

Request for Proposals on Statutory Audit and Taxation Services 2024

Version 1.0
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Hong Kong Internet Registration Corporation Limited Group

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1. Summary

HKIRC and its subsidiary (collectively "HKIRC Group") are looking for an auditing firm (the "Contractor") to provide the statutory audit and taxation services for the financial year ending 31 December 2024.

The Contractor will conduct a statutory audit in compliance with all statutory requirements applicable to HKIRC Group.

The scope of service is detailed in section 4 of this document.

Parties interested in providing this service shall submit **Express of Interest (EOI) by 10 October 2023**. For those who have submitted EOI, they should **submit proposal** (see Appendix A) to HKIRC **no later than 5:00 p.m. on 24 October 2023**.

The Contractor submitting the proposal for the service (the "Bidder") should first submit Express of Interest by email to HKIRC contacts (refer Appendix A – HKIRC Proposal Requirements, electronic copy). The Bidder must provide their information as required in the proposal cover page (Appendix A, 1.3 Cover Page).

2. Definitions

The following terms are defined as in this section unless otherwise specified.

"Audit Committee" is an operating committee established by the HKIRC's Board of Directors focusing on auditing matters. The committee members are drawn from members of the Board of Directors.

The "Bidder" means the company submitting the Proposal for the Service

The "Contractor" means the company providing the Service.

"HKIRC" means Hong Kong Internet Registration Corporation Limited

"HKDNR" means Hong Kong Domain Name Registration Company Limited, a wholly-owned subsidiary of HKIRC, being one of the registrars of HKIRC.

"HKIRC Group" means HKIRC and HKDNR.

"ISMS" means Information Security Management System. It consists of an information security organization and a set of policies, guidelines and procedures concerned with information security management.

The "Service" means the statutory audit and taxation services with requirements stipulated in Section 4 of this document.

"POBO" means the Prevention of Bribery Ordinance in Hong Kong

"RFP" means this Request for Proposal.

3. About HKIRC

HKIRC is a non-profit-making and non-statutory corporation responsible for the administration of Internet domain names under '.hk' country-code top level domain and its equivalents. HKIRC provides registration services through its accredited registrars for domain names ending with '.com.hk', '.org.hk', '.gov.hk', '.edu.hk', '.net.hk', '.idv.hk', '.hk', '.公司.香港', '.組織.香港', '.政府.香港', '.教育.香港', '.網絡.香港', '.個人.香港' and '.香港'. Its wholly owned subsidiary, HKDNR is one of the accredited registrars.

HKIRC endeavors to be:

- Cost-conscious but not profit-orientated
- Customer-orientated
- Non-discriminatory
- Efficient and effective
- Proactive and forward-looking

3.1 HKIRC and HKDNR are public bodies under POBO

HKIRC and HKDNR are under POBO as public bodies. All the prescribed officers and employees, other than the ordinary members of HKIRC who are not vested with management responsibility, are public servants. In order to ensure that our contacts and service providers also observe a high integrity standard, please read and comply with Probity Clauses in Appendix B in this document and sign the warranty in Appendix C. **HKIRC will not consider proposals from companies which have not signed and sent to us on time the Warranty in Appendix C.**

More information about HKIRC and HKDNR can be found at https://www.hkirc.hk and https://www.hkdnr.hk respectively.

4. The Required Services

The Bidder is required to perform the following Service:-

4.1 Statutory Audit

The Bidder will provide statutory audit service for HKIRC and HKDNR for the financial year ending 31 December 2024 in compliance with all statutory requirements applicable to HKIRC Group.

4.1.1 Timeline Requirement

The Bidder shall assign a team of competent audit staffs to commence field audit in **mid of January 2025** or whatever time to be discussed with HKIRC in order to meet the target to complete the **duly signed audited financial statement of HKIRC Group by late March 2025**. It is to fulfil our usual practice to have HKIRC's Annual General Meeting to be held in May of each year.

4.1.2 Other Requirement

a. The Bidder is expected to have at least one meeting with our Audit Committee to present the final result of the statutory audit, issues or areas for attention. Either the Bidder or HKIRC can request more discussion meetings if they consider necessary.

b. The Bidder shall review and comment on the appropriateness about the Chinese translation for the full set of the audited financial statements, including notes to the accounts, prepared by HKIRC or its appointed translator.

c. The Bidder shall attend HKIRC's Annual General Meeting in 2025 to answer any question raised by Attendees.

