



Hong Kong Institute of  
Certified Public Accountants  
香港會計師公會

Dear Assignment / News / Business Section Editor

## **Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant (practising)**

(HONG KONG, 22 January 2014) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Wong Cho Lim (membership number F02623) on 7 January 2014 and ordered him to pay to the Institute a penalty of HK\$30,000. In addition, Wong was ordered to pay the costs of the disciplinary proceedings of HK\$34,980.

Wong is the sole proprietor of Joseph C. L. Wong & Co. The Institute received information from the Law Society of Hong Kong about alleged deficiencies in an accountant's report issued by Wong under the Accountant's Report Rules. Wong issued an accountant's report stating that a solicitor's firm has complied with the provisions of the Solicitors' Accounts Rules except for certain trivial breaches due to clerical errors and mistakes in book-keeping which were rectified on discovery. He reported he was not aware of any matter which appears to affect adversely any client account or any trust money held by the firm to a material extent. The Law Society of Hong Kong subsequently discovered that the solicitor's firm could not provide the relevant accounting documents. After considering the information available, the Institute lodged a complaint against Wong under sections 34(1)(a)(vi), 34(1)(a)(iii)(B) and 34(1)(a)(viii) of the Professional Accountants Ordinance.

Wong admitted the complaint against him. The Disciplinary Committee found that Wong (a) failed or neglected to observe, maintain or otherwise apply professional standards issued by the Institute, namely the fundamental principles of "*Professional Competence and Due Care*" set out in section 100 "*Introduction and Fundamental Principles*", section 110 "*Integrity*" and section 130 "*Professional Competence and Due Care*" of the Code of Ethics for Professional Accountants; (b) in respect of the accounting documents of the solicitor's firm produced to him, made statements which were material and which he knew to be false or did not believe to be true; and (c) guilty of professional misconduct because of his conduct in (a) and (b).

Having taken into account Wong's admission and the circumstances of the case, the Disciplinary Committee made the above order against Wong under section 35(1) of the ordinance.

Under the ordinance, if Wong is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

The order and findings of the Disciplinary Committee are available at the Institute's website under the "Compliance" section at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

Disciplinary proceedings of the Institute are conducted in accordance with Part V of the ordinance by a five-member Disciplinary Committee. The majority (three members) of each committee, including the chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two members are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interests of justice. A hearing schedule is available at the Institute's website. A CPA who feels aggrieved by an order made by a Disciplinary Committee may appeal to the Court of Appeal, which may confirm, vary or reverse the order.

The Disciplinary Committees have the power to sanction members, member practices and registered students. Sanctions include temporary or permanent removal from membership or cancellation of a practising certificate, a reprimand, a penalty of up to \$500,000, and payment of costs and expenses of the proceedings.

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### **About the Hong Kong Institute of Certified Public Accountants**

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 36,000 members and more than 17,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation 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 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 CPAs' contact information:**

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致：編採主任／新聞／財經版編輯

## 香港會計師公會對一名執業會計師作出紀律懲處

(香港，二零一四年一月二十二日) — 香港會計師公會轄下紀律委員會於二零一四年一月七日對黃祖廉先生(會員編號：F02623)作出譴責，並命令他須繳付罰款港幣三萬元予公會。此外，黃先生亦須支付紀律程序的費用港幣三萬四千九百八十元。

黃先生為黃祖廉會計師事務所的獨資經營者。公會收到香港律師會的資料，指黃先生按會計師報告規則為一律師事務所發出的會計師報告有不妥之處。黃先生在會計師報告內稱，該行已遵從香港法例律師帳目規則的條文，只有由於文書錯誤或簿記錯誤而引致的微不足道的違規情況，但已於發現時全部更正；他亦沒發現有任何會嚴重影響客戶帳戶或由該行託管款項的事宜。可是，香港律師會其後發現該行不能提供有關的會計文件。公會經考慮所得資料，根據《專業會計師條例》第34(1)(a)(vi)條、第34(1)(a)(iii)(B)條及第34(1)(a)(viii)條對黃先生作出投訴。

黃先生承認投訴中的指控屬實。紀律委員會裁定黃先生 (a) 沒有或忽略遵守、維持或以其他方式應用公會的專業準則 – *The Code of Ethics for Professional Accountants section 100 中的 Introduction and Fundamental Principles – "Professional Competence and Due Care"*、section 110 "Integrity"及section 130 "Professional Competence and Due Care"; (b) 就該行提供給黃先生的會計文件作出關鍵性的陳述，而該陳述是他明知是虛假的或不相信是真實的；及 (c) 因為(a)及(b)的行為而犯下專業失當行為。

