



Dear Assignment/News/Business Section Editor

**Hong Kong Institute of Certified Public Accountants settles regulatory proceedings involving Deloitte Touche Tohmatsu (a CPA firm), BDO Binder (a de-registered CPA firm), and current and former partners of the CPA firms**

(Hong Kong, 19 January 2009) — The Hong Kong Institute of Certified Public Accountants has settled investigation and disciplinary proceedings in respect of alleged violations of its professional standards involving Deloitte Touche Tohmatsu (“DTT”), BDO Binder and one current and three former partners of the respective CPA firms.

The alleged violations were the subject of:

- a. An investigation into the audit by DTT of the 1997 consolidated financial statements of a listed company and its subsidiaries, the audit opinion of which was signed by Lionel Choong, a former partner of DTT;
- b. An investigation into the reporting by DTT and BDO Binder as the Joint Reporting Accountants in the prospectus issued in 1997 by a company to be listed. The Joint Accountants Report was signed by Yuen Suk Ching, a former partner of DTT, and Jennifer Yip Li Yuet Fong, a former partner of BDO Binder; and
- c. An investigation into the audit by DTT of the 1999 financial statements of an unlisted regulated company, the audit opinion on which was signed by, Mary Xuereb, a partner of DTT.

**Agreement**

The Council of the Institute has agreed with the parties that:

1. The Institute will cease all the above regulatory proceedings against them.
2. A lump sum of HK\$3.5 million will be paid by them to the Institute.
3. Mr Lionel Choong will undertake not to practice as a CPA in Hong Kong for 6 months commencing 1 November 2008.

No admission of culpability is made by the parties.

Having considered the alleged violations and the time and costs involved in the on-going proceedings, the Council of the Institute considers that it is in the best interests of the public and the profession to bring these regulatory proceedings to a conclusion at this time.

– END –

## **Note to editor**

### **About the Hong Kong Institute of CPAs**

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has more than 27,000 members and 13,000 registered students. Members of the Institute are entitled to the description certified public accountant and to the designatory letters CPA.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate CPA qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of The Global Accounting Alliance - an alliance of the world's leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

### **Hong Kong Institute of CPA's contact information:**

Stella To  
Deputy Director, Communications  
Phone: 2287 7209  
Mobile: 9027 7323  
Email: [stella@hkicpa.org.hk](mailto:stella@hkicpa.org.hk)