

**REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING
SERVICES
AND
TAXATION SERVICES
for
Financial Year 2017/2018**

**Hong Kong Internet Registration Corporation Limited
Hong Kong Domain Name Registration Company Limited**

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Table of Contents

1. Definition 4

2. Introduction 4

 2.1. Request for Proposal 4

 2.2. General Information 4

 2.3. Term of Engagement 5

3. Services Required 5

 3.1. General 5

 3.2. Scope of Work to be Performed 5

 3.3. Auditing Standards to be Followed 5

 3.4. Reports to be Issued 6

4. About the Group 6

 4.1. About HKIRC 6

 4.2. About HKDNR 7

5. Proposal Requirements 7

 5.1. General Requirement 7

 5.2. Format of Proposals 8

 5.3. Process 9

 5.4. Important Deadline 10

6. Evaluation Criteria 11

7. Service Agreement and Signature 11

8. The Group Contacts 12

APPENDIX A 13

1. Definition

In this document,

“HKIRC” represents Hong Kong Internet Registration Corporation Limited. It is the parent company of Hong Kong Domain Name Registration Company Limited.

“HKDNR” represents Hong Kong Domain Name Registration Company Limited. It is a wholly owned subsidiary of HKIRC and is one of the accredited registrars of HKIRC.

“The Group” represents the HKIRC and HKDNR.

“RFP” represents this Request for Proposals.

“ACM” represents the Group’s Audit Committee Meeting

“AGM” represents HKIRC Annual General Meeting

2. Introduction

2.1. Request for Proposal

The Group is requesting proposals from qualified firms providing auditing services for the year ended 31 Dec 2017. The audit is to be performed in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

2.2. General Information

1. There is no expressed or implied obligation for the Group to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.
2. Proposals submitted will be evaluated by an Evaluation Panel and the Audit Committee. During the evaluation process, the members of the Group reserve the right, where it may serve the Group’s best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the Audit Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.
3. It is anticipated the selection of a firm will be completed on or before Apr 2017. Following the notification to the selected firm it is expected a Letter

of Engagement prepared by the selected firm will be executed between both parties after the HKIRC 2017 AGM.

2.3. Term of Engagement

This is a one-year contract. The Group reserves its right to extend the contract to cover the year-end audits for 31 Dec 2018 and 31 Dec 2019 subject to the review and satisfactory negotiation of terms by the Group with the selected firm.

3. Services Required

3.1. General

The Group is soliciting proposals from qualified firms of certified public accountants to audit its financial statements for the year ending 31 Dec 2017. The audit is to be performed in accordance with the provisions contained in this RFP.

3.2. Scope of Work to be Performed

The Group desires the auditors to audit the financial statements of the Group for the year ended 31 Dec 2017, and to express an opinion of the financial statements in conformity with generally accepted accounting principles. The selected auditors will produce the reports listed in Section 3.4.

Following are services included in the audit services:

1. The representative of the selected firm is requested to attend one to two Audit Committee Meeting to introduce their audit methodology, and discuss findings from the audit work performed and a draft of financial statements should have been ready for the meeting(s).
2. The representative of the selected firm is requested to attend the HKIRC AGM to report the findings resulting from the audit work performed and to handle enquires related to the scope of the audit mandate from attendees.
3. Tax filing for HKIRC and HKDNR. It includes:
 - preparing the Group's profits tax return for final assessment 2017/2018 and provisional payment 2018/2019, and
 - supporting of profits tax computation for final assessment 2017/2018 and provisional payment 2018/2019.

3.3. Auditing Standards to be Followed

To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the Hong

Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

3.4. Reports to be Issued

1. Reports to be issued to meet a time line of auditing not later than the following schedule:
 - Mid of Jan 2018 – Start audit field works
 - Mid of Feb 2018 – Draft reports to be reviewed by Finance Department
 - End of Feb 2018 – Finalized reports to be reviewed by Audit Committee
 - Mid of Mar 2018 – The finalized reports to be approved by the Board
 - Mid of May 2018 – The finalized reports to be adopted at the HKIRC 2018 AGM
2. HKIRC
 - Report of the directors
 - Independent auditors' report
 - Consolidated statement of profit or loss and other comprehensive income
 - Consolidated statement of financial position
 - Consolidated statement of changes in equity
 - Consolidated cash flow statement
 - Notes to the financial statements
 - Detailed statement of profit or loss and other compressive income
3. HKDNR
 - Report of the directors
 - Independent auditors' report
 - Statement of profit or loss and other comprehensive income
 - Statement of financial position
 - Statement of changes in equity
 - Cash flow statement
 - Notes to the financial statements
 - Detailed income statement

4. About the Group

4.1. About HKIRC

Hong Kong Internet Registration Corporation Limited (HKIRC) is a non-profit-making and non-statutory corporation designated by the HKSAR Government to administer the registration of Internet domain names under '.hk' and '香港' country-code top level domains and their equivalents. HKIRC is incorporated

by guarantee and is tax exempted under Section 87. HKIRC provides registration services through its registrars.

