



Hong Kong Institute of  
Certified Public Accountants  
香港會計師公會

Dear Assignment / News / Business Section Editor

## **Hong Kong Institute of Certified Public Accountants takes regulatory action against one certified public accountant**

(HONG KONG, 31 August 2017) — The Hong Kong Institute of Certified Public Accountants has undertaken regulatory action against Li Chun On, certified public accountant (membership number A20197), for his failure or neglect to observe, maintain or otherwise apply professional standards issued by the Institute.

Li was formerly the company secretary and an executive director of a Hong Kong listed company. On 13 July 2016, Li was found by the Listing Committee of the Stock Exchange of Hong Kong Limited to have breached Rule 3.08(f) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and the Director's Undertakings. The listed company in question had failed to make an announcement, issue a circular and seek shareholders' approval when entering into a major transaction as required under the Listing Rules.

Li admitted the non-compliance and accepted the sanctions and directions imposed by the Listing Committee, which included public censure and attendance of 24 hours of relevant training.

The Institute concluded that Li was in breach of the fundamental principle of *Professional Behavior* under sections 100.5(e) and 150.1 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. Li acknowledge the facts of the case and his non-compliance with the relevant professional standards;
2. Li be reprimanded; and
3. Li pay an administrative penalty of HK\$35,000 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 41,000 members and 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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