4.2 Taxation Service

The Bidder shall provide Hong Kong Profits Tax Compliance Service for HKIRC and HKDNR for the financial year ending 31 December 2024, including preparation and submission of Hong Kong Profits Tax Return, tax computation and supporting schedules in compliance with Inland Revenue Ordinance.

4.2.1 Timeline Requirement

The Bidder shall assign a team of experienced Hong Kong Tax staffs to assist HKIRC Group to comply with the Hong Kong tax responsibility and meet all tax deadline as set by the Inland Revenue Department ("IRD").

4.2.2 Other Requirement

The Bidder shall assist in handling all tax queries raised by IRD. In case the tax query is outside the scope of taxation service as stated in clause 4.2 above, a separate fee quotation should be prepared and to be accepted by HKIRC before any work to be performed.

5. Information Security

The Contractor shall comply with the HKIRC Information Security Policy, to the extent that commensurate with its roles and responsibilities. The term “Contractor” hereby refers to all relevant staff members of Contractor and those of any other subcontractors under the Contractor’s purview.

A copy of the HKIRC Information Security Policy will be provided to the Bidder upon its request after submission of the EOI.

As proposals received by HKIRC are classified as “RESTRICTED”, Bidders are requested to mark “RESTRICTED” at the center-top of each page in black color. The proposal must be encrypted if transmitted electronically.

6. Ethical Commitment

6.1 Prevention of bribery

(A) The Contractor shall not, and shall procure that his directors, employees, agents and sub-contractors who are involved in this Contract shall not, except with permission of Hong Kong Internet Registration Corporation Limited (hereafter referred to as the Organisation) solicit or accept any advantage as defined in the Prevention of Bribery Ordinance (Cap 201) in relation to the business of the Organisation. The Contractor shall also caution his directors, employees, agents and sub-contractors against soliciting or accepting any excessive hospitality, entertainment or inducements which would impair their impartiality in relation to the business of the Organisation. The Contractor shall take all necessary measures (including by way of internal guidelines or contractual provisions where appropriate) to ensure that his directors, employees, agents and sub-contractors are aware of the aforesaid prohibition and will not, except with permission of the Organisation, solicit or accept any advantage, excessive hospitality, etc. in relation to the business of the Organisation.

(B) The Contractor shall not, and shall procure that his directors, employees, agents and sub-contractors who are involved in this Contract shall not, offer any advantage to any Board member or staff in relation to the business of the Organisation.

6.2 Declaration of Interest

(C) The Contractor shall require his directors and employees to declare in writing to the Organization any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that such conflict or potential conflict is disclosed in a declaration, the Contractor shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed. The Contractor shall require his agents and sub-contractors to impose similar restriction on their directors and employees by way of a contractual provision.

(D) The Contractor shall prohibit his directors and employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give risk to a conflict between their personal/financial interests and their duties in connection with this Contract. The Contractor shall require his agents and sub-contractors to impose similar restriction on their directors and employees by way of a contractual provision.

(E) The Contractor shall take all necessary measures (including by way of internal guidelines or contractual provisions where appropriate) to ensure that his directors, employees, agents and sub-contractors who are involved in this Contract are aware of the provisions under the aforesaid sub-clauses (C) and (D).

6.3 Handling of confidential information

(F) The Contractor shall not use or divulge, except for the purpose of this Contract, any information provided by the Organisation in the Contract or in any subsequent correspondence or documentation, or any information obtained when conducting business under this Contract. Any disclosure to any person or agent or sub-contractor for the purpose of the Contract shall be in strict confidence and shall be on a "need to know" basis and extend only so far as may be necessary for the purpose of this Contract. The Contractor shall take all necessary measures (by way of internal guidelines or contractual provisions where appropriate) to ensure that information is not divulged for purposes other than that of this Contract by such person, agent or sub-contractor. The Contractor shall indemnify and keep indemnified the Organisation against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Organisation may suffer, sustain or incur, whether direct or consequential, arising out of or in connection with any breach of the aforesaid non-disclosure provision by the Contractor or his directors, employees, agents or sub-contractors.

