



Dear Assignment / News / Business Section Editor

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

(HONG KONG, 12 July 2017) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 7 June 2017 that the name of Wong Kong Yiu, Nigel (membership number F06365) be removed from the register of CPAs for five years with effect from 19 July 2017. In addition, Wong was ordered to pay costs of the disciplinary proceedings of HK\$94,050.

Wong was the sole practising director and shareholder of a corporate practice. He was in breach of the rules made by the Institute's Council in failing to renew Professional Indemnity Insurance cover of his practice for four consecutive years and to arrange Run-Off cover upon the de-registration of the practice. In addition, Wong falsely declared to the Institute that the practice had Professional Indemnity Insurance cover when he applied for renewal of the practice's registration for each of the four years.

In addition, Wong's other practice was selected for practice review. Wong failed to comply with a direction of the Practice Review Committee requiring him to cooperate with the practice reviewer to confirm a date for the site visit.

After considering the information available, the Institute lodged complaints against Wong under sub-paragraphs (v), (vi), (ix) and (x) of section 34(1)(a) of the Professional Accountants Ordinance, Cap 50 ("PAO").

The Disciplinary Committee found that Wong failed to comply with the Corporate Practices (Registration) Rules and Corporate Practices (Professional Indemnity) Rules. For his false declarations, the Committee found that he breached section 110.2 of the Code of Ethics for Professional Accountants and was guilty of dishonourable conduct. The Committee further found that Wong failed to comply with a direction of the Practice Review Committee without reasonable excuse.

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

Under the ordinance, if the respondents are aggrieved by the order, they 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 Professional Accountants 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 remaining two members 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 practicing certificate with (where appropriate) an order that a practice certificate shall not be issued either permanently or temporarily, 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 40,000 members and 20,000 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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