management.

Since starting the formal service on 26 April 2024, numerous financial institutions have applied or are in the process of MCRA membership applications. To help money lenders have a better understanding of the membership application, Principal of Risk Advisory of BDO **Pokit Lok**, Chief Business Director of TransUnion Eric Cheung and Senior Director of TransUnion Benny Siu shared their experiences on the best practices of MCRA implementation.



(From left to right) Pokit Lok, Eric Cheung and Benny Siu



BDO physical seminar: Adapt your internal audit function to IIA's new Global Internal Audit Standards

MAY
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Helen Li (left) and Ricky Cheng (right)

On 9 January 2024, the Institute of Internal Auditors (IIA) released a revised set of Global Internal Audit Standards (the Standards). This latest development not only supports the continued evolution of the internal audit (IA) profession, but it also provides an opportunity for practice transformation to allow IA functions within organisations to unlock their strategic potential beyond compliance and risk management in today's dynamic landscape. The newly released Standards will become effective from 9 January 2025, which gives internal auditors less than a year to consider the implications of the new standards and integrate the needed changes.

Aiming to equip IA professionals with the knowledge and tools necessary to navigate the updates, we are pleased to have Group Chief Auditor of The Bank of East Asia, Limited, Member of the International Internal Audit Standards Board and Board Governor of The Institute of Internal Auditors Hong Kong China Helen Li to discuss the significant changes in the 2024 Standards as well as the implications, considerations and sharing best practices and strategies for successful and practical implementation. Director and Head of Risk Advisory of BDO **Ricky Cheng** presented the souvenir to Helen on behalf of the firm to express our gratitude for being our guest speaker.



BDO and DBS joint seminar: Driving profitability and sustainability - A holistic approach to sustainable finance and supply chain management

JUN
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With the global focus shifting towards sustainable practices, understanding the intersection of finance and supply chain sustainability has become increasingly important for businesses across various industries. It has become increasingly crucial for companies to assess and manage their carbon footprint comprehensively. While large-cap and listed companies have been actively calculating their scope 3 emissions, it is equally important for small and medium enterprises to understand the significance of their emission profile, particularly when it comes to their supply chain.

During this seminar, Director and Head of Risk Advisory of BDO **Ricky Cheng**, Manager of Risk Advisory of BDO **Alpha Chia**, Senior Vice President, Sustainable Finance, Institutional Banking Group of DBS Bank (Hong Kong) Limited Dennis Ngai and representative of Oracle Carr Ngai explored the critical role of green finance in driving sustainable supply chains and fostering a greener future. They also shared their insights into the latest trends, best practices, and innovative solutions in green finance cases.



Ricky Cheng



Alpha Chia



Dennis Ngai



Carr Ngai



BDO seminar: Update on the ESG Reporting Code



The Stock Exchange of Hong Kong Limited (HKEX) issued the consultation conclusion namely, the 'Enhancement of Climate-related Disclosure under the ESG Framework' (the conclusion) on 19 April 2024. According to the conclusion, the reporting requirement framework is renamed as 'Environmental, Social and Governance Reporting Code' and a new section climate-related disclosure is created under Part D of the Code. The new disclosure requirements will come into effect for financial year beginning on or after 1 January 2025. At the same time, the HKEX also released an implementation guidance for listed companies as a reference for preparing their ESG reports. While the guidance covers almost all of the major parts of the new disclosure requirements, companies may need to take some time to digest and interpret the content for disclosure purpose.

To facilitate the audience to better understand the new climate-related disclosure requirements, Director and Head of Risk Advisory of BDO **Ricky Cheng**, Principal of Risk Advisory of BDO **Vijo Fok** and Manager of Risk Advisory of BDO **Alpha Chia** provided an overview of the reporting code by taking a closer look at the new disclosure requirements and providing illustrative examples.