6.4 Declaration of ethical commitment

(G) The company submitting the proposal ("the company") shall acknowledge and agree that, if the company is selected as the Contractor, it shall be bounded by the ethical commitment clauses. The company shall submit a signed declaration

in a form (see Appendix D) prescribed or approved by the Organisation to confirm compliance with the provisions in aforesaid sub-clauses (A) (B), (C), (D), (E) and (F) on prevention of bribery, declaration of interest and confidentiality. If the company fails to submit the declaration as required, the Organisation shall be entitled to withhold payment until such declaration is submitted and the company shall not be entitled to interest in that period. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D), (E) and (F) on prevention of bribery, declaration of interest and handling of confidential information, the company and the sub-contractors employed for the performance of duties under this Contract are required to deposit with the Organisation a copy of the internal guidelines issued to their staff.

7. Schedule

Project schedule		
	Tasks	*To be Completed by*
1	Publish RFP	26 September 2023
2	Express of interest	10 October 2023
3	Sign the Warranty in Appendix C and the Declaration Form on the compliance with the ethical commitment requirements in Appendix D by all interested Bidders	24 October 2023, 5:00 p.m.
4	Deadline for Bidders to submit proposal and quotation	24 October 2023, 5:00 p.m.
5	Selection of Contractor by panel	On or before 31 December 2023
6	Conclude final decision and appoint the Contractor	On or before 31 December 2023
7	Sign Service Contract with the appointed Contractor	On or before 31 January 2024

The schedule may change as needed. HKIRC may notify Bidders of the changes.

8. Fee Quote and Payment Schedule

The fee should be quoted in the following format:-

	HKIRC	HKDNR
Audit Service		
- Audit Fee (including attending meetings)		
- Out-of-pocket expenses (including printing 6 copies of audited financial statements)		
Total		
Taxation Service		
- Hong Kong Profits Tax Compliance Service (preparation and submission of 2024/25 Profits Tax Return and tax computation to the IRD, including out-of-pocket expenses)		

The Bidder should issue invoice for 100% Audit Fee after the issuance of the duly signed Audited Financial Statements.

The Bidder should issue invoice for 100% Taxation after formal filing of tax return and computation with supporting schedules on or before the as determined by IRD.

9. Elements of a Strong Proposal

All submitted proposal must follow the format as stated in Appendix A - HKIRC Proposal Requirements

Proposals are evaluated based on major criteria as follows:-

- Company Background
- Understanding of HKIRC's requirements
- Audit Approach and Methodology
- Statutory Audit Experience with Public Bodies similar to HKIRC
- Staffing, Flexibility and Responsiveness
- Innovation and Added Value
- Proposed Costs and Payment Schedule

10. Service agreement negotiation and signature

The service agreement will be drawn up between the selected Bidder and HKIRC. HKIRC welcomes the Bidder's proposal on a suitable service agreement for the project.

The service agreement must be signed by both parties as per section 7 of this RFP. If the agreement is not signed within the said period, HKIRC will start the negotiation with the next qualified Bidder on the selection list.

11. HKIRC Contacts

HKIRC Contacts information

Contacts	
Hong Kong Internet Registration Corporation Limited Unit 501, Level 5, Core C, Cyberport 3, 100 Cyberport Road, Hong Kong +852 2319 2303 – telephone +852 2319 2626 – fax http://www.hkirc.hk *If you are not sure about the appropriate person to call, the receptionist can help you.*	**Finance Manager** Alvin Yip +852 2319 3868 alvin.yip@hkirc.hk **Head of Company Secretary, HR and Administration** Irene Lee +852 2319 3813 irene.lee@hkirc.hk **Cybersecurity Manager** Arktos Lam +852 2319 3863 arktos.lam@hkirc.hk

Appendix A – HKIRC Proposal Requirements

Successful Bidder is the one who submitted a clearly worded proposal that shows the following attributes:

- a persuasive section on the company background
- international recognize certification for statutory audit
- a strong and flexible service and tools meeting HKIRC requirements with minimum customization
- high level of interaction between HKIRC and the Bidder
- excellent fit with the capabilities and facilities of HKIRC
- strong company and project management team

1.1 Proposal Deadline

All proposals must reach HKIRC as stated in Section 7.