經考慮黃先生承認指控及有關情況後，紀律委員會根據《專業會計師條例》第35(1)條向黃先生作出上述的命令。

根據《專業會計師條例》，如黃先生不服紀律委員會對他作出的命令，可於命令文本送達後30天內向上訴法庭提出上訴。

紀律委員會的書面判決可於公會網頁內Compliance部份查閱，網頁為 <http://www.hkicpa.org.hk>。

公會的紀律程序是根據《專業會計師條例》第V部份，由五位成員組成的紀律委員會執行。每個紀律委員會的大多數成員，即包括主席在內的三名成員，是由香港特別行政區行政長官從業外人士組成的紀律小組中選派委任，另外兩名成員由專業會計師出任。

除非負責的紀律委員會因公平理由認為不恰當，否則紀律聆訊一般以公開形式進行。紀律聆訊的時間表可於公會網頁查閱。如當事人不服紀律委員會的裁判，可向上訴法庭提出上訴，上訴法庭可確定、修改或推翻紀律委員會的裁判。

紀律委員會有權向公會會員、執業會計師事務所會員及註冊學生作出處分。紀律處分範圍包括永久或有限期地將違規者從會計師註冊紀錄冊中除名或吊銷其執業證書、對其作出譴責、下令罰款不多於五十萬港元，以及支付紀律程序的費用。

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## 關於香港會計師公會

香港會計師公會是香港唯一獲法例授權負責專業會計師註冊兼頒授執業證書的組織，會員人數超過三萬六千，註冊學生人數逾一萬七千。公會會員可採用「會計師」稱銜（英文為 **certified public accountant**，簡稱 **CPA**）。

公會(Hong Kong Institute of Certified Public Accountants)於一九七三年一月一日成立，當時的英文名稱為 **Hong Kong Society of Accountants**。

公會根據《專業會計師條例》履行職責，以公眾利益為依歸。其職能廣泛，包括開辦專業資格課程(**Qualification Programme**)以確保會計師的入職質素，以及頒布香港的財務報告、審計及專業操守準則。此外，公會亦負責在香港監管和推動優良而有效的會計實務，以鞏固香港作為國際金融中心的領導地位。

香港會計師公會是全球會計聯盟（**Global Accounting Alliance**，**GAA**）的成員之一。全球會計聯盟於二零零五年成立，聯合了全球頂尖的專業會計團體，推動優質服務，並積極與各地監管機構、政府及關連人士就國際重要議題共同合作。

## 香港會計師公會聯絡資料

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IN THE MATTER OF

A Complaint made under section 34(1)(a) and section 34(1A) of the Professional Accountants Ordinance (Cap. 50) (“PAO”) and referred to the Disciplinary Committee under section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong  
Institute of Certified Public  
Accountants

COMPLAINANT

AND

Wong Cho Lim (membership no.: F02623) RESPONDENT

Members: Miss Nancy Chan (Chairman)  
Miss Bonnie Chan Jo Ying  
Mr. Marko Ho Wai Lap  
Mr. Calum Muir Davidson  
Ms. Debra Wong

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**REASONS FOR DECISION**

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1. This is a complaint made by the Registrar of the Hong Kong Institute of Certified Public Accountants (“the Institute”) as Complainant against the Respondent, who is a certified public accountant (practising). Sections 34(1)(a)(vi), 34(1)(a)(iii)(B) and 34(1)(a)(viii) of the PAO applied to the Respondent.
2. The particulars of the Complaint as set out in a letter dated 5 February 2013 (“the Complaint”) from the Registrar of the Institute to the Council of the Institute for consideration of the Complaint for referral to the Disciplinary Panels were as follows:-
  - (a) The Institute received a letter from the Law Society of Hong Kong (“LawSoc”) dated 9 March 2012 lodging a complaint against the Respondent for failure to report non-compliance with the Solicitors’ Accounts Rules (“SAR”) by a firm of solicitors (“the Solicitor’s Firm”).

- (b) On 16 November 2011, the Respondent issued an Accountant's Report under the Accountant's Report Rules ("ARR") to the LawSoc on the client's accounts of the Solicitor's Firm for the 12 months ended 31 March 2011 ("Accountant's Report"). In the Accountant's Report, the Respondent reported (in accordance with the format prescribed in ARR) that :

" In compliance with section 8 of the Legal Practitioners Ordinance and the Accountant's Report Rules, I have examined the books, accounts and documents of the firm produced to me and I certify that from my examination and from the explanations and information given to me :

- (1) I am satisfied that during the accounting period the firm has complied with the provisions of the Solicitor's Accounts Rules, except for trivial breaches due to the clerical errors or mistakes in book-keeping, all of which were rectified on discovery and which I am satisfied did not result in any loss to any client.
- (2) I am not aware of any matter which appears to affect adversely any client account or any trust money held by the firm to a material extent."

