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## Accountants divided over work on insolvency cases

By CHAN CHI-KEUNG

NEGOTIATIONS to privatise government liquidation work have stalled as the prime mover, the Hongkong Society of Accountants (HKSA), has been unable to resolve certain internal differences.

The members of the society's Insolvency Practitioners Committee are understood to have difficulties in getting a consensus solution on how the privatisation can be done.

An unequivocal view had yet to be reached among the members, which included government representatives, said HKSA executive director Louis Wong.

Two of the key issues were whether all accountants would be qualified to do the job and in what ways assignments were to be allocated to members, he said.

Mr Wong admitted that not much progress had been made in recent months, but insisted the society and the working committee were

still actively pursuing the project.

The HKSA had urged the Registrar General's Department to farm out insolvency cases to private practitioners in light of the heavy workload at the department's Official Receiver's Office.

A burgeoning number of liquidations following the property crash and the notorious Carrion case also prompted the department to ask for outside assistance.

But solicitors and accountants are the only professionals under the Hongkong legal framework who can handle insolvency work.

The HKSA has been particularly keen on getting what is believed to be a business activity with promising potential, while the Law Society has not shown much interest.

Mr Wong said the insolvency committee had endorsed in principle the idea of the government referring more cases to accountant-

liquidators, but details had yet to be discussed.

"Is everybody going to be able to act as liquidator?" he said. "If only a particular group is privileged to do that, what are the qualifications required and how are they assessed?"

Mr Wong said it was also possible that accountants might not be willing to undertake cases which were expected to produce only meagre profits.

He said a roster system had been discussed so that nobody could refuse a job when his turn came, unless for reason of conflict of interest or other genuine excuse.

But there was a possibility that an accountant might claim insufficient resources to avoid taking up unprofitable liquidations.

The problem is similar to the one seen by the Law Society, which believes solicitors might find it too costly to gear up for the rare occasion of a large liquidation.