(From left to right) Vijo Fok, Ricky Cheng and Alpha Chia



BDO seminar: Empowering small-medium enterprises



In the rapidly-changing economic landscape and the era of digitalisation, small and medium-sized enterprises (SMEs) are facing compounding challenges and inevitably need to equip themselves to embrace the trends.

This seminar was tailored to SMEs seeking to enhance their awareness of crucial areas and available support, enabling them to maximise business opportunities and drive profitability. Principals of Risk Advisory of BDO **Herman Tsui** and **Pokit Lok**, Founder and Managing Director of Integrity Partners Capital **Michael Poon**, CEO of Blue Pin (HK) Ltd **Gary Leung** and Head of Sales, New Business of Oracle **Nick Cheng** covered a wide range of topics that may help SMEs in understanding the importance of strategic planning and innovation in overcoming their challenges, including risk management, internal controls and potential challenges, as well as how AI can streamline workflows and boost productivity and how technology can help in running your business better and growing faster.



Herman Tsui



Pokit Lok



Michael Poon



Gary Leung



Nick Cheng



Rodney Chan



BDO seminar: Overcoming cyber threats and navigating future trends



Cyber threats are escalating, posing risks to everyone. In light of recent cyber incidents and the growing concern around data leakage and cybersecurity, this seminar is specifically designed to empower attendees with the knowledge and strategies needed to thrive in today's digital landscape.

Manager of Risk Advisory of BDO **Rodney Chan** gave an overview of cyber threats including malware, IoT vulnerabilities and advanced persistent threats (APTs), etc, and explored effective preventative measures and tools to protect digital assets like firewalls, multi-factor authentication (MFA), intrusion detection systems (IDS), and security information and event management (SIEM). Past incidents and breaches were also studied to fortify the defenses for the futures and navigate upcoming cyber trends.



BDO & Hong Kong Securities Association event - Panel discussion: Virtual assets – business opportunities and challenges for traditional security participants

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01

This event explored the latest trends, regulatory developments, and potential business opportunities in the virtual asset space. The panel discussion included insightful topics such as the regulatory landscape of virtual assets in Hong Kong, licensing requirement on virtual asset trading platform (VATP), latest trend on VATP license application, key concerns from regulators on VATP applicants and internal control and IT security measures on VATP.

Principal of Risk Advisory of BDO **Pokit Lok** was one of the panel speakers of the event. We are also delighted to have several virtual asset experts to join our discussion, including Chief Digital Officer of FORMS Barry Chan, Principal Partner of L & Y Law Office Henry Yu and CEO of CSpro Hong Kong Samson Lee. Executive Director of Victory Securities Company Limited Kennix Chan acted as the moderator of the discussion.



(From left to right) Kennix Chan, Barry Chan, Henry Yu, Pokit Lok and Samson Lee



BDO forum: Latest corporate governance consultation

AUG
08



(From left to right) Ricky Cheng, Vivian Chow and Herman Tsui

Following the last round of amendments that came into effect on 1 January 2022, the HKEX published the 'Review on Corporate Governance Code and Related Listing Rules' (Consultation) outlining its latest proposed amendments to the Corporate Governance Code and related listing rules on 14 June 2024. The proposals include major changes (rule/code provision/mandatory disclosure requirement) elevating board effectiveness, strengthening independence, further promotion of board and workforce diversity, enhancing risk management and internal control.

Considering the above proposals may come into effect as early as 1 January 2025, issuers should start making preparations as soon as practicable to satisfy the possible upcoming requirements. In addition with a brief summary of the proposals made in the current Consultation, the forum provided a platform for group discussions to exchange views on the significant proposals in the Consultation, their implications and considerations with the aim to collect practical feedback and views about the proposals. Director and Head of Risk Advisory of BDO **Ricky Cheng**, Director of Risk Advisory of BDO **Vivian Chow** and Principal of Risk Advisory of BDO **Herman Tsui** also shared best practices and strategies for successful and practical implementation.

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