4.2. *About HKDNR*

HKDNR is a wholly owned subsidiary of HKIRC. HKDNR is one of the accredited registrars providing registration services to customers using Internet domain names ending with '.com.hk', '.org.hk', '.gov.hk', '.edu.hk', '.net.hk', '.idv.hk', '.hk' and the Chinese domain names ending with '.公司.香港', '.網絡.香港', '.組織.香港', '.政府.香港', '.教育.香港', '.個人.香港', and '.香港'.

The Group will not scrutinize applications for Domain Names, other than in respect of technical restrictions and application qualifications. Nor will it make judgments as to whether the registration or use of a Domain Name infringes the rights of any third parties. HKDNR always employs latest technology to deliver cost-effective service to Customers.

The Group endeavors to be:

1. Cost-conscious but not profit-orientated
2. Customer-orientated
3. Non-discriminatory
4. Efficient and effective
5. Proactive and forward-looking

More information about the Group can be found on <http://www.hkirc.hk> and <http://www.hkdnr.hk>.

5. Proposal Requirements

5.1. *General Requirement*

1. Proposals received after the date and time required by and stated in the RFP shall not be considered. However, the Group has its discretion to consider the late submitted proposals.
2. All proposals and related reference information submitted in response to the RFP will become the property of the Group and will not be returned. Each entity submitting a proposal waives any right of confidentiality as to the proposal documents. If any entity submitting a proposal considers certain material in the proposal proprietary information, it shall clearly designate those portions of the proposal it wishes to remain confidential. As the Group is subject to making records available for public, the Group will attempt to maintain the confidentiality of material marked proprietary; however, it cannot guarantee that information will not be made public.

3. The proposal accepted will form part of the contract that will be negotiated subsequently. Any statements, therefore, included in the proposal as to the performance of the services will be contractually binding.
4. The Group reserves the right to (1) accept or reject any or all proposals and to waive any technicality or irregularities involving any proposal and to cancel the RFP process at any time prior to entering into a formal contract for auditing services, (2) not award a contract for any or all of the services that are the subject of the RFP process, (3) negotiate contract terms acceptable to the Group with the successful auditor if the Group has intention to extend the contract to cover the years ended 31 Dec 2018 and 31 Dec 2019 and (4) disregard all non-conforming, non-responsive or conditional proposals.
5. During the evaluation process, the Group reserves the right to request additional information or clarifications from those firms submitting proposals and to allow corrections of errors and/or omissions.
6. Submission of a proposal indicates acceptance by the firm submitting the proposal of the terms, conditions and specifications contained in this RFP and to include the contract requirements set forth herein.
7. The proposal should include all the costs associated with compiling, drafting, editing the Reports listed in Section 3.4, and attending one to two ACM and the AGM.

5.2. *Format of Proposals*

1. General Requirements
 - The name, the title and phone number of the bidder's contact person
 - The name and address of the firm
 - Table of contents
 - Body of proposal (see below)
 - A signature of the person authorized to commit the firm

2. Body of Proposal

The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the requirements of the RFP.

- Independence
The firm should provide an affirmative statement that it is independent of the Group.
- Similar Engagements with Other Non-profit Entities

List the most significant engagements (at least 3) performed in the last two years that are similar to the engagement described in this RFP.

- The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section 3 of this RFP.
- Level and number of staff to be assigned to the engagement.
- Cost

The proposal should contain all pricing information related to performing the audit engagement as described in this RFP. The proposal should include Audit Fee and out-of-pocket expenses, presented in the format provided in the attachment, Appendix A, which supports the total all-inclusive price.

- Payment Terms

5.3. *Process*

1. Publish RFP
 - A RFP will be published in the website www.hkirc.hk on 5 Sep 2016. Inquiries concerning the RFP must be sent to elisa.chung@hkirc.hk and cc to ben.lee@hkirc.hk.
2. Express interest by interested parties
 - Please send an email to elisa.chung@hkirc.hk and ben.lee@hkirc.hk on or before 12 Sep 2016 to show your interest. The Group will acknowledge receipt by email to the interested parties.
3. Submit proposal by interested parties
 - The proposal is required to be received on or before 18:00 on 28 Sep 2016;
 - Softcopy of the proposal **send by email** should be addressed to ben.lee@hkirc.hk and with copy to elisa.chung@hkirc.hk. The subject line of the email must be marked with “Proposal for Professional Auditing Services 2017” for easy reference; and
 - Original copy of the proposal **send by mail** should be submitted in a sealed envelope and marked as follows:

