

**QP pre-entry education  
competency requirements for sub-degree holders  
(professional bridging examination)**

## TECHNICAL COMPETENCIES

### Fields of competency

The items listed in this section are shown with an indicator of the minimum acceptable level of competency, based on a three-point scale as follows:

#### 1. Awareness

To have a general academic awareness of the field with a basic understanding of relevant knowledge and related concepts.

#### 2. Knowledge

The ability to use knowledge to perform tasks competently without assistance in straightforward business situations or applications.

#### 3. Application

The ability to apply comprehensive knowledge and a broad range of skills in a business setting to solve most problems generally encountered.

## PAPER IV: PBE BUSINESS LAW AND TAXATION

This subject aims to provide students with an awareness of the overall legal framework in which businesses in Hong Kong operate so as to enable them to apply the relevant laws and practices to business problems and practical situations. It also aims to test students' ability to understand the taxation system in Hong Kong and taxation computation and basic tax planning.

### Hong Kong legal system

- ~~Describe~~Discuss the need for law. 3
- ~~Describe~~illustrate the constitutional framework applying in Hong Kong society. 3
- Explain the differences between legislation and case law. 2
- Explain the court system in Hong Kong. 2
- Explain the doctrine of precedent. 2

### General principles of contract law

- Determine the required elements to form a contract. 3
- ~~Describe the effects of~~ Explain different ~~means of communications of~~ acceptance ~~terms of a contract.~~ 3
- ~~Explain the meaning of intention to enter into legal relations.~~ Discuss different vitiating factors and its effects. 3
- ~~Describe the effect of illegality.~~ Discuss different circumstances in which a contract is discharged. 3
- Explain the circumstances in which specific performance and injunctions may be suitable remedies. 2

## Law of Tort

- ~~Describe the importance of the duty of care.~~ Discuss the required elements to establish a legal action in the law of tort. 23
- ~~Explain~~ Discuss the concepts of damages and defences as they relate to negligence. 23
- Describe employers' liability, occupiers' liability and vicarious liability. 2

## Employment laws

- Explain the scope of the Employment Ordinance. 2
- ~~Identify~~ Demonstrate who is classified as an employee. 2
- Explain the key provisions of the Employment Ordinance. 2
- Describe the process of a hearing in the Labour Tribunal. 2
- Explain the key provisions of Sex Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance. 2

## Bribery and corruption laws

- Explain the scope of the Prevention of Bribery Ordinance. 2
- Explain the key provisions of the Prevention of Bribery Ordinance. 2
- Describe the role of the Independent Commission Against Corruption (ICAC). 2
- Explain the obligations under the money laundering legislation. 2

## The principal forms of ownership of business

- ~~Explain~~ Discuss the liability attaching to partners. 3
- ~~Explain~~ Discuss the key provisions to be included in joint venture agreements. 3
- ~~Explain~~ Discuss the concept of limited liability. 3
- Discuss the concepts of separate legal entities and lifting the corporate veil. 3
- Explain the registration obligations under the Business Registration Ordinance. 32
- Explain non-Hong Kong company provisions under Companies Ordinance. 32

## Company law: company formation

- ~~Describe~~ Illustrate the procedures in the formation of a registered company. 3
- ~~Explain~~ Discuss the relevance of the provisions contained in the company's memorandum. 3
- ~~Explain~~ Discuss the content of Table A/other chosen Articles of Association. 3
- ~~Describe~~ Illustrate the requirements for record keeping. 3

## Capital and financing of companies

- Differentiate between different classes of share capital. 2
- Distinguish between fixed and floating charges. 2
- Explain how a company may alter its share capital. 2
- Explain the priority of different types of charges in the event of receivership and winding up. 2
- Explain the importance of maintenance of capital. 2

## Administration of companies

- ~~Describe~~Illustrate how directors are appointed and removed. 3
- ~~Explain~~Discuss the fiduciary duties of directors. 3
- ~~Explain~~Discuss the duty of care and skill owed by a director to his company. 3
- Discuss the duties and liabilities of auditors. 3
- Distinguish between the business of the company decided by directors and matters requiring the approval of the shareholders in general meeting. 2
- Explain the rules about minority protection and protection of outsiders. 2

## Liquidation

- ~~Describe~~Determine the types of liquidation. 3
- ~~Explain~~Discuss the roles of liquidators. 3
- ~~Describe~~Illustrate the procedures for liquidation. 3

## Overview of taxation system

- Describe the key aspects of the tax system in Hong Kong including tax administration. 2
- Describe the various types of taxation and tax bases applicable in Hong Kong. 2
- ~~Describe~~Discuss the criteria for ascertaining chargeability for all major taxes. 23
- Explain basic tax planning issues. 2

## Tax computation

- For straightforward transactions and situations, calculate and advise on tax liabilities for individuals, unincorporated businesses, partnerships and companies. 3