

Joint Declaration of the China Auditing Standards Board and the Hong Kong Institute of Certified Public Accountants on the converged China Auditing Standards and Hong Kong Auditing Standards

The China Auditing Standards Board (CASB) and the Hong Kong Institute of Certified Public Accountants (Hong Kong Institute of CPAs) have conducted a standard by standard comparison between China Auditing Standards (CAuSs) and Hong Kong Auditing Standards (HKAuSs) (the background of the comparison and the comparison process is stipulated in Annex I to this Declaration) and agreed to make the following joint declaration:

- (1) The same Certified Public Accountant applying CAuSs or HKAuSs effective on 6 December 2007 should comply with the same requirements and the resulting conclusions should have the same effect for the same assurance or other related services engagements (including audit of financial statements).
- (2) Both parties declare their commitment to maintain the convergence of CAuSs and HKAuSs on an ongoing basis; and for that purpose, have established a mechanism for ongoing maintenance of convergence as stipulated in Annex II to this Declaration.
- (3) Both parties have undertaken active discussions with the relevant authorities in both jurisdictions and reached a common understanding that work will start immediately after the signing of this Declaration to finalise specific arrangements for mutual exemption of the respective Accounting papers of the PRC CPA Uniform Examination and the HKICPA CPA QP Examination, and to explore as soon as possible an extension to the eligibility of CICPA and HKICPA members for the mutual examination papers exemption arrangements.

- (4) During the process of the standards comparison project leading to this Declaration, both parties have undertaken active discussions with the relevant regulators in both jurisdictions and reached a common understanding that work will start immediately after the signing of this Declaration. This work will explore, and resolve as soon as possible, acceptance by the regulators of one jurisdiction for the purpose of listing in that jurisdiction, the financial statements of an enterprise of the other jurisdiction that are prepared under the accounting standards of that other jurisdiction and audited by eligible auditing practices in that other jurisdiction applying auditing standards of that other jurisdiction.

WANG Jun
Chairman
China Auditing Standards Board

6 December 2007

Mark C. FONG
President
Hong Kong Institute of
Certified Public Accountants

6 December 2007

Note: If there are any differences between the Chinese and English version of this Declaration, the Chinese version shall take effect.