Hong Kong Internet Registration Corporation Limited
Hong Kong Domain Name Registration Company Limited

Proposal for Professional Auditing Services of 2017

Unit 2002-2005, 20/F, FWD Financial Centre
308 Des Voeux Road Central, Sheung Wan, Hong Kong

Attn: Ben Lee

4. Review of Proposals
 - The proposals will be reviewed by the Group’s Evaluation Panel and a recommendation will be submitted to the Group’s Audit Committee in Oct 2016.
 - The recommendation will be reviewed by the Group’s Audit Committee and proposed to the Group’s Board on or before the end of Dec 2016. The Audit Committee reserves the right to review all proposals.
 - During the evaluation process, the Group reserves the right to request additional information or clarifications from those firms submitting proposals and to allow corrections of errors and/or omissions.
 - At the discretion of the Group, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.
5. Approve the recommendation by the Group’s Board on or before Apr 2017.
6. Adopt the proposal at the HKIRC 2017 AGM.

5.4. Important Deadline

Date	Description	Remark
5 Sep 2016	Publish RFP on website www.hkirc.hk	Enquiries concerning the RFP must be sent to elisa.chung@hkirc.hk and cc to ben.lee@hkirc.hk .
12 Sep 2016	Deadline to express interest	Send an email to elisa.chung@hkirc.hk & ben.lee@hkirc.hk to express interest. (An acknowledgment email will be sent to the interested party.)
28 Sep 2016	Deadline to submit proposal	Interested parties must send the proposal by email to ben.lee@hkirc.hk & elisa.chung@hkirc.hk AND send a hardcopy of the proposal by post to the attention of Ben Lee.
on or before Apr 2017	Approve the recommendation by the Board	
May 2017	Adopt the proposed auditing firm to be our Auditors for the year ended 31 Dec 2017 at HKIRC 2017 AGM.	The selected auditing firm should prepare a Letter of Engagement to the Group accordingly.

6. Evaluation Criteria

Interested parties should declare in their proposals that:

1. The auditing firm is a registered CPA firm of the Hong Kong Institute of Certified Public Accountants.
2. The firm is independent and with no conflicts of interest with regard to any other work performed in Hong Kong.

Proposals will be evaluated using the following criteria:

Criteria	Rating
The firm's past experience and performance on comparable engagements (include at least 3 references of Non-profit organization)	0 – 20
Company background and reputation	0 – 20
The firm's adherence to the instructions in this RFP on preparing and submitting the proposal	0 – 10
Qualification of staff to be assigned to the audit	0 – 25
Audit Fee	0 – 25

7. Service Agreement and Signature

When an auditing firm is adopted at the HKIRC 2017 AGM, an email notice will be sent to the auditing firm requesting the auditing firm to prepare a Letter of Engagement to the Group within a reasonable time.

The Chairman of ACM will on behalf of the Group to sign the Letter of Engagement and return to the auditing firm. The contract will be effective until the HKIRC 2018 AGM. If the auditing firm failed to prepare the Letter of Engagement, the Group will discuss with the next qualified auditing firm on the selection list.

8. The Group Contacts

Contacts information

<i>Contacts</i>	
Hong Kong Internet Registration Corporation Limited	Senior Finance Officer Elisa Chung
Hong Kong Domain Name Registration Company Limited	+852 2319 3806 elisa.chung@hkirc.hk
Unit 2002-2005, 20/F FWD Financial Centre, 308 Des Voeux Road Central, Sheung Wan, Hong Kong	Head of IT Ben Lee +852 2319 3811 ben.lee@hkirc.hk
+852 2319 2303 – telephone +852 2319 2626 – fax http://www.hkirc.hk http://www.hkdnr.hk	

APPENDIX A

SUMMARY SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR PROFESSIONAL AUDIT SERVICES FOR THE YEAR ENDED 31 DEC 2017

Description	HKIRC HK\$	HKDNR HK\$
Audit Fee (including attendance of one to two ACM and the 2018 AGM)		
Out-of-pocket expenses (including 6 copies of Reports)		
Total Amount		

TAXATION SERVICE FOR THE YEAR ENDED 31 DEC 2017

Description	HK\$
Tax Filing of HKIRC (It includes (1) preparing the company's profits tax return for final assessment 2017/2018 and provisional payment 2018/2019, (2) a supporting of profits tax computation for final assessment 2017/2018 and provisional payment 2018/2019.)	
Tax Filing of HKDNR (It includes (1) preparing the company's profits tax return for final assessment 2017/2018 and provisional payment 2018/2019, (2) a supporting of profits tax computation for final assessment 2017/2018 and provisional payment 2018/2019.)	