



Dear Assignment / News / Business Section Editor

## **Hong Kong Institute of Certified Public Accountants takes regulatory action against two certified public accountants**

(HONG KONG, 17 July 2017) — The Hong Kong Institute of Certified Public Accountants has undertaken regulatory action against Lee Wing Yan, certified public accountant (membership number A36934) and Tse Wai Ho, certified public accountant (membership number A30616) for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Lee was the sole shareholder and director of a Hong Kong private company and Tse was the company secretary. The company was not a corporate practice registered with the Institute and therefore it could not undertake audit engagements within the meaning of the Companies Ordinance or any other Ordinance. However, Lee and Tse allowed the company to hold itself out as providing audit services in its promotional emails and website. They also permitted the company to send unsolicited promotional emails to third parties.

The Institute concluded that Lee and Tse were in breach of sections 450.10, 450.12 and 450.22 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 should resolve the complaint:

1. Lee and Tse acknowledge the facts of the case and their non-compliance with the relevant professional standards; and
2. they be reprimanded and jointly pay an administrative penalty of HK\$20,000 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 are available at the Institute website under the "Compliance" section at [www.hkicpa.org.hk](http://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 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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