1.2 Proposal Content

The proposal should contain the following:

- Cover Page
- Executive Summary
- Conflict of Interest Declaration
- Company Background
- Understanding of HKIRC's requirements
- Audit Approach and Methodology
- Statutory Audit Experience with Public Bodies similar to HKIRC
- Staffing, Flexibility and Responsiveness
- Innovation and Added Value
- Proposed Costs and Payment Schedule

Proposal requirements	
Submission deadline	Please refer to Section 7
Delivery address	Hong Kong Internet Registration Corporation Limited Unit 501, Level 5, Core C, Cyberport 3, 100 Cyberport Road, Hong Kong
Hard copies	Sending hard copies is optional. If sending hard copies, 2 copies of the full proposal are required. The proposal shall be sent to the attention of Ben Lee (Head of I.T.)
Electronic copy	It is a MUST to send electronic copy. Electronic copy, by encrypted email to arktos.lam@hkirc.hk and irene.lee@hkirc.hk; also cc alvin.yip@hkirc.hk.
Proposal format	Specified in this document
Page count	Not more than 30 pages. Stapled. Do not bind
Font	Electronically published or typed. Times New Roman 12 point font is preferred.

1.3 Cover Page

Prepare a non-confidential cover page with the following information in the order given.

Cover Page		
Project Title		
		Statutory Audit Services
Project Manager	Name:	
	Title:	
	Mailing address:	
	Phone:	
	Fax:	
	Email:	
Company	Contact person:	
	Title:	
	Company name:	
	Mailing address:	
	Phone:	
	Fax:	
	Email:	
	Website:	

1.4 Executive Summary

The executive summary provides a brief synopsis of the commercial and technical solution the Bidder proposed. This summary must be non-confidential. It should fit on a single page.

The executive summary should be constructed to reflect the merits of the proposal and its feasibility. It should also clearly specify the project's goals and resource requirements. It should include:

- Methodology/Approach

- Brief description of the Bidder's facilities and experience

1.5 Conflict of Interest Declaration

Declare any conflict of interest in relation to the project and the '.hk' ccTLD registry HKIRC.

1.6 Company Background

The Bidder must describe its company background. Major activities, financial situation, organizational structure, management team and achievements in service outsourcing of the company should be elaborated. Tracked records are preferred.

List the key management personnel in the proposal.

1.7 Understanding of HKIRC's requirements

The Bidder shall describe their understanding of HKIRC's requirements. With the use of a table, the Bidder should clearly state their compliance with the requirements listed in the scope of service section; and briefly explain how they are achieved.

1.8 Audit Approach and Methodology

The Bidder should describe their audit approach and methodology to be adopted in performing the services under this RFP.

1.9 Statutory Audit Experience with Public Bodies similar to HKIRC

The Bidder should have experience in auditing the public bodies similar to HKIRC.

1.10 Staffing, Flexibility and Responsiveness

The Bidder should provide the experience, skills and commitments of the engagement team for the services requested under this RFP.

1.11 Project schedule

The Bidder should present in this section the implementation schedule of the project. The schedule should be realistic and achievable by the Bidder.

1.12 Proposed Costs and Payment Schedule

The Bidder should provide the fixed fee in the format as specified in Section 8 of this RFP and the commercial and payment terms for the services.

Appendix B – Probity Clauses

Probity Clauses in Quotation Invitation Documents

Offering Advantages

(1) The Bidder shall not, and shall procure that his employees, agents and sub-contractors shall not, offer an advantage as defined in the Prevention of Bribery Ordinance, (Cap 201) in connection with the Bidding and execution of this contract.

(2) Failure to so procure or any act of offering advantage referred to in (1) above committed by the Bidder or by an employee, agent or sub-contractor of the Bidder shall, without affecting the Bidder's liability for such failure and act, result in his proposal being invalidated.

Anti-collusion

(1) The Bidder shall not communicate to any person other than the Hong Kong Internet Registration Corporation Limited ("HKIRC") the amount of any bid, adjust the amount of any bid by arrangement with any other person, make any arrangement with any other person about whether or not he or that other person should or should not bid or otherwise collude with any other person in any manner whatsoever in the bidding process. Any breach of or non-compliance with this sub-clause by the Bidder shall, without affecting the Bidder's liability for such breach rules and laws or non-compliance, invalidate his bid.

