



Hong Kong Institute of Certified Public Accountants takes disciplinary action against two certified public accountants

(HONG KONG, 20 April 2022) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Mr. Ang Wing Fung, a certified public accountant (A24170), and Mr. Chan Kam Wah, a certified public accountant (A16790) (collectively “Respondents”) on 1 March 2022 for their failure or neglect to observe, maintain or otherwise apply the Code of Ethics for Professional Accountants (“Code of Ethics”) issued by the Institute, and for professional misconduct. The Committee further ordered the names of Ang and Chan be removed from the register of certified public accountants permanently and for three years, respectively, with effect from 12 April 2022. In addition, the Respondents were ordered to pay the costs and expenses of the disciplinary proceedings of HK\$128,477 equally.

W. Falcon Asset Management (Asia) Limited (“Falcon”) was a licenced corporation under the Securities and Futures Ordinance, which carried out regulated activities. In 2019, the Securities and Futures Commission (“SFC”) revoked the licence of Falcon due to its window-dressing of liquid capital and other failures, including providing the SFC with false or misleading information in its licence application and monthly financial returns.

The SFC also banned Ang, a former director of Falcon, and Chan, a former chief financial officer and company secretary, from re-entering the financial industry for life and three years, respectively, in connection with their roles in window-dressing the liquid capital of Falcon. The SFC found that Ang was the mastermind of the window-dressing scheme, and its operation was facilitated by Chan. In addition, the Respondents failed to notify the SFC of Falcon’s insufficient liquid capital, and Ang failed to notify the SFC of his resignation as a director of Falcon. The SFC referred the matter to the Institute for action.

After considering the information available, the Institute lodged complaints against the Respondents under sections 34(1)(a)(vi) and 34(1)(a)(viii) of the Professional Accountants Ordinance (Cap. 50).

The Disciplinary Committee found that the Respondents failed or neglected to observe, maintain or otherwise apply the fundamental principle of integrity in sections 100.5(a) and 110 of the Code of Ethics, and the fundamental principle of professional behaviour in sections 100.5(e), 150 and 300.6 of the Code of Ethics.

The Committee further found the above breaches to be serious and such egregious and serious misconduct of the Respondents clearly falls below the standard expected of a professional accountant, amounting to professional misconduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order against the Respondents under section 35(1) of the ordinance.

About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) enforces the highest professional and ethical standards in the accounting profession. Governed by the Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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About HKICPA

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has over 46,000 members and 17,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong’s leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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