



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

(HONG KONG, 9 August 2013) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Leung Sze Chit (membership number A23658) on 23 July 2013 and ordered him to pay to the Institute penalties totaling HK\$10,001 for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. In addition, Leung was ordered to pay HK\$21,606 towards the costs of the proceedings.

Leung was a senior manager of a CPA firm and was in charge of the audit work in connection with the global offering of a company. The Institute received information from ICAC about Leung's failure to report to the management of the CPA firm or other appropriate authorities that he had received monies of HK\$300,000 and HK\$100,000, for himself and his immediate subordinate, respectively, from a consultant engaged by the company. Leung also denied knowledge of anyone from the CPA firm receiving money from the company when that was in fact, untrue.

After considering the information available, the Institute lodged a complaint against Leung under section 34(1A) of the Professional Accountants Ordinance.

Leung admitted the complaint against him. The Disciplinary Committee found that Leung failed or neglected to observe, maintain or otherwise apply professional standards issued by the Institute, namely section 100 "Introduction and Fundamental Principles" and section 150 "Professional Behavior" of the Code of Ethics for Professional Accountants.

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

Under the ordinance, if Leung 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.

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 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 35,000 members and 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 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@hki CPA.org.hk