



Dear Assignment / News / Business Section Editor

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

(Hong Kong, 19 August 2016) - The Hong Kong Institute of Certified Public Accountants has undertaken regulatory action against Chan Wing Keung, Simon, a certified public accountant (practising) (membership number A11614), for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Chan issued an accountant's report for a solicitors firm ("Firm") under the Accountant's Report Rules (Cap. 159A) ("ARR"). The ARR requires the accountant's report to include the name of the Firm's proprietor registered with the Law Society of Hong Kong and details of the Firm's non-compliance with Solicitors' Accounts Rules (Cap. 159F) ("SAR"). In the accountant's report, Chan failed to state the appropriate name of the Firm's registered proprietor and to disclose the Firm's failure to keep a separate client bank account which is a contravention of the SAR.

The Institute concluded that in preparing the accountant's report, Chan failed to act diligently in accordance with the ARR, in breach of section 100.5(c), as elaborated in section 130, of the Code of Ethics for Professional Accountants.

Regulatory action

Based on the foregoing and in lieu of further proceedings, the Council concluded that the following Resolution should resolve the complaint:

1. Chan acknowledges the facts of the case and his non-compliance with the relevant professional standards;
2. Chan be reprimanded; and
3. Chan pay an administrative penalty of HK\$15,000 and costs of HK\$10,000.

In accordance with Council powers outlined in the Professional Accountants Ordinance and as a part of the regulatory process to handle complaints, a Resolution by Agreement (RBA) may be offered to respondents in cases considered to be moderate after taking into account factors including, but not limited to, the nature and seriousness of a complaint, past disciplinary records of the respondents and any aggravating or mitigating circumstances. An RBA will not be offered in cases involving complaints of dishonesty.

Information on the Institute's complaint handling process and guidelines for Resolution is available at the Institute website under the "Compliance" section at www.hkicpa.org.hk.

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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 40,000 members and more than 18,000 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.

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