



Dear Assignment/News/Business Section Editor

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

(HONG KONG, 3 October 2016) — On 20 September 2016, a Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants reprimanded Chow Chi Hing (membership number A10842) for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute. Chow was ordered to pay penalty of HK\$15,000. In addition, he was ordered to pay costs and expenses of the disciplinary proceedings totalling HK\$60,021.

Chow practiced in his own name and issued an auditor's report on the financial statements of a private company for the year ended 31 December 2011. The auditor's report did not include a modified opinion in respect of the Company's failure to disclose a material amount owed to a director and payments to directors as related party transactions in the financial statements. The complaint was made under section 34 (1AAA) of the Professional Accountants Ordinance, Cap. 50.

The Disciplinary Committee found that in auditing the financial statements, Chow failed or neglected to observe, maintain or otherwise apply the fundamental principle of professional competence and due care under section 100.5(c), as elaborated in section 130 of the Code of Ethics for Professional Accountants.

Upon consent of the Complainant and the Respondent, the Disciplinary Committee made the above order against Chow under section 35B of the ordinance, which takes immediate effect.

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. Three members of each committee, including a chairman, are non-accountants chosen from a panel appointed by the Chief Executive of the HKSAR, and the other two are CPAs.

Disciplinary hearings are held in public unless the Disciplinary Committee directs otherwise in the interest 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.

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.

- End -

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.

Hong Kong Institute of CPAs' contact information:

Stella To

Head of Corporate Communications

Phone: 2287 7209

Mobile: 9027 7323

Email: stella@hkicpa.org.hk