



Dear Assignment / News / Business Section Editor

Hong Kong Institute of CPAs takes disciplinary action Against a certified public accountant

(HONG KONG, 26 April 2012) — A Disciplinary Committee of the Hong Kong Institute of Certified Public Accountants ordered on 11 April 2012 that the name of Chan Wing Kui (membership number A26647) be removed from the register of certified public accountants for a period of five years with effect from 30 May 2012.

In addition, Chan was ordered to pay a penalty of HK\$100,000 and HK\$30,000 towards the costs of the disciplinary proceedings.

In 2007, Chan was convicted of two counts of criminal offence involving dishonesty in Hong Kong. Chan joined the company as its financial controller at the time when the company was preparing for a listing application with the Hong Kong Stock Exchange.

He was found guilty of conspiring with others to defraud the shareholders and other parties by inflating the turnover and profit figures shown in the company's published financial statements in the annual report following the company's successful listing. Chan was also found guilty of conspiring with others to apply for a letter of credit when there was no genuine underlying commercial transaction, and to defraud a bank to pay under the letter of credit. Chan applied for leave to appeal. In 2009, the Court of Appeal dismissed his application for appeal against his conviction. Chan was sentenced to imprisonment for six years and three months.

After considering the information available, the Institute lodged a complaint against Chan under section 34(1A) of the Professional Accountants Ordinance. A Disciplinary Committee was constituted in May 2011.

The Disciplinary Committee found, on evidence submitted and Chan's admission, that the complaint against him was proven. Having taken into account the circumstances of the case, the Disciplinary Committee made the order against Chan under section 35(1) of the Professional Accountants Ordinance.

Under the ordinance, if Chan is aggrieved by the order, he may give notice of an appeal to the Court of Appeal within 30 days after he is served the order.

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 Professional Accountants Ordinance by a five-member Disciplinary Committee. The majority (three members) of each committee, including the chairman, are non-accountants chosen from a panel appointed by the chief executive of the HKSAR, and the other two members are CPAs.

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

The 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.

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About the Hong Kong Institute of CPAs

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 33,000 members and 16,000 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 CPA 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 CPA's contact information:

Stella To
Deputy Director, Communications
Phone: 2287 7209
Mobile: 9027 7323
Email: stella@hkicpa.org.hk