(2) Sub-clause (1) of this Clause shall have no application to the Bidder's communications in strict confidence with his own insurers or brokers to obtain an insurance quotation for computation of bid price and communications in strict confidence with his consultants / sub-contractors to solicit their assistance in preparation of proposal submission.

(3) The Bidder shall submit to the HKIRC a duly signed warranty in the form set out in Appendix C to the effect that he understands and will abide by these clauses. The warranty shall be signed by a person authorized to sign the contract on the Bidder's behalf.

(4) Any breach of any of the representations and/or warranties by the Bidder may prejudice the Bidder's future standing as a HKIRC contractor.

Appendix C – Warranty

To: Hong Kong Internet Registration Corporation Limited ("HKIRC")

Dear Sir/Madam,

Warranty

(1) By submitting a proposal, _____[the name of your company] (the "Bidder") represents and warrants that in relation to the proposal for Statutory Audit and Taxation Services 2024:
   (i) it has not communicated and will not communicate to any person other than the HKIRC the amount of any bid price'
   (ii) it has not fixed and will not fix the amount of any bid price by arrangement with any person;
   (iii) it has not made and will not make any arrangement with any person as to whether it or that other person will or will not submit a bid; and
   (iv) it has not otherwise colluded and will not otherwise collude with any person in any manner whatsoever in the bidding process.

(2) In the event that the Bidder is in breach of any of the representations and/or warranties in Clause (1) above, HKIRC shall be entitled to, without compensation to any person or liability on the part of the HKIRC:
   (i) reject the bid;
   (ii) if HKIRC has accepted the bid, withdraw its acceptance of the bid; and
   (iii) if HKIRC has entered into the contract with the Bidder, terminate the contract.

(3) The Bidder shall indemnify and keep indemnified HKIRC against all losses, damages, costs or expenses arising out of this Warranty in relation to any breach of any of the representations and/or warranties in Clause (1) above.

(4) Clause (1) shall have no application to the Bidder's communications in strict confidence with its own insurers or brokers to obtain an insurance quotation for computation of the bid price, or with its professional advisers, and consultants or sub-contractors to solicit their assistance in

preparation of bid submission. For the avoidance of doubt, the making of a bid by a bidder to HKIRC in public during an auction will not by itself be regarded as a breach of the representation and warranty in Clause (1)(i) above.

(5) The rights of HKIRC under Clauses (2) to (4) above are in addition to and without prejudice to any other rights or remedies available to it against the Bidder.

Authorized Signature & Company Chop: _____

Name of Person Authorised to Sign (in Block Letter) : _____

Name of your company in English (in Block Letters) : _____

Date: _____

Appendix D – Declaration Form on the compliance with the ethical commitment requirements

To: Hong Kong Internet Registration Corporation Limited (HKIRC)
Title: Statutory Audit and Taxation Services 2024

We, _____ ("the company") shall acknowledge and agree that, if the company is selected as the Contractor, it shall be bounded by the Ethical Commitment clauses:

1) We confirm that we have complied with the following provisions and have ensured that our directors, employees, agents and sub-contractors are aware of the following provisions:

   a) prohibiting our directors, employees, agents and sub-contractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in section 2 of the Prevention of Bribery Ordinance (Cap 201) in relation to the business of HKIRC except with the permission of HKIRC;

   b) requiring our directors, employees, agents and sub-contractors who are involved in this Contract to declare in writing to their respective company management any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract, and in the event that a conflict or potential conflict is disclosed, take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed;

   c) prohibiting our directors and employees who are involved in this Contract from engaging in any work or employment (other than in the performance of this Contract), with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract and requiring our agents and sub-contractors to do the same; and

   d) taking all measures as necessary to protect any confidential / privileged information or data entrusted to us by or on behalf of HKIRC from being divulged to a third party other than those allowed in this Contract.

Signature:

_____

_____ (Name of the company)

_____(Name of the Signatory)

_____(Position of the Signatory)

_____(Date)