



Hong Kong Institute of Certified Public Accountants takes disciplinary action against a certified public accountant

(HONG KONG, 16 October 2018) A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 11 September 2018 that the name of Li Kwok Cheung, George, certified public accountant (A02754) be removed from the register of CPAs permanently with effect from 21 October 2018. In addition, Li was reprimanded and ordered to pay a penalty of HK\$375,000 and costs of the Institute of HK\$221,039.20.

Li was an executive director of a financial service company which acted as financial adviser to Grand Field Group Holdings Limited, a Hong Kong listed company. In 2002, Grand Field purported to invest in a project that was in fact fictitious. When the Stock Exchange of Hong Kong later investigated into Grand Field's purported investment, Li advised or assisted Grand Field in preparing written responses to the Exchange and drafting a public announcement. Hoping to curb continuing queries from the Exchange, Li acted with certain other individuals to devise a purported sale of the project which was in reality a sham involving a circular fund flow. The sham sale went ahead in 2003.

After considering the information available, the Institute lodged a complaint under section 34(1)(a)(x) of the Professional Accountants Ordinance (Cap 50).

The Disciplinary Committee found that Li was guilty of dishonourable conduct.

Having taken into account the circumstances of the case, the Disciplinary Committee made the above order under section 35(1) of the ordinance. The Committee noted this is a serious case involving fraud and dishonesty, in which Li played a central role as a financial adviser. He committed a serious breach of integrity and showed no remorse. The Committee considered that a permanent removal from membership was commensurate with Li's breach and would maintain public confidence in the integrity of the profession.

About HKICPA Disciplinary Process

The Hong Kong Institute of Certified Public Accountants (HKICPA) enforces the highest professional and ethical standards in the accounting profession. Governed by the Professional Accountants Ordinance (Cap. 50) and the Disciplinary Committee Proceedings Rules, an independent Disciplinary Committee is convened to deal with a complaint referred by Council. If the charges against a member, member practice or registered student are proven, the Committee will make disciplinary orders setting out the sanctions it considers appropriate. Subject to any appeal by the respondent, the order and findings of the Disciplinary Committee will be published.

For more information, please see:

<http://www.hkicpa.org.hk/en/standards-and-regulations/compliance/disciplinary/>

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About HKICPA

The Hong Kong Institute of Certified Public Accountants (HKICPA) is the statutory body established by the Professional Accountants Ordinance responsible for the professional training, development and regulation of certified public accountants in Hong Kong. The Institute has more than 42,000 members and 18,000 registered students.

Our qualification programme assures the quality of entry into the profession, and we promulgate financial reporting, auditing and ethical standards that safeguard Hong Kong's leadership as an international financial centre.

The CPA designation is a top qualification recognised globally. The Institute is a member of and actively contributes to the work of the Global Accounting Alliance and International Federation of Accountants.

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