



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 29 July 2014) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Kung Ping Cheung (membership number A18085) on 21 July 2014 for his failure or neglect to observe, maintain or otherwise apply a professional standard issued by the Institute, and ordered him to pay a penalty of HK\$30,000 to the Institute. In addition, Kung was ordered to pay costs of the disciplinary proceedings of HK\$25,834.

In April 2012, Kung was fined by the Magistrate's Court for unlawful short selling of shares of a listed company, contrary to the Securities and Futures Ordinance (Cap 571). Kung notified the Institute of the conviction in accordance with his membership obligations. After considering the information available, the Institute lodged a complaint against Kung under section 34(1)(a)(vi) of the Professional Accountants Ordinance.

Kung admitted the complaint against him. The Disciplinary Committee found that Kung failed or neglected to observe, maintain or otherwise apply the fundamental principle of "*Professional Behavior*" set out in section 100.4(e) of the Institute's Code of Ethics for Professional Accountants.

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

Under the ordinance, if Kung 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 37,000 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:**

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