- (c) The LawSoc subsequently discovered that the Solicitor's Firm could not provide any client's ledgers, client's cashbooks, monthly and client bank reconciliations statement, and office cash books and ledgers of the relevant period. The LawSoc therefore concluded that there were breaches of Rule 10 ( Obligation to Keep Accounts ) of the SAR by the Solicitor's Firm.
- (d) The LawSoc did not regard the Solicitor's Firm's failures to keep proper books and records as "trivial breaches due to clerical errors or mistakes in book-keeping ". In addition, the statement made in the Accountant's Report by the Respondent that " all of which were rectified on discovery " was not true. The Council of the LawSoc rejected the Accountant's Report on the ground that it was not prepared in compliance with Rule 4 of the ARR.
- (e) First Complaint : Section 34(1)(a)(vi) of the PAO applies to the Respondent in that the Respondent failed or neglected to observe, maintain or otherwise apply professional standards, namely, paragraphs 100.5(c), 110.2 and 130 of the Code, when issuing an Accountant's Report under the Accountant's Report Rules.
- (f) Second Complaint : Section 34(1)(a)(iii)(B) of the PAO applies to the Respondent in that the Respondent, in respect of the books, accounts and documents of the Solicitor's Firm produced to him, made statements which were material and which he knew to be false or did not believe to be true.

- (g) Third Complaint : Section 34(1)(a)(viii) of the PAO applies to the Respondent in that he was guilty of professional misconduct, by reason of the above complaints.
3. The Respondent admitted the Complaint against him. He did not dispute the facts as set out in the Complaint. He agreed that the steps set out in paragraphs 17 to 30 of the Disciplinary Committee Proceedings Rules be dispensed with.
  4. By a letter dated 12 September 2013 addressed to the Complainant and the Respondent, the Clerk to the Disciplinary Committee (“DC”), under the direction of the DC, informed the parties that they should make written submissions to the DC as to the sanctions and costs and that the DC would not hold a hearing on sanctions and costs unless otherwise requested by the parties.
  5. In considering the proper order to be made in this case, the DC has had regard to all the aforesaid matters, including the particulars in support of the Complaint and the conduct of the Complainant and the Respondent throughout the proceedings. Also, the DC takes the view that the Respondent has committed serious professional misconduct.
  6. The DC orders that :-
    - 1) the Respondent be reprimanded under section 35(1)(b) of the PAO;
    - 2) the Respondent pay a penalty of HK\$30,000.00 under section 35(1)(c) of the PAO; and
    - 3) the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$34,980.00 under section 35(1)(iii) of the PAO.

Dated the 7<sup>th</sup> day of January 2014

IN THE MATTER OF

A Complaint made under section 34(1)(a) and section 34(1A) of the Professional Accountants Ordinance (Cap. 50) ("PAO") and referred to the Disciplinary Committee under section 33(3) of the PAO

BETWEEN

The Registrar of the Hong Kong  
Institute of Certified Public  
Accountants

COMPLAINANT

AND

Wong Cho Lim (membership no.: F02623) RESPONDENT

Before a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ("the Institute").

Members: Miss Nancy Chan (Chairman)  
Miss Bonnie Chan Jo Ying  
Mr. Marko Ho Wai Lap  
Mr. Calum Muir Davidson  
Ms. Debra Wong

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**ORDER**

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Upon reading the complaint against Wong Cho Lim, being a certified public accountant (practising), as set out in a letter from the Registrar of the Institute ("the Complainant") dated 5 February 2013, the written submission of the Respondent dated 2 October 2013, the written submission of the Complainant dated 17 September 2013 and other relevant documents, the Disciplinary Committee is satisfied by the admission of the Respondent and the evidence adduced before it that the following complaints are proved:

1<sup>st</sup> Complaint: Section 34(1)(a)(vi) of the PAO applies to the Respondent in that the Respondent failed or neglected to observe, maintain or otherwise apply professional standards, namely, paragraphs 100.5(c), 110.2 and 130 of the Code, when issuing an Accountant's Report under the Accountant's Report Rules.



2<sup>nd</sup> Complaint: Section 34(1)(a)(iii)(B) of the PAO applies to the Respondent in that the Respondent, in respect of the books, accounts and documents of the Solicitor's Firm produced to him, made statements which were material and which he knew to be false or did not believe to be true.

3<sup>rd</sup> Complaint: Section 34(1)(a)(viii) of the PAO applies to the Respondent in that he was guilty of professional misconduct, by reason of the above complaints.

IT IS ORDERED that:-

1. the Respondent be reprimanded under section 35(1)(b) of the PAO;
2. the Respondent pay a penalty of HK\$30,000.00 under section 35(1)(c) of the PAO;
3. the Respondent do pay the costs and expenses of and incidental to the proceedings of the Complainant in the sum of HK\$34,980.00 under section 35(1)(iii) of the PAO.

Dated the 7<sup>th</sup> day of January 2014