

**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 the need for law. 3
- Describe the constitutional framework applying in Hong Kong society. 3
- Explain the differences between legislation and case law. 2

### General principles of contract law

- Describe the effects of different means of communications of acceptance. 3
- Explain the meaning of intention to enter into legal relations. 3
- Describe the effect of illegality. 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. 2
- Explain the concepts of damages and defences as they relate to negligence. 2
- Describe employers' liability, occupiers' liability and vicarious liability. 2

## **Employment laws**

- Explain the scope of the Employment Ordinance. 2
- Identify 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 the liability attaching to partners. 3
- Explain the key provisions to be included in joint venture agreements. 3
- Explain the concept of limited liability. 3
- Explain the registration obligations under the Business Registration Ordinance. 3
- Explain non-Hong Kong company provisions under Companies Ordinance. 3

## **Company law: company formation**

- Describe the procedures in the formation of a registered company. 3
- Explain the relevance of the provisions contained in the company's memorandum. 3
- Explain the content of Table A/other chosen Articles of Association. 3
- Describe 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 how directors are appointed and removed. 3
- Explain the fiduciary duties of directors. 3
- Explain the duty of care and skill owed by a director to his company. 3
- Distinguish between the business of the company decided by directors and matters requiring the approval of the shareholders in general meeting. 2

## **Liquidation**

- Describe the types of liquidation. 3
- Explain the roles of liquidators. 3
- Describe 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 the criteria for ascertaining chargeability for all major taxes